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August 7, 2025

To Whom It May Concern

Company name:	RIKEN KEIKI Co., Ltd.
Representative:	Tetsuya Matsumoto, President (Securities code: 7734, Tokyo Stock Exchange Prime)
Inquires:	Shuji Tajima, Executive Officer and Executive General Manager of Corporate Administration Division (TEL. +81-3-6454-9922)

**Notice Regarding Action to Implement Management
that is Conscious of Cost of Capital and Stock Price (Update)**

RIKEN KEIKI Co., Ltd. hereby announces that it has updated the progress and other developments related to the initiative titled “Toward Sustainable Enhancement of Corporate Value—Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” originally announced on August 7, 2024, in Japanese only.

For further details, please refer to the attached document:

Toward Sustainable Enhancement of Corporate Value—Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update).



Toward Sustainable Enhancement of Corporate Value
Action to Implement Management
that is Conscious of Cost of Capital and Stock Price
(Updated on August 7, 2025)

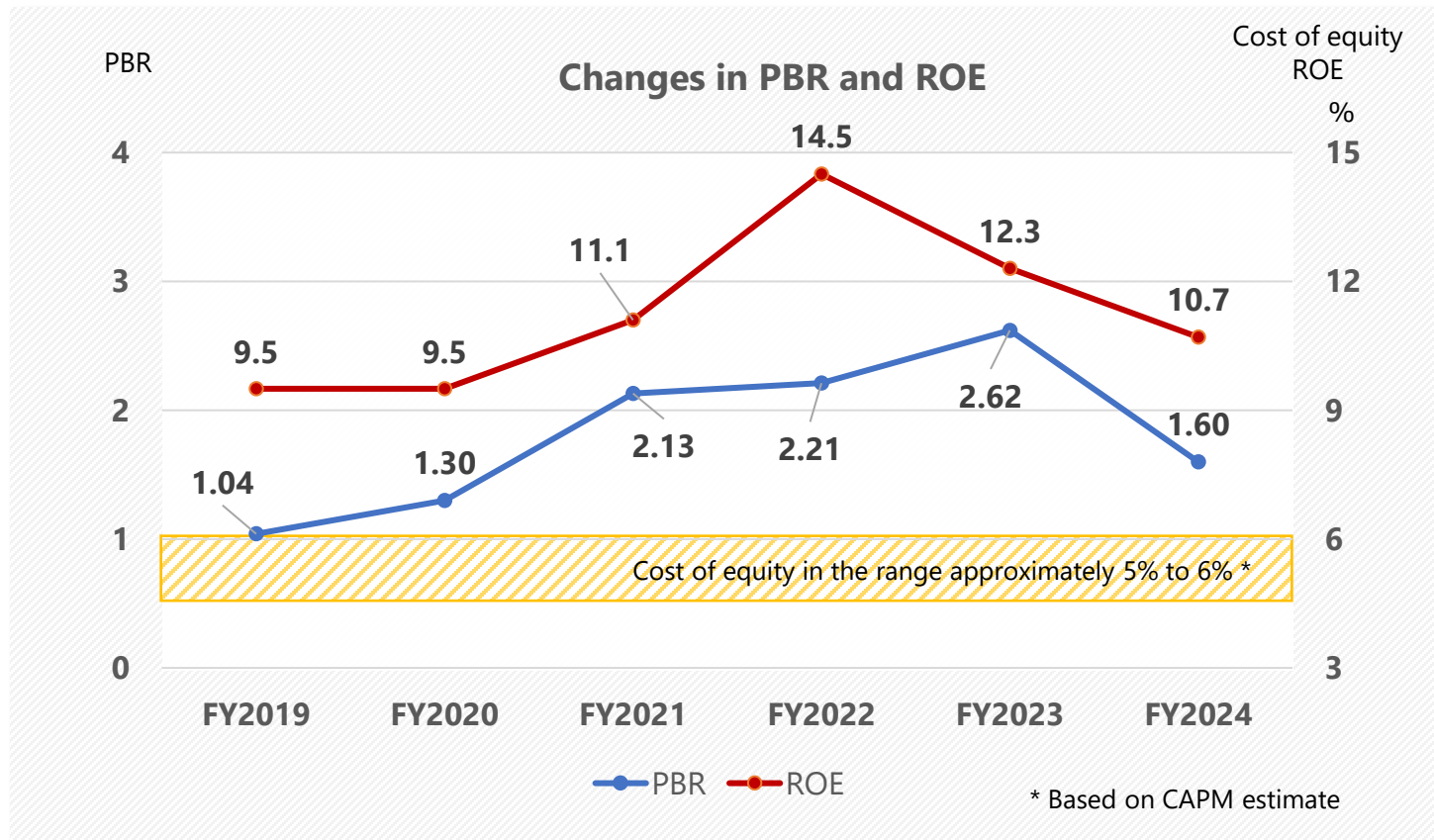
RIKEN KEIKI Co., Ltd.

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Current Situation Analysis

- Maintains PBR at 1 or higher
- ROE remains at a level exceeding the cost of equity



Approach to ROE Target

Target of Management Indicators

Maintain ROE of 10% or higher, ROE > cost of equity

Approach to the above targets

Driven by increased production resulting from recent growth in semiconductor demand and the expansion of overseas operations, capital profitability has improved significantly. At the same time, in light of the need to establish systems to support rapid sales growth, rising labor costs, and exposure to foreign exchange risks and the cost of equity, we aim to maintain an ROE target of 10% or higher.

Specific Measures to Achieve ROE > Cost of Equity

- ▶ **Further improvement in business profitability and capital efficiency**
 - Expanding production capacity and enhancement of competitiveness in anticipation of growing demand driven by increased capital investment in the semiconductor industry both in Japan and overseas
 - Expanding overseas market share through the establishment of overseas bases and the implementation of global business strategies.
 - Deploying solutions for a decarbonized society, IoT-enabled gas detectors, and investments through M&A
- ▶ **Advancement of capital and financial strategies to improve capital efficiency**
 - Striving to achieve an optimal financial structure with consideration for capital efficiency, business risks, credit ratings, and other key factors
 - Delivering long-term and stable shareholder returns

Cash Allocation

Source

**Cash flows from
operating
activities**

**External
financing, etc.**



Allocation

Growth investment

- Strengthening sales structure overseas (Semiconductors, ships, EPC)
- Investing in R&D
- M&A, joint development

Foundation strengthening

- Promoting human capital management
- Restructuring supply chain
- Introducing new core systems
- Investing in maintenance and renewal of facilities

Shareholder returns

- Long-term stable dividends
- Agile share buybacks

Retained earnings

- Allocation to future investments

Long-Term Outlook for Sustainable Enhancement of Corporate Value

- Strive to achieve the ROE target with a focus on capital costs by improving capital efficiency, while also driving sales and profit growth.
- Identified three core themes for our long-term corporate value enhancement:
(1) Profitability improvement, (2) Growth investment, and (3) Capital cost reduction.
Select key group strategies and promote individual initiatives, based on these themes.

Core Themes

(1) Profitability improvement

- Strengthening product development to expand market share
- Expanding the RK brand globally
- Developing new technologies in response to customer needs and market changes

(2) Growth investment

- Strengthening production systems in anticipation of increased demand
- Investing in development of operational sites
- Investing in DX to improve operational efficiency
- Investing in strategic M&A
- Investing in human resource

(3) Capital cost reduction

- Reducing information gaps with investors through IR meetings and enhanced information disclosure
- Implementing shareholder returns based on long-term stable dividends

Key Group Strategies for Business Growth

Domestic market strategy

- Production systems to meet surging demand
- Enhanced competitiveness by improving productivity

Overseas market strategy

- Establishment of overseas subsidiary's organizational structure
- Expansion of overseas maintenance operations

New domain strategy

- Enhancement of marketing capabilities
- Product development based on market demands such as decarbonization and carbon neutrality

Human resource investment strategy

- Promotion of human capital management
- Educational structure to pass down technical expertise
- Development of educational and working environments

Supply chain strategy

- Review to ensure stable product supply
- Supply chain restructuring

DX strategy

- Digitization of maintenance management operations and ERP updates
- Utilization of data from gas detectors

IoT strategy

- Pursuing service revenue through communication technologies, application utilization, cloud compatibility, and more

Governance strategy

- Review of governance structure, including overseas subsidiaries

IR Activities to Respond to Shareholders and Investors

- The stock split implemented in April 2024, which reduced the investment unit, has improved accessibility and broadened the investor base.
- In IR meetings with institutional investors and securities analysts, we conducted not only individual but also group sessions, enabling engagement with a greater number of institutional investors. In addition, we enhanced investor engagement through improvements in financial results briefings, integrated reports, and English-language disclosures.

Financial Results Briefing (Japanese and English)



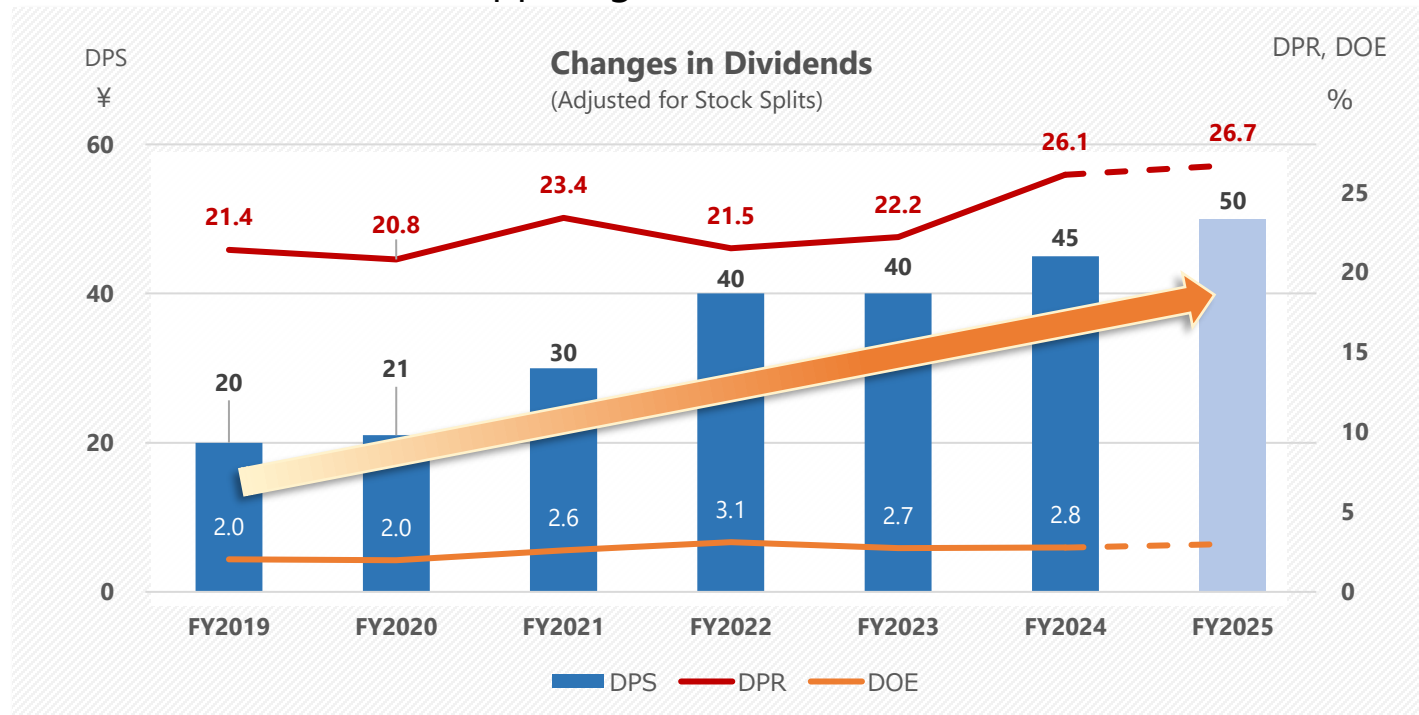
* Published at the end of Q2 and Q4

Integrated Report (Japanese and English)



Shareholder Return Policy

- Our fundamental policy is to emphasize long-term shareholder returns by increasing dividends in line with sustainable profit growth, while maintaining dividend stability.
- In line with this policy, the annual dividend per share for FY2024 was ¥45, up ¥5 from FY2023. For FY2025, we plan an additional ¥5 increase.
- Going forward, we will continue to focus on shareholder returns based on our fundamental policy of maintaining long-term stable dividends and executing flexible share buybacks. At the same time, we will aim to strike an optimal balance with strengthening our financial foundation and investing in research and development, facilities, and workforce to support growth.



* DPS and DPR for FY2025 are as reported in the financial results summary.