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October 31, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: RIKEN TECHNOS CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 4220
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Scheduled date to file semi-annual securities report: November 7, 2025
Scheduled date to commence dividend payments: November 28, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Institutional Investors & Analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	65,567	3.4	5,533	15.8	5,486	16.5	3,461	32.4
September 30, 2024	63,391	3.2	4,776	31.9	4,708	12.0	2,614	4.3

Note: Comprehensive income For the six months ended September 30, 2025: ¥2,796 million [(49.8)%]
For the six months ended September 30, 2024: ¥5,568 million [(9.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	68.63	-
September 30, 2024	47.92	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	114,780	73,573	55.5
March 31,2025	116,469	75,780	55.7

Reference: Equity
As of September 30, 2025: ¥63,710 million
As of March 31, 2025: ¥64,868 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	14.00	-	27.00	41.00
Fiscal year ending March 31, 2026	-	20.00			
Fiscal year ending March 31, 2026 (Forecast)			-	27.00	47.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes
About revisions to the forecast of cash dividends, please refer to the "Notice Concerning Revision to Dividend Forecasts for the Fiscal Year Ending March 31, 2026" announced separately today.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2026(from April 1, 2025 to March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	134,000	4.6	10,500	0.1	10,300	(2.7)	6,500	(11.8)	131.99

Note: Revisions to the consolidated financial forecast most recently announced: Yes
About revisions to the consolidated financial forecast, please refer to the "Notice Concerning the Difference between Consolidated Financial Forecasts (and Non-Consolidated Financial Forecasts) and Actual Results for the Six Months Ended September 30, 2025 and the Revision of Consolidated Financial Forecasts (and Non-Consolidated Financial Forecasts) for the Fiscal Year Ending March 31, 2026" announced separately today.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: - companies (-)
Excluded: - companies (-)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to the attached document, page 11, " Special Accounting Applied for Preparing Semi-annual Consolidated Financial Statements "

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	51,274,821 shares
As of March 31, 2025	53,275,019 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	2,122,300 shares
As of March 31, 2025	2,097,067 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	50,446,815 shares
Six months ended September 30, 2024	54,547,313 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to RIKEN TECHNOS CORPORATION (the “Company”) and on certain assumptions deemed to be reasonable. Actual results, etc. may differ materially from the forecasts due to various factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to the attached document, page 4, "1. Qualitative Information on Semi-annual Financial Results (4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Info

Table of Contents – Attachments

1. Qualitative Information on Semi-annul Financial Results 2
(1) Explanation of Operating Results 2
(2) Explanation of Financial Position 3
(3) Explanation of Cash Flows 4
(4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information 4
2. Semi-annual Consolidated Financial Statements and Principal Notes 5
(1) Consolidated Balance Sheets 5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income 7
(3) Consolidated Statements of Cash Flows 9
(4) Notes to Semi-annul Consolidated Financial Statements 11
(Notes on the going concern assumption) 11
(Notes in Case of Significant Changes in Shareholders' Equity) 11
(Special Accounting Applied for Preparing Semi-annual Consolidated Financial Statements) 11
(Additional Information) 12
(Notes to Consolidated Balance Sheets) 14
(Notes to Consolidated Statements of Income) 14
(Notes to Consolidated Statements of Cash Flows) 14
(Shareholders' Equity and Others) 15
(Segment Information and Others) 16
(Revenue recognition) 17
(Per Share Information) 17
(Significant Subsequent Events) 17

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2025, the Japanese economy saw a moderate recovery. While price increases persisted, signs of improvement were observed in consumer spending and capital investment, and public investment remained firm.

Overseas, while the U.S. economy remained resilient despite signs of a weakening labor market, uncertainty persisted due mainly to the slowdown in the Chinese economy and the direction of U.S. policies.

Under such circumstances, the Company and its group companies (the "Group") have been making tangible efforts for the Medium-term Business Plan, "One Vision, New Stage 2027," which is now in its first year, under the three strategies of "Global One Company," "Stay Ahead of Customers' Expectations," and "Take on the Challenge toward New Businesses and Products."

As a result, net sales were 65,567 million yen (up 3.4% from the same period in the previous fiscal year; hereinafter "year-on-year"), operating profit was 5,533 million yen (up 15.8% year-on-year), ordinary profit was 5,486 million yen (up 16.5% year-on-year), and profit attributable to owners of parent was 3,461 million yen (up 32.4% year-on-year).

Operating results by segment are as shown below.

The name, abbreviation, and main markets of each respective reportable segment are as follows:

Transportation (TR): automobile, railroad, and shipping markets, etc.

Daily Life & Healthcare (DH): healthcare, materials for daily life, and food packaging markets, etc.

Electronics (EL): energy, communications, and IT equipment markets, etc.

Building & Construction (BC): housing, buildings, construction materials, and civil engineering markets

(Note) The terms in parentheses are abbreviations for the reportable segments.

<Transportation>

Domestic revenue increased due to an increase in sales of elastomer compounds.

Overseas revenue increased due to higher sales of PVC compounds in Vietnam and Thailand.

Segment profit remained unchanged year-on-year, as higher sales in Japan and overseas were offset by rising costs in these regions.

As a result, net sales amounted to 21,088 million yen (up 4.5% year-on-year) and segment profit was 2,195 million yen (down 2.0% year-on-year).

<Daily Life & Healthcare>

Domestic revenue decreased due to lower sales of household wrap products, despite steady sales of PVC compounds for consumer goods and elastomer compounds.

Overseas revenue increased mainly due to higher sales of PVC compounds for the medical market in ASEAN.

Segment profit increased due to higher sales of compounds in Japan and overseas.

As a result, net sales amounted to 18,425 million yen (up 1.4% year-on-year) and segment profit was 1,958 million yen (up 21.1% year-on-year).

<Electronics>

Domestic revenue increased due to the progress in transferring higher raw material costs for compounds into sales prices amid sluggish market conditions.

Overseas revenue increased due to higher sales of PVC compounds in Thailand and China markets.

Segment profit increased due to the revision of sales prices of compounds and films in Japan to fair and reasonable levels.

As a result, net sales amounted to 12,812 million yen (up 4.9% year-on-year) and segment profit was 808 million yen (up 79.7% year-on-year).

<Building & Construction>

Domestic revenue increased due to the progress in transferring higher raw material costs into sales prices, and higher sales of PVC compounds, despite stagnant sales of films in the building materials market amid sluggish housing starts.

Overseas revenue decreased due to lower sales of PVC compounds in Thailand.

Segment profit increased due to the revision of sales prices of compounds and films in Japan to fair and reasonable levels.

As a result, net sales amounted to 13,232 million yen (up 3.4% year-on-year) and segment profit was 532 million yen (up 17.4% year-on-year).

(2) Explanation of Financial Position

(Assets)

Total assets as of September 30, 2025, were 114,780 million yen (a decrease of 1,689 million yen from the end of the previous fiscal year). This was mainly attributable to the decrease in inventories such as raw materials and supplies, as well as property, plant and equipment including land, despite an increase in investment securities, among other factors.

(Liabilities)

Total liabilities as of September 30, 2025, were 41,207 million yen (an increase of 517 million yen from the end of the previous fiscal year). This was mainly attributable to the increases in income taxes payable, long-term borrowings, and other current liabilities, despite decreases in notes and accounts payable - trade and short-term borrowings, among other factors.

(Net Assets)

Net assets as of September 30, 2025, were 73,573 million yen (a decrease of 2,206 million yen from the end of the previous fiscal year). This was mainly attributable to the decreases in foreign currency translation adjustment and non-controlling interests, despite an increase in valuation difference on available-for-sale securities, among other factors.

(3) Explanation of Cash Flows

On a consolidated basis, cash and cash equivalents (hereinafter "cash") as of September 30, 2025 increased by 1,382 million yen from the end of the previous fiscal year to 25,829 million yen. Net cash provided by operating activities was 7,071 million yen (compared with 5,952 million yen provided for the same period of the previous fiscal year), net cash used in investing activities was 306 million yen (compared with 2,220 million yen used for the same period of the previous fiscal year), and net cash used in financing activities was 4,748 million yen (compared with 3,952 million yen used for the same period of the previous fiscal year).

The status and factors affecting cash flows for the six months ended September 30, 2025 are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities increased by 1,119 million yen from the same period of the previous fiscal year to 7,071 million yen. This was mainly due to cash inflows from profit before income taxes of 5,688 million yen, depreciation of 1,986 million yen, the decrease in inventories of 785 million yen, and the increase in other current liabilities of 1,169 million yen, while recording cash outflows from the increase in trade receivables of 958 million yen and income taxes paid of 850 million yen, among other factors.

(Cash Flows from Investing Activities)

Net cash used in investing activities decreased by 1,914 million yen from the same period of the previous fiscal year to 306 million yen. This was mainly due to cash inflows from proceeds from sale of property, plant and equipment of 1,894 million yen and proceeds from sale of investment securities of 298 million yen, while recording cash outflows from purchase of property, plant and equipment of 2,497 million yen and purchase of intangible assets of 55 million yen, among other factors.

(Cash Flows from Financing Activities)

Net cash used in financing activities increased by 795 million yen from the same period of the previous fiscal year to 4,748 million yen. This was mainly due to cash inflows from proceeds from long-term borrowings of 1,788 million yen, while recording cash outflows from purchase of treasury shares of 2,417 million yen, decrease in short-term borrowings of 1,279 million yen, and dividends paid (including dividends paid to non-controlling interests) of 2,626 million yen, among other factors.

(4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

With regard to the full-year Consolidated Financial forecast for the fiscal year ending March 31, 2026, we have revised the full-year earnings forecast announced on April 30, 2025 based on the latest earnings trends.

Please refer to the "Notice Concerning the Difference between Forecasts and Actual Results for the Six Months Ended September 30, 2025 and the Revision of Forecasts for the Fiscal Year Ending March 31, 2026" released today for details.

2 Semi-annual Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	24,472,764	25,701,138
Notes receivable - trade	735,947	571,268
Accounts receivable - trade	21,191,220	21,608,487
Electronically recorded monetary claims - operating	4,942,652	4,732,232
Merchandise and finished goods	10,936,170	10,106,638
Work in process	1,071,231	1,232,190
Raw materials and supplies	9,844,655	8,837,037
Other	1,214,363	1,408,341
Allowance for doubtful accounts	(86,058)	(80,862)
Total current assets	74,322,947	74,116,471
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,061,650	11,291,063
Machinery, equipment and vehicles, net	8,712,596	9,080,002
Land	6,592,746	5,133,956
Leased assets, net	86,451	79,293
Construction in progress	2,239,497	2,191,007
Other, net	890,094	884,204
Total property, plant and equipment	30,583,035	28,659,527
Intangible assets		
Leased assets	3,375	1,564
Other	2,643,120	2,376,605
Total intangible assets	2,646,496	2,378,169
Investments and other assets		
Investment securities	6,194,352	6,998,552
Long-term loans receivable	1,159	996
Retirement benefit asset	1,524,780	1,567,142
Deferred tax assets	485,293	438,904
Other	715,843	624,999
Allowance for doubtful accounts	(4,549)	(4,549)
Total investments and other assets	8,916,879	9,626,044
Total non-current assets	42,146,411	40,663,741
Total assets	116,469,358	114,780,213

(Thousands of yen)

		As of March 31, 2025		As of September 30, 2025
Liabilities				
Current liabilities				
Notes and accounts payable - trade		20,713,412		19,514,294
Electronically recorded obligations - operating		419,987		413,364
Short-term borrowings	*1	9,102,182	*1	7,492,312
Current portion of long-term borrowings		396,012		332,308
Lease liabilities		47,468		33,790
Income taxes payable		924,728		1,337,282
Provision for bonuses		1,105,819		1,045,593
Provision for bonuses for directors (and other officers)		116,654		55,180
Other		2,131,787		3,275,687
Total current liabilities		34,958,052		33,499,814
Non-current liabilities				
Long-term borrowings		2,198,657		3,586,882
Lease liabilities		54,848		57,156
Long-term income taxes payable		30,000		30,000
Deferred tax liabilities		1,678,008		1,914,703
Provision for share awards for directors (and other officers)		274,560		279,121
Retirement benefit liability		1,049,268		960,716
Asset retirement obligations		345,702		348,033
Provision for loss on business restructuring		-		450,000
Other		100,150		80,659
Total non-current liabilities		5,731,196		7,707,273
Total liabilities		40,689,249		41,207,087
Net assets				
Shareholders' equity				
Share capital		8,514,018		8,514,018
Capital surplus		6,597,580		6,597,580
Retained earnings		42,595,295		42,478,213
Treasury shares		(1,899,288)		(2,097,865)
Total shareholders' equity		55,807,605		55,491,947
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		3,615,641		4,226,548
Foreign currency translation adjustment		5,013,068		3,577,023
Remeasurements of defined benefit plans		431,884		414,832
Total accumulated other comprehensive income		9,060,594		8,218,403
Non-controlling interests		10,911,908		9,862,775
Total net assets		75,780,109		73,573,126
Total liabilities and net assets		116,469,358		114,780,213

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	63,391,831	65,567,359
Cost of sales	51,679,210	52,954,874
Gross profit	11,712,620	12,612,484
Selling, general and administrative expenses	*1 6,936,128	*1 7,079,353
Operating profit	4,776,491	5,533,131
Non-operating income		
Interest income	45,065	58,397
Dividend income	115,242	95,858
Other	86,491	118,348
Total non-operating income	246,799	272,604
Non-operating expenses		
Interest expenses	144,596	187,530
Foreign exchange losses	137,837	91,776
Other	32,130	40,204
Total non-operating expenses	314,564	319,511
Ordinary profit	4,708,726	5,486,223
Extraordinary income		
Gain on sale of non-current assets	1,780	463,171
Gain on sale of investment securities	67,338	204,309
Total extraordinary income	69,118	667,480
Extraordinary losses		
Loss on sale of non-current assets	971	112
Loss on retirement of non-current assets	145,318	15,161
Provision for loss on business restructuring	-	450,000
Total extraordinary losses	146,289	465,273
Profit before income taxes	4,631,556	5,688,430
Income taxes	1,079,644	1,300,770
Profit	3,551,911	4,387,659
Profit attributable to non-controlling interests	937,842	925,699
Profit attributable to owners of parent	2,614,069	3,461,960

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	3,551,911	4,387,659
Other comprehensive income		
Valuation difference on available-for-sale securities	(579,979)	610,925
Foreign currency translation adjustment	2,608,807	(2,185,207)
Remeasurements of defined benefit plans, net of tax	(12,571)	(17,052)
Total other comprehensive income	2,016,256	(1,591,333)
Comprehensive income	5,568,168	2,796,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,772,020	2,619,769
Comprehensive income attributable to non-controlling interests	1,796,147	176,557

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	4,631,556	5,688,430
Depreciation	1,949,205	1,986,994
Amortization of goodwill	727	-
Increase (decrease) in provision for loss on business restructuring	-	450,000
Increase (decrease) in provision for bonuses	(138,034)	(48,647)
Increase (decrease) in provision for bonuses for directors (and other officers)	(59,049)	(61,474)
Increase (decrease) in allowance for doubtful accounts	-	(5,197)
Increase (decrease) in retirement benefit liability	(28,789)	(40,449)
Increase (decrease) in provision for share awards for directors (and other officers)	6,616	4,560
Interest and dividend income	(160,307)	(154,255)
Interest expenses	144,596	187,530
Loss (gain) on sale of investment securities	(67,338)	(204,309)
Loss (gain) on sale of property, plant and equipment	(808)	(463,059)
Loss on retirement of non-current assets	145,318	15,161
Decrease (increase) in trade receivables	2,756,013	(958,422)
Decrease (increase) in inventories	(303,772)	785,687
Increase (decrease) in trade payables	(960,067)	(295,557)
Increase (decrease) in accrued consumption taxes	(16,317)	(101,800)
Other, net	(166,773)	1,169,605
Subtotal	7,732,773	7,954,796
Interest and dividends received	160,307	154,204
Interest paid	(145,967)	(187,212)
Income taxes paid	(1,794,529)	(850,075)
Net cash provided by (used in) operating activities	5,952,584	7,071,713
Cash flows from investing activities		
Payments into time deposits	(16,077)	(6,084)
Proceeds from withdrawal of time deposits	18,079	6,080
Purchase of property, plant and equipment	(2,038,544)	(2,497,714)
Proceeds from sale of property, plant and equipment	3,147	1,894,635
Purchase of intangible assets	(172,250)	(55,864)
Proceeds from sale of investment securities	107,916	298,891
Proceeds from collection of loans receivable	261	161
Other, net	(123,468)	53,395
Net cash provided by (used in) investing activities	(2,220,935)	(306,497)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(91,215)	(1,279,378)
Proceeds from long-term borrowings	228,495	1,788,000
Repayments of long-term borrowings	(312,698)	(199,930)
Repayments of lease liabilities	(13,666)	(13,112)
Purchase of treasury shares	(1,738,564)	(2,417,654)
Dividends paid	(1,112,907)	(1,400,618)
Dividends paid to non-controlling interests	(911,926)	(1,225,690)
Net cash provided by (used in) financing activities	(3,952,484)	(4,748,385)
Effect of exchange rate change on cash and cash equivalents	697,183	(634,601)
Net increase (decrease) in cash and cash equivalents	476,347	1,382,228
Cash and cash equivalents at beginning of period	21,852,394	24,447,758
Cash and cash equivalents at end of period	*1 22,328,742	*1 25,829,986

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

(Acquisition of Treasury Shares)

The Company acquired 740 thousand shares of its treasury stock, based on the resolution of the Board of Directors Meeting held on February 25, 2025. As a consequence of this acquisition, treasury shares increased by 782,567 thousand yen during the period.

Furthermore, the Company acquired 1,375 thousand shares of its treasury stock, based on the resolution of the Board of Directors Meeting held on July 31, 2025. As a consequence of this acquisition, treasury shares increased by 1,635,056 thousand yen during the period.

(Cancellation of Treasury Shares)

The Company cancelled 2,000 thousand shares of its treasury stock, effective June 30, 2025, based on the resolution of the Board of Directors Meeting held on June 20, 2025. As a consequence of this cancellation, retained earnings and treasury shares each decreased by 2,174 ,630 thousand yen during the period.

As a result of the above, retained earnings amounted to 42,478,213 thousand yen, and treasury stock amounted to 2,097,865 thousand yen as of the end of the period.

(Special Accounting Applied for Preparing Semi-annual Consolidated Financial Statements)

(Calculation of Tax Expenses)

The Company computes the taxes first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the second quarter under review, and next by multiplying profit before income taxes by such estimated effective tax rate.

However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.

(Additional Information)

(Transactions of delivering the Company's own stock to employees etc. through trusts)

(1) Board Benefit Trust (BBT)

In accordance with the resolution at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced a new stock-based compensation plan "Board Benefit Trust (BBT)" on September 14, 2016, for the purpose of raising awareness of Directors who execute business (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers toward their contributions to improving the mid- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members contribute to increasing the mid- to long-term corporate value through supervision or audit.

i) Overview of transactions

Based on the officers' stock benefit plan which was established in advance, the Company and its group companies (the "Group") grant points to Directors, etc. (Directors and Executive Officers). At the time of their retirement, the Group provides shares in the Company to the Directors, etc. who satisfy requirements for beneficiaries in proportion to the points which the Group has granted to them. With regard to the shares which will be provided to Directors etc. in the future, a trust bank acquires the Company's treasury shares through third-party allotment by using the money contributed by the Company. Such shares are managed as trust assets separately.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 254,361 thousand yen and 553 thousand shares, respectively, while those as of the end of the period under review were 240,258 thousand yen and 523 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(2) Stock Benefit Trust (Employee Stockholding Association Purchase-type)

For the purpose of promoting welfare benefits for employees and giving incentives pertaining to the improvement of corporate value of the Company, the Company introduced “Stock Benefit Trust (Employee Stockholding Association Purchase-type)” (hereinafter referred to as the “Plan”), pursuant to the resolution at the Board of Directors meeting held on February 22, 2021.

i) Overview of transactions

The Plan is an incentive plan under which the benefits of a rise in the Company’s stock price are passed along to all the employees who are members of the “RIKEN TECHNOS Employee Stockholding Association” (hereinafter referred to as the “Stockholding Association”).

A trust bank as the trustee of the Plan acquires shares in the Company that are expected to be acquired by the Stockholding Association over the five years after the establishment of the trust, an bloc in advance, and sells those shares in the Company to the Stockholding Association as needed when it acquires the shares. If the amount equivalent to gain on sales of shares by the trust bank was accumulated in trust assets by the termination of this trust through the sale of shares to the Stockholding Association, the accumulated amount is distributed as residual assets to the members of the Company’s employee Stockholding Association who satisfy eligibility requirements for beneficiaries. The Company has guaranteed loans that the trust bank received to acquire shares in the Company. Therefore, if there is remaining loan amount that is equivalent to loss on sales of shares in the Company due to a decline in the Company’s stock price at the time of termination of the trust, the Company is required to pay the remaining loan amount under the guarantee agreement.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 53,241 thousand yen and 104 thousand shares, respectively, while those as of the end of the period were 22,898 thousand yen and 44 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(3) Employee Stock Benefit Trust (J-ESOP)

For the purpose of boosting morale and motivating employees to improve the Company's stock price and business performance by increasing the linkage between the Company's stock price and business performance with the compensation of employees, the Company introduced “Employee Stock Benefit Trust (J-ESOP)” (hereinafter referred to as the “Plan”), pursuant to the resolution at the Board of Directors meeting held on February 25, 2025.

i) Overview of transactions

The Plan is a trust-type plan based on the Employee Stock Ownership Plan (ESOP) in the U.S., and is designed to provide employees of the Company who meet certain requirements with the Company's shares and money equivalent to the amount of the Company's shares converted to market value (hereinafter referred to as the "Company's shares, etc.") based on the Stock benefit Regulations established by the Company in advance.

The Company grants points to employees in accordance with the Company's performance and their individual contributions, etc., and when they acquire the right to receive benefits under certain conditions, the Company provides them with the Company's shares, etc., equivalent to the points granted. Shares to be provided to employees in the future are acquired with money set up in advance in a trust and are segregated and managed as trust assets.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 199,652 thousand yen and 179 thousand shares, respectively, while those as of the end of the period were 199,652 thousand yen and 179 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(Notes to Consolidated Balance Sheets)

*1. Overdraft agreements and unused overdraft facility balance

To flexibly secure working capital, the Company and its domestic consolidated subsidiaries have entered into overdraft agreements with banks with which they do business.

The unused balance of these prescribed limit agreements at the end of the period is as follows:

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Total overdraft facility limit	8,980,000	8,980,000
Outstanding borrowings within the limit	3,815,000	3,815,000
Unused balance	5,165,000	5,165,000

(Notes to Consolidated Statements of Income)

*1. Main components of selling, general and administrative expenses

Main components of selling, general and administrative expenses are as follows:

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Salaries and bonuses	1,405,030	1,468,911
Provision for bonuses	211,100	247,622
Provision for bonuses for directors (and other officers)	54,123	55,180
Provision for share awards for directors (and other officers)	42,505	27,439
Retirement benefit expenses	72,195	76,154
Freightage expenses	1,975,696	1,989,665
Research and development expenses	783,097	798,292
Provision of allowance for doubtful accounts	(919)	(2,745)

(Notes to Consolidated Statements of Cash Flows)

*1. Reconciliation between “Cash and cash equivalents at end of period” in the consolidated statements of cash flows and “Cash and deposits” in the consolidated balance sheets

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash and deposits	22,353,901	25,701,138
Time deposits with maturities over 3 months	(25,158)	(24,814)
Other current assets	-	153,662
Cash and cash equivalents	22,328,742	25,829,986

(Shareholders' Equity and Others)

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 21, 2024	Common stock	1,115,502	20	March 31, 2024	June 24, 2024	Retained earnings

(Note) Total dividends include 15,476 thousand yen of dividends to the Company's own shares held in Trust Account E.

2. Dividends whose cut-off date is in the period under review and whose effective date is after the end of the period under review

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Board of Directors meeting held on October 31, 2024	Common stock	754,996	14	September 30, 2024	November 29, 2024	Retained earnings

(Note) Total dividends include 9,773 thousand yen of dividends to the Company's own shares held in Trust Account E.

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 20, 2025	Common stock	1,404,411	27	March 31, 2025	June 23, 2025	Retained earnings

(Note) Total dividends include 22,607 thousand yen of dividends to the Company's own shares held in Trust Account E.

2. Dividends whose cut-off date is in the period under review and whose effective date is after the end of the period under review

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Board of Directors meeting held on October 31, 2025	Common stock	997,992	20	September 30, 2025	November 28, 2025	Retained earnings

(Note) Total dividends include 14,942 thousand yen of dividends to the Company's own shares held in Trust Account E.

(Segment Information and Others)

[Segment information]

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information about net sales and profit or loss by reportable segment, and revenue breakdown

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	20,186,903	18,173,264	12,208,404	12,794,786	63,363,359	28,471	63,391,831	—	63,391,831
Sales to external customers	20,186,903	18,173,264	12,208,404	12,794,786	63,363,359	28,471	63,391,831	—	63,391,831
Intersegment sales or transfers	—	—	—	—	—	312,648	312,648	(312,648)	—
Total	20,186,903	18,173,264	12,208,404	12,794,786	63,363,359	341,120	63,704,479	(312,648)	63,391,831
Segment profit	2,240,314	1,616,808	450,163	453,619	4,760,905	841	4,761,746	14,744	4,776,491

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.
2. The adjustment to segment profit represents negative 14,744 thousand yen in inter-segment eliminations.
3. Segment profit is adjusted to operating profit in the consolidated statements of income.

2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Information about net sales and profit or loss by reportable segment, and revenue breakdown

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	21,088,509	18,425,177	12,812,586	13,232,409	65,558,683	8,675	65,567,359	—	65,567,359
Sales to external customers	21,088,509	18,425,177	12,812,586	13,232,409	65,558,683	8,675	65,567,359	—	65,567,359
Intersegment sales or transfers	—	—	—	—	—	255,501	255,501	(255,501)	—
Total	21,088,509	18,425,177	12,812,586	13,232,409	65,558,683	264,177	65,822,861	(255,501)	65,567,359
Segment profit	2,195,964	1,958,411	808,753	532,323	5,495,453	45,575	5,541,028	(7,897)	5,533,131

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.
2. The adjustment to segment profit represents negative 7,897 thousand yen in inter-segment eliminations.
3. Segment profit is adjusted to operating profit in the consolidated statements of income.

2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

(Revenue recognition)

Information on the breakdown of revenue generated from contracts with customers is as stated in “Segment Information and Others.”

(Per Share Information)

Basic earnings per share and the basis for calculation thereof are as follows:

	Three months ended September 30, 2024	Three months ended September 30, 2025
Basic earnings per share (Yen)	47.92	68.63
(Basis for calculation)		
Profit attributable to owners of parent (Thousands of yen)	2,614,069	3,461,960
Amount not attributable to common shareholders (Thousands of yen)	–	–
Profit attributable to owners of parent regarding common stock (Thousands of yen)	2,614,069	3,461,960
Average number of shares of common stock outstanding during the period (Thousands of shares)	54,547	50,466

(Notes) 1. Shares in the Company remaining at the trust that were recorded as treasury shares under shareholders’ equity have been included in the treasury shares that should be deducted in calculating the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.
The average number of treasury shares during the period that were deducted for the purpose of calculating basic earnings per share was 1,227 thousand shares for the six months ended September 30, 2024 and 1,685 thousand shares for the six months ended September 30, 2025.

2. Diluted earnings per share are not presented because there are no potential shares.

(Significant Subsequent Events)

The Company resolved, at the meeting of the Board of Directors held on October 31, 2025, to acquire its treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act.

(1) Reason for acquisition of treasury shares

To exercise agile management of capital policy corresponding to any changes of business environment and improve capital efficiency and enhance shareholder returns.

(2) Details of matters related to acquisition

i) Class of shares to be acquired: Common stock

ii) Number of shares to be acquired: 1,500 thousand shares (maximum)

iii) Total amount of share acquisition costs: 2,000,000 thousand yen (maximum)

iv) Acquisition period for treasury shares: From November 7, 2025 to January 31, 2026