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August 7, 2025

To Whom It May Concern

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**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)

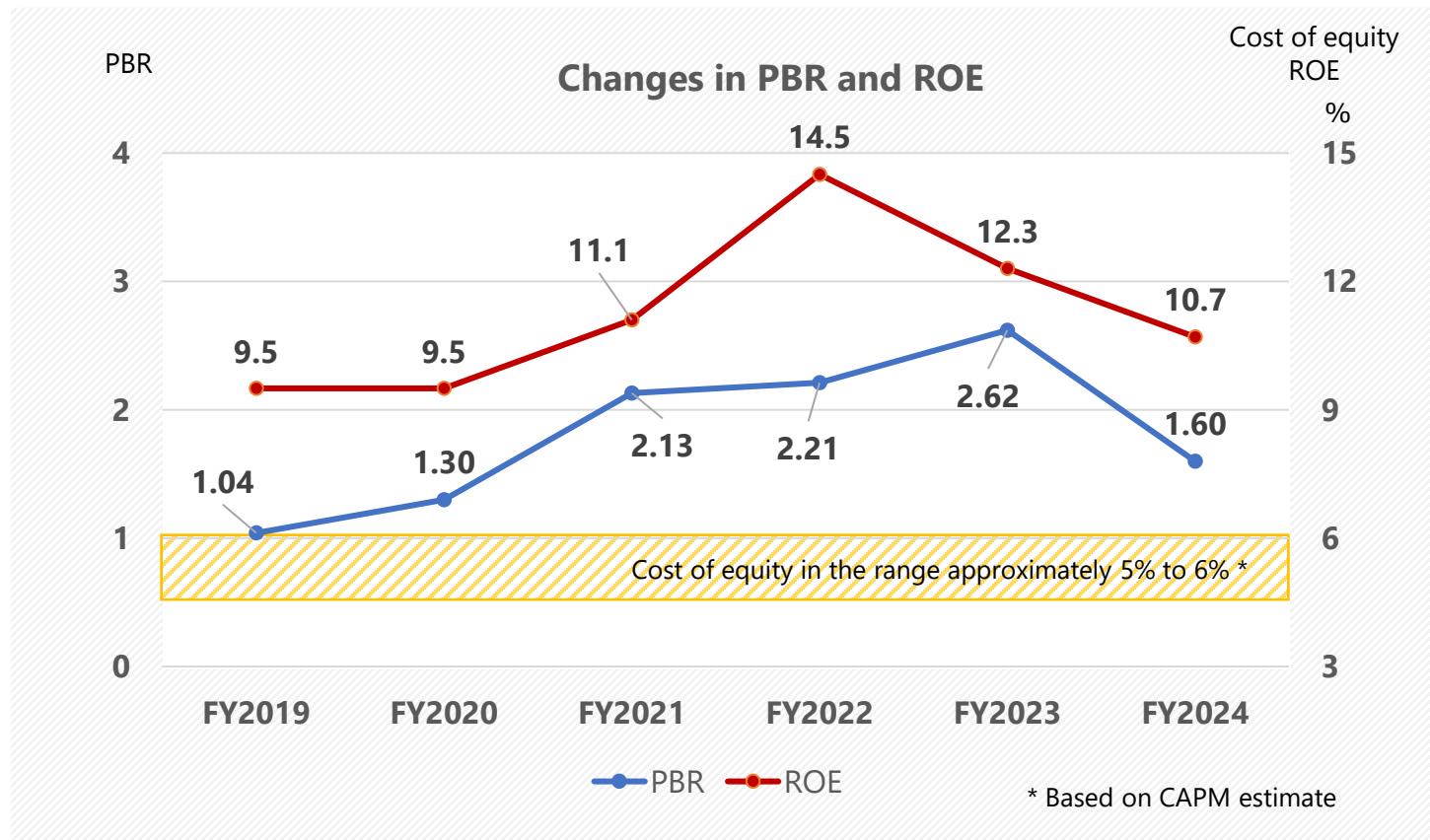
RIKEN KEIKI Co., Ltd.

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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, $ROE > \text{cost of equity}$

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 $ROE > \text{Cost of Equity}$

▶ 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



Allocation



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



Key Group Strategies for Business Growth

Domestic market strategy	Overseas market strategy	New domain strategy	Human resource investment strategy	Supply chain strategy	DX strategy	IoT strategy	Governance strategy
<ul style="list-style-type: none">• Production systems to meet surging demand• Enhanced competitiveness by improving productivity	<ul style="list-style-type: none">• Establishment of overseas subsidiary's organizational structure• Expansion of overseas maintenance operations	<ul style="list-style-type: none">• Enhancement of marketing capabilities• Product development based on market demands such as decarbonization and carbon neutrality	<ul style="list-style-type: none">• Promotion of human capital management• Educational structure to pass down technical expertise• Development of educational and working environments	<ul style="list-style-type: none">• Review to ensure stable product supply• Supply chain restructuring	<ul style="list-style-type: none">• Digitization of maintenance management operations and ERP updates• Utilization of data from gas detectors	<ul style="list-style-type: none">• Pursuing service revenue through communication technologies, application utilization, cloud compatibility, and more	<ul style="list-style-type: none">• 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)



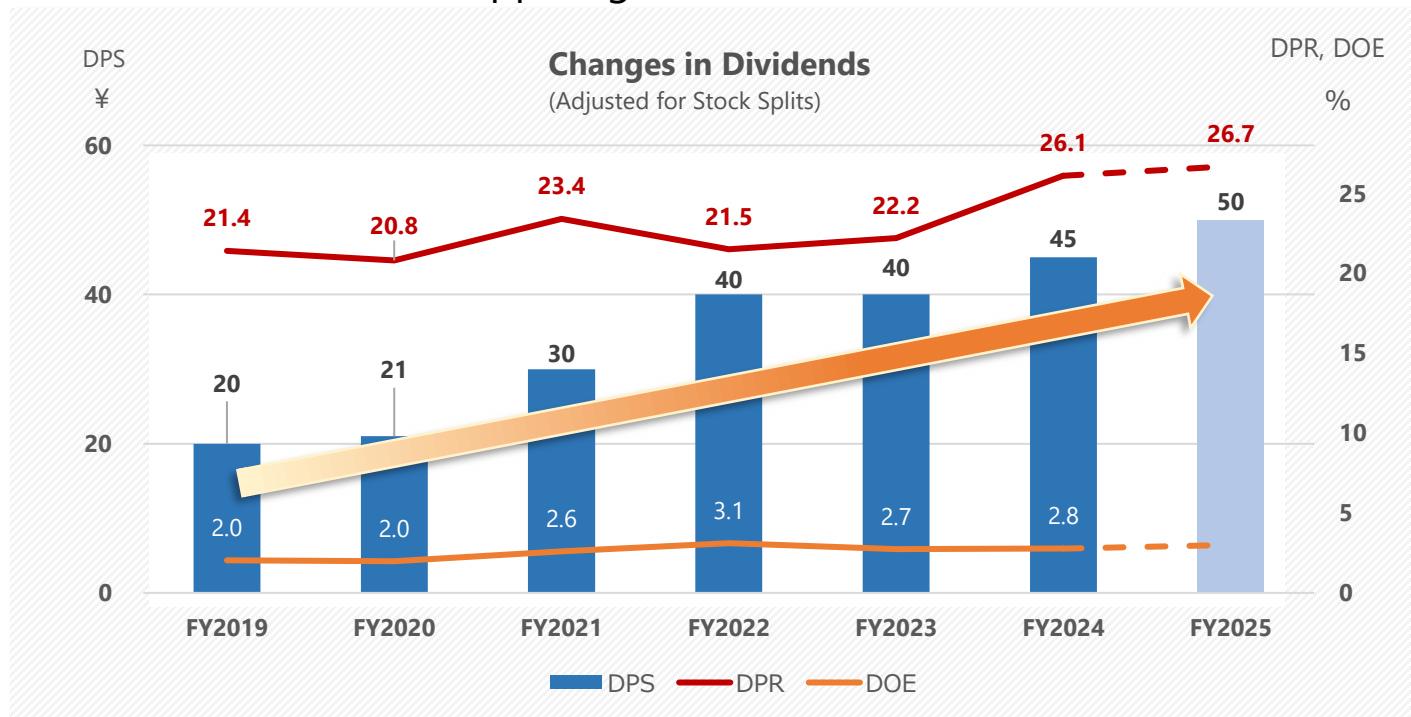
* Published at the end of Q2 and Q4

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.