

Medium-Term Management Plan

from FY2026 to FY2028

(April 1, 2026 – March 31, 2029)



RIKEN KEIKI Co., Ltd.

(TSE Prime Market Code: 7734)

Contents

- 1. Review of the Previous Medium-Term Management Plan (MTP)**
2. Business Environment
3. New MTP Strategic Direction
4. Business Strategy
5. Financial Strategy





Review of the Vision and Targets

Vision

In response to sustainable social and customer needs such as IoT and decarbonization, the RIKEN KEIKI Group will develop new technologies and expand overseas markets to aim for a global company that achieves sustainable growth by utilizing the power of “people” and “technology”

Plan

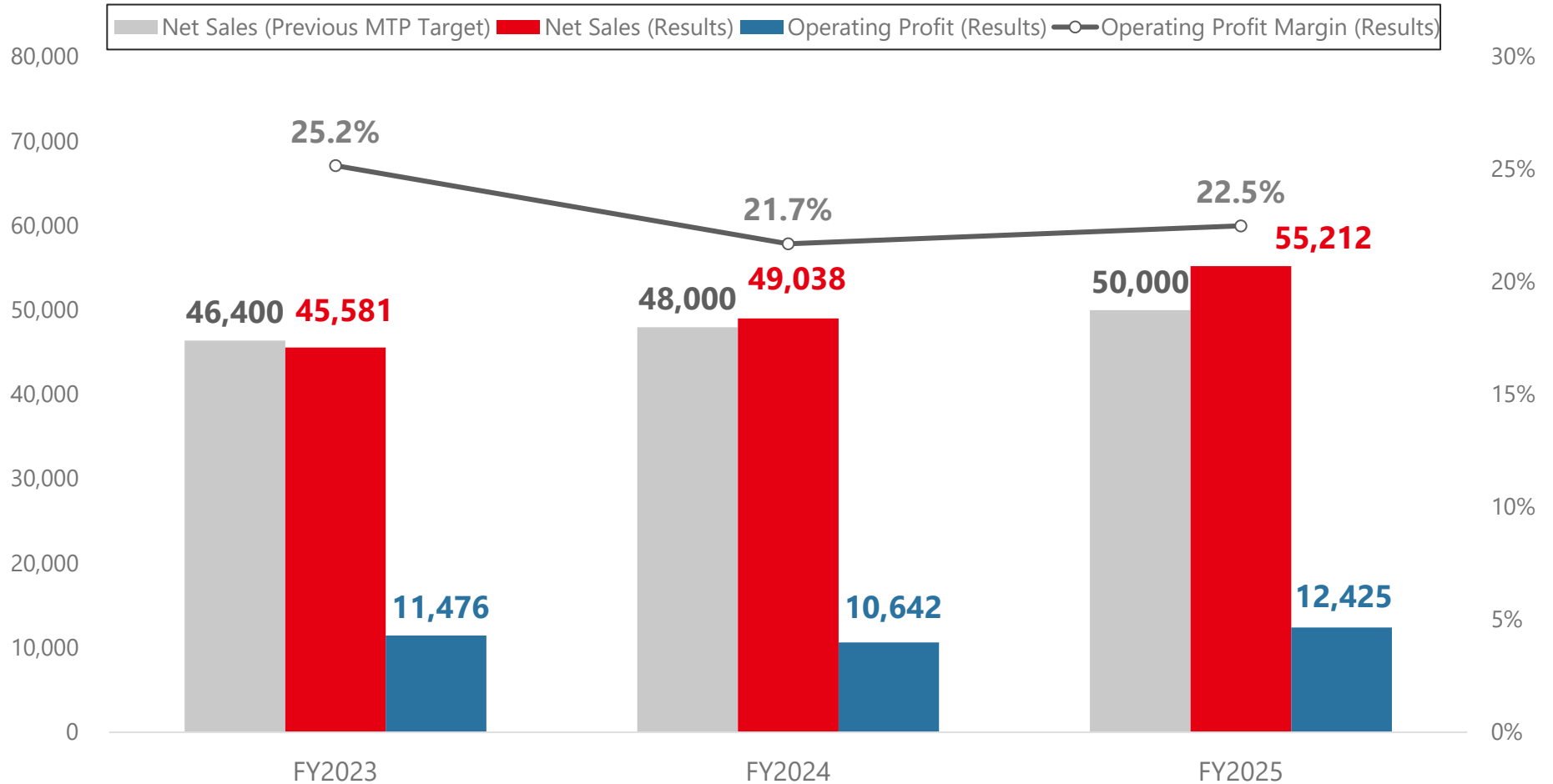
Results

	Plan		Results
Consolidated Net Sales	50.0 billion yen or more		55.2 billion yen
Consolidated Operating Profit	12.0 billion yen or more		12.4 billion yen
ROE	Maintain double-digit ROE, assuming stable net profit levels		Maintained double-digit ROE throughout the period
Shareholder Return	Consistent and stable dividends		The dividend payments have increased every year

Status of Quantitative Targets (Net Sales & Operating Profit)

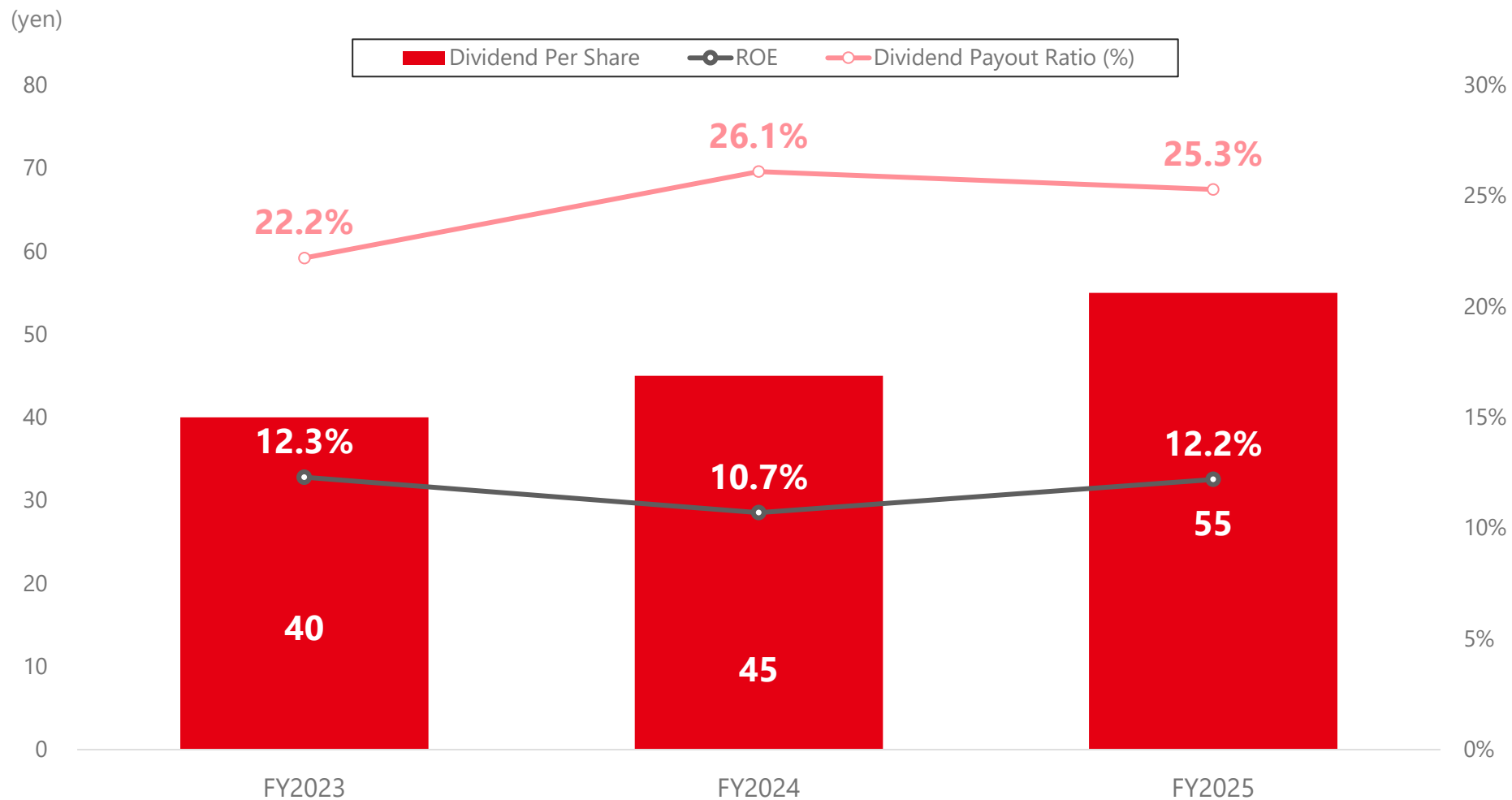
Net sales have been generally steady as planned, reaching 55.2 billion yen in FY2025, which exceeded our target. Operating profit reached 12.4 billion yen, meeting the target, driven by the increase in net sales and the partial impact of price increases implemented (since 2H FY2025), although the operating profit margin has been trending downward due to factors including rising raw material costs.

(Million Yen)



Status of Quantitative Targets (ROE & Dividend Payout Ratio)

**The target ROE of double-digit based on stable net profit level has been achieved.
The dividend payments continues to show an upward trend.**



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

Macro Environmental Trends Surrounding the Gas Detector Industry

The business environment surrounding the gas detector industry has undergone significant changes in recent years. Especially, in light of the growing safety awareness, we formulated a three-year business strategy with the aim of meeting societal needs through our business and strengths.

	Key Trends and Topics	Opportunities / Positive Factors	Issues / Negative Factors
P	<ul style="list-style-type: none"> ❑ Generation of new demand due to stricter environmental regulations → From conventional safety assurance to long-term environmental monitoring ❑ Stricter regulations on occupational safety and health in various countries ❑ Promotion of protectionism by the United States ❑ Impact of Middle East conflicts on resource prices and supply 	<ul style="list-style-type: none"> ❑ Sales opportunities for high-value-added products to meet new demand ❑ Increase in stable demand unaffected by economic fluctuations 	<ul style="list-style-type: none"> ❑ Slowdown in demand due to revisions of regulations caused by changes in government, etc. ❑ Increased price competitiveness of competitors and complexity of cost structures for global manufacturers
E	<ul style="list-style-type: none"> ❑ Growth of the semiconductor market ❑ Market expansion due to rapid industrialization and urbanization in the Asia-Pacific region ❑ Vulnerability of supply chains for critical parts and resources, and soaring prices of resources/materials due to geopolitical risks ❑ Impact of exchange rate and interest rate fluctuations on the business environment 	<ul style="list-style-type: none"> ❑ Further increase in supply to semiconductor manufacturing facilities, which are our major customers ❑ Growth opportunities due to infrastructure investment and industrialization in China, India, Southeast Asia, etc. ❑ Revenue opportunities in overseas operations driven by a weak yen 	<ul style="list-style-type: none"> ❑ Possibility of fluctuations in production costs and lead-time due to dependence on specific regions ❑ Restraint of investment by petrochemical companies due to price uncertainty
S	<ul style="list-style-type: none"> ❑ Rising awareness of corporate social responsibility and safety culture ❑ Integration of smart city infrastructure due to urbanization ❑ Changes in market needs and shortage of specialized IT personnel → Sophistication of market needs and intensifying competition for specialized talent due to progress in IoT and AI 	<ul style="list-style-type: none"> ❑ Increased investment incentives for safety technology in various companies ❑ Generation of new opportunities through the construction of residential and public networks 	<ul style="list-style-type: none"> ❑ Need to respond to the latest demands (software, data analysis, etc.) and efforts to improve the treatment of specialized personnel
T	<ul style="list-style-type: none"> ❑ Opportunities to create value-added services such as predictive maintenance and data analysis using IoT/AI ❑ Cybersecurity risks due to technological innovation ❑ Acceleration of technological innovation by competitors → Development of platform strategies integrating hardware and software (data analysis, etc.) 	<ul style="list-style-type: none"> ❑ Generation of new business opportunities utilizing AI and wireless communication in addition to conventional gas detection functions 	<ul style="list-style-type: none"> ❑ Improved competitiveness of competitors and the possibility of a decline in our market share ❑ Increased burden of security management and responsibility for manufacturers

Recognition of Market Trends in Our Customer Industries

Based on recent trends in each market segment that constitutes our major customers (semiconductor, shipping, steel, and crude oil/natural gas), we anticipate the semiconductor and shipping markets as priority sales targets for the next three-year period.

	Market Attractiveness	General Summary
Semiconductor		A promising market with the highest growth potential in both the short and long term. Government support and demand for AI/data centers serve as a powerful tailwind. While there is a temporary slowdown in EVs, the overall trend is upward; capital investment demand, especially in Asia, presents a major opportunity. As the most promising market, it requires our continued focus.
Shipping		A solid market where medium-term demand recovery is certain, driven by three overlapping factors: "increase in cargo volume," "vessel replacement cycle," and "government policy aimed at strengthening the sector." Although growth is not expected to be explosive, it is attractive as a stable revenue base due to the existence of consistent demand.
Steel		While some overseas countries and regions are growing, the domestic market continues to shrink. However, due to the movement towards new energy transition, the market requires continued close monitoring both domestically and overseas. It is also considered necessary to strengthen expansion into growing emerging countries.
Crude Oil and Natural Gas		A certain scale will be maintained until 2030, but after that the risk of supply instability due to "production decline" and "excess demand" will increase. While it will serve as a short-term revenue source, it is considered high-risk to position it as a long-term growth market. It is necessary to closely monitor trends such as future supply shortages, market stagnation, and the movement towards decarbonization. Furthermore, the crude oil market is particularly susceptible to the impact of geopolitical risks.

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Positioning and Vision of New MTP

During this plan period, we aim to achieve consolidated net sales of 70.0 billion yen and operating profit of 14.0 billion yen or more by FY2028.

We will undertake a comprehensive reform of our entire supply chain to enable sustainable growth.

Long-Term Management Vision

**A Leading Company Creating the Future of Safety:
Driven by People and Technology**

Evolution of Identity: From a Detector Manufacturer to a Partner Delivering Safety to the World

FY2026–FY2028

**New Medium-Term Management Vision
Opening Up Global Markets and Organizational
Strengthening for Sustainable Growth**

Strategy 1

Global Growth
Strategy

Strategy 2

Value Chain
Strengthening &
Expansion

Strategy 3

Strategic Product
Launches

Strategy 4

ERP Implementation & Cross-Departmental
Collaboration Enhancement

FY2023–2025

Previous MTP

Strengthening Management Foundations and
Preparing for Overseas Expansion

Domestic
Market
Penetration

Organizational
Restructuring of
Overseas
Subsidiaries

ERP
Preparation

Solid Foundation for Growth

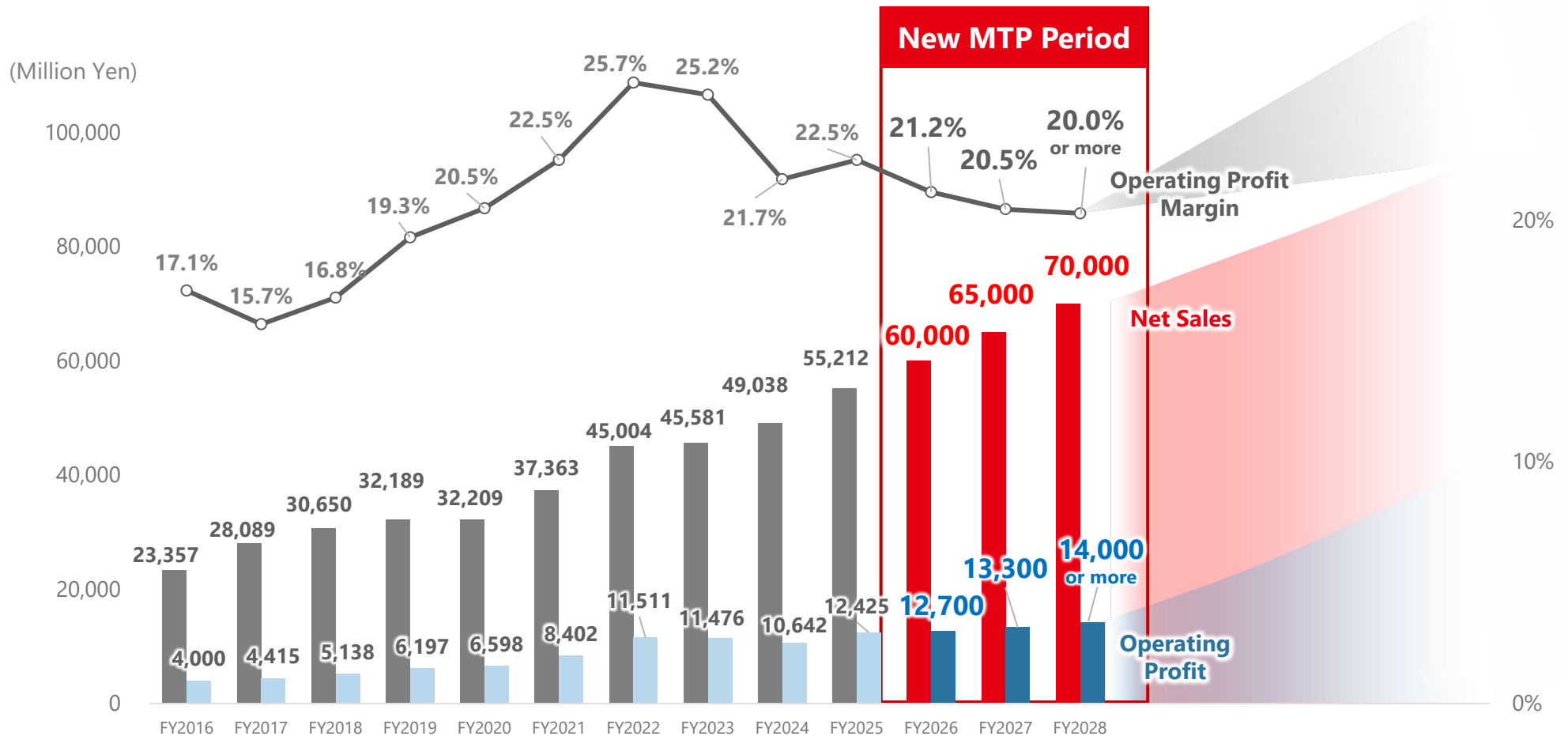
Sustainable Growth: Powered by People and Technology

Robust Management Base: Built on [Existing Customer Base] and [Advanced Technical Capabilities]

Three-Year Quantitative Targets (Long-Term Trends)

During the new MTP period, operating profit margins are expected to decline due to investments in human capital and DX aimed at achieving sustainable growth, the development of sales networks and pricing strategies to capture overseas market share, as well as rising labor and material costs.

In the medium to long term, however, profitability is expected to recover, driven by after-sales maintenance services in overseas markets.



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Business Strategy: 4 Themes & 9 Topics (Growth & Foundational Strategies)

Opening up global markets and organizational strengthening for sustainable growth

	Key Strategic Themes of the New MTP	Major Initiatives (Details on the following pages)	Division Involved	Objectives of Initiatives
I	Foundational Strategy 1 Strengthening and promoting cross-departmental collaboration	<ul style="list-style-type: none"> Accelerating information sharing centered on ERP Optimizing the product portfolio Delivering products in a timely manner by shortening development lead times 	Company-wide	Enhancing product development capabilities and speed
II	Business Growth Strategy 1 Enhancing value proposition by building a customer-inclusive value chain	<ul style="list-style-type: none"> Proactively proposing solutions by combining products with maintenance services Developing infrastructure to strengthen maintenance service capabilities 	Sales Engineering QC	Generating stable profits
	2 Proactively expanding into overseas markets	<ul style="list-style-type: none"> Strengthening overseas sales by focusing on the semiconductor sector in East Asia and North America Training personnel for secondment from Headquarters to overseas subsidiaries Acquiring and maintaining certifications in priority countries 	Sales Production	Strengthening global operations
	3 Developing new domain through R&D and transferring skills via standardization	<ul style="list-style-type: none"> Standardizing successful development case studies through sales-technical collaboration Training project leaders and visualizing development processes/skills via AI 	R&D	Expanding domains
III	Foundational Business Strategy 1 Strengthening management talent development	<ul style="list-style-type: none"> Developing management talent with a company-wide optimization perspective Introducing a company-wide talent development platform to systematize "Specialized Skills" and "General Skills" 	Production	Expanding production capacity in alignment with growth plans
	2 Expanding and enhancing production capacity & managing the supply chain	<ul style="list-style-type: none"> Strengthening support for suppliers to improve productivity Systematically expanding production lines and securing necessary resources Strengthening cost analysis and optimizing price structures 	Company-wide Management	Promoting autonomous organizations and encouraging internal proposals
	3 Implementing, adopting, and effectively utilizing ERP	<ul style="list-style-type: none"> Establishing an environment for steady ERP implementation and utilization Promoting data-driven management by implementing ERP 		
IV	Others 1 Investing in growth & allocating resource	<ul style="list-style-type: none"> Strengthening strategic planning and establishing progress management systems Formulating strategies with a focus on capital efficiency 		
	2 Enhancing ESG management initiatives	<ul style="list-style-type: none"> Strengthening group governance Promoting sustainability initiatives 		

Strengthening cross-departmental collaboration as a foundation for value chain expansion and sustainable growth

Three Key Points for Achieving “Seamless Company-Wide Collaboration”

— **Sharing and leveraging cost information** —

- Establishing an environment with access to unified cost and profit data by integrating Sales, Production, and R&D
- Setting appropriate prices and making proposals based on accurate profitability management

— **Developing products in a timely manner** —

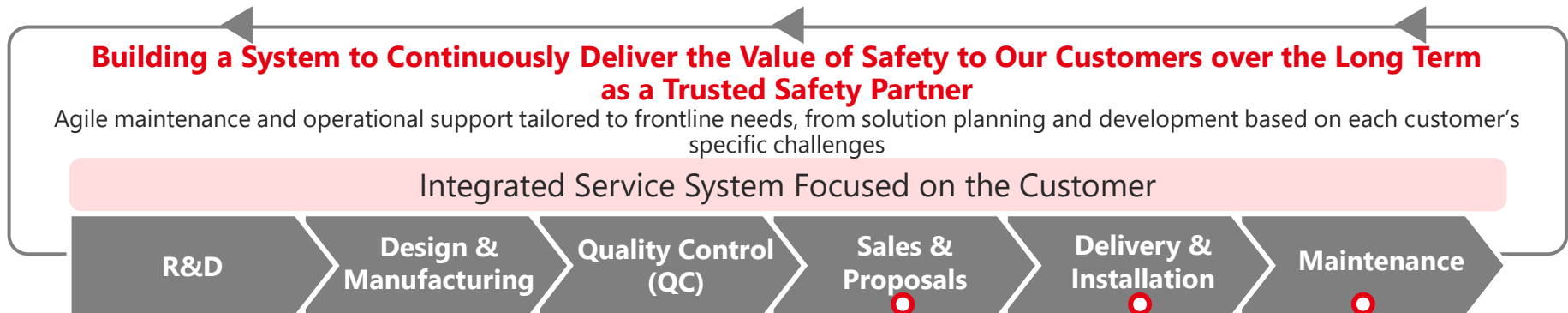
- Achieving rapid, rework-free development by embedding a “market-driven” mindset through front-loading and early QFD

— **Strategically allocating resources to core products** —

- Improving production efficiency and promoting migration to next-generation models by revising parts prices (raising prices) and consolidating low-margin legacy models and specific product items

II-1. Enhancing Value Proposition by Building a Customer-Inclusive Value Chain

Achieving sustainable growth and a customer-centric integrated service system by expanding and strengthening the entire value chain



1 | Expanding Service Offerings

Shifting from “hardware sales only” to high-value-added services through IoT and DX—providing data-driven insights and predictive maintenance via “maintenance information”



2 | Strengthening Consultative Sales Capabilities

Enhancing our “consultative sales” approach by promoting integrated solutions that combine product benefits with comprehensive maintenance packages



3 | Enhancing Maintenance Capabilities

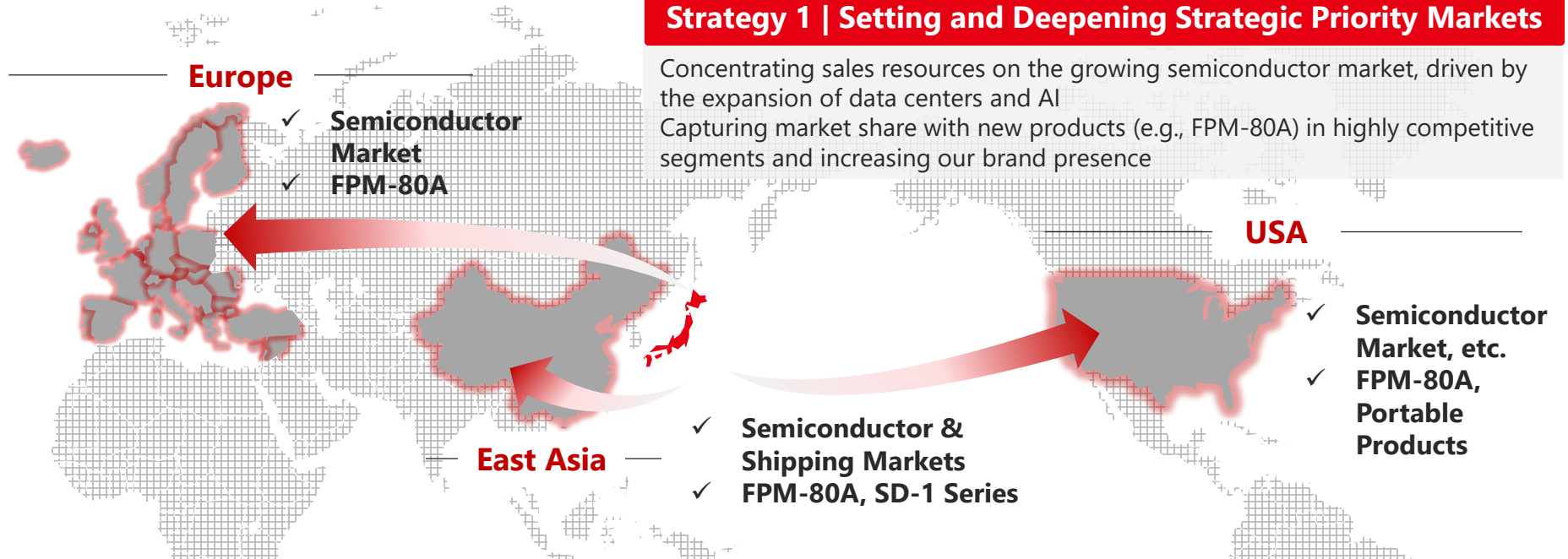
Strengthening training for field engineers and establishing a dedicated, agile team for the rapidly growing “Shipping” sector to provide higher expertise and customer value



II-2. Proactively Expanding into Overseas Markets

Achieving higher overseas sales ratio by focusing resources on priority sectors and strengthening the domestic market

Targeting a 50% overseas sales ratio to drive further corporate growth



Strategy 1 | Setting and Deepening Strategic Priority Markets

Concentrating sales resources on the growing semiconductor market, driven by the expansion of data centers and AI
Capturing market share with new products (e.g., FPM-80A) in highly competitive segments and increasing our brand presence

Strategy 2 | Strengthening Overseas Foundations by Deploying Talent to Overseas Subsidiaries

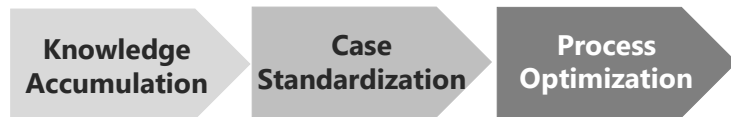
Building a solid foundation to strengthen our overseas operations, led by a supervisor (SV) dispatched from headquarters.
SVs will go beyond technical guidance to foster local autonomy and build sustainable management frameworks

Strategy 3 | Acquiring and Maintaining Product Certifications in Priority Regions

Ensuring compliance with and maintenance of key product certifications in various countries and regions. Additionally, preventing the loss of sales opportunities in the global market through smooth and effective handling.

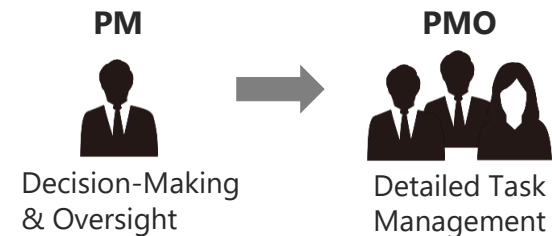
Technology development: promoting the transfer of development expertise and advancing R&D through four core initiatives

[1] Standardizing Successful Development Case Studies through Collaboration Between Sales and R&D



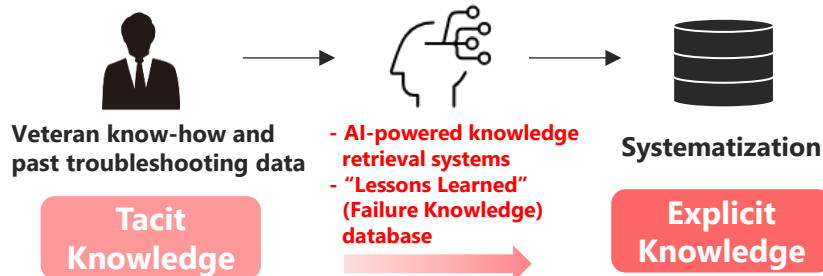
Accumulating and standardizing successful development case studies, development success cases directly linked to customer needs, such as OEM projects and customized proposals

[2] Cultivating R&D Project Leaders



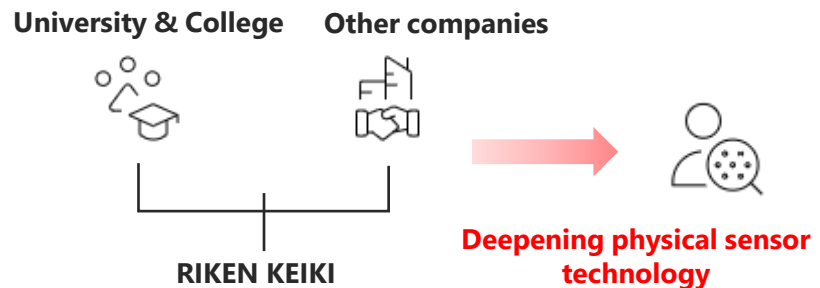
Establishing PMO functions and reviewer systems to reduce reliance on individual know-how in project management, fostering leaders who can make swift decisions on R&D prioritization

[3] Visualizing Development Processes and Skills Transfer via AI



Converting "tacit knowledge" (veteran know-how and past troubleshooting data) into "explicit knowledge" to ensure the transfer of skills to next-generation engineers

[4] Deepening Physical Sensor Technology through External Collaboration



Promoting strategic partnerships with universities and external companies to deepen our core physical sensor capabilities (infrared, lasers, etc.)

III-1. Strengthening Management Talent Development

Strengthening management development to build a “middle-up” organization led by middle management demonstrating leadership and taking on new challenges

Vision for Talent Development (Next Three-Year Plan)

Developing management with a “Company-Wide Optimization” perspective and fostering a culture of middle-up organization

Specialized Skills



General Skills



1 | Implementing Middle Management Programs

Strengthening management development through cross-company exchange and practical learning to foster a cross-functional view of management resources and decision-making capabilities grounded in a management perspective

2 | Providing Continuous Learning Opportunities via External Services

Offering company-wide continuous access to external learning platforms to solidify foundational management knowledge and enhance problem-solving and judgment from a company-wide perspective

3 | Systematizing Specialized and General Skills and Eliminating Person-Dependency

Implementing a Learning Management System (LMS) to visualize and systematize “Specialized Skills” and “General Skills” This ensures company-wide and repeatable talent development, strategic placement, and career pathing while preventing education from becoming person-dependent.

4 | Creating Mechanisms and Opportunities to Transform Skills and Knowledge Acquired into Output

Expanding and Enhancing Production Capacity & Managing the Supply Chain

Will build a robust organizational foundation to achieve our 70-billion-yen sales target through the following three core initiatives:

Strengthening Supplier Support

- Supporting on-site guidance and equipment installation for production base expansion and new facilities
- Conducting interviews and providing improvement support for the production engineering department
- Strengthening continuous improvement and knowledge sharing across the supplier network

Expanding Production Capacity & Securing Resources

- Optimizing product mix to maximize overall production capacity
- Multi-skilling via skill maps to ensure stable equipment operation

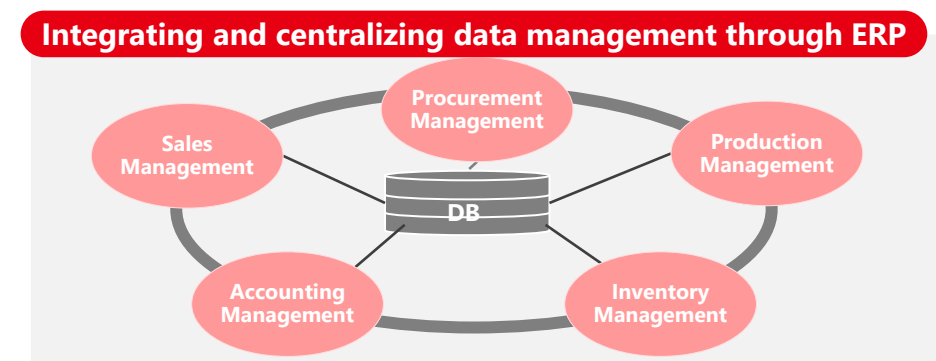
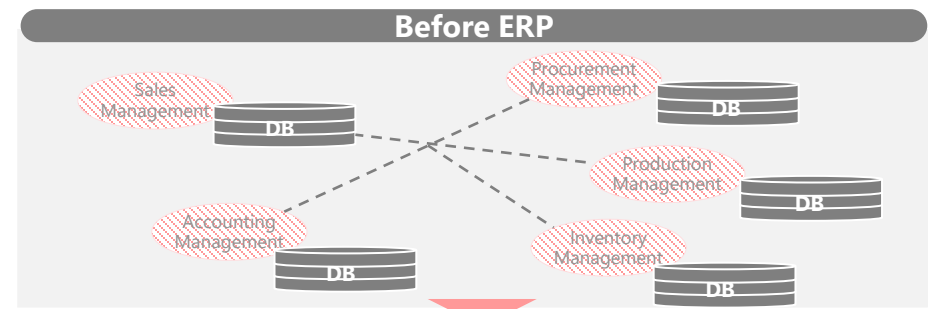
Enhancing Cost Analysis & Pricing Optimization

- Managing cost variance and conducting analysis via ERP to drive actionable insights
- Deploying dedicated cost management/analysis specialists

► Aims to establish sustainable and stable mass-production system to support sales growth and improve productivity through price pass-throughs

Implementing, Adopting, and Effectively Utilizing ERP

Will prioritize the setup of an environment that ensures steady ERP implementation, adoption, and utilization, and further improve quality and productivity through data management



► Establishing an environment for steady ERP implementation and effective utilization
 ► End-to-end visualization from order receipt to revenue recognition through ERP to enhance quality and productivity

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Comprehensive Medium-Term Financial Strategy (Shareholder Returns)

We aim to enhance shareholder returns by achieving medium- to long-term profit growth while maintaining a stable financial foundation

1. Dividend Policy

- Dividend Payout Ratio: Raised to a level of over 30%
- DOE (Dividend on Equity Ratio): Maintain dividends at 3% level

2. Share Repurchases

- Amount: Projected up to approx. 5.0 billion yen
- Execution: To be implemented flexibly, considering share price, liquidity, and investment opportunities

3. Total Return Ratio

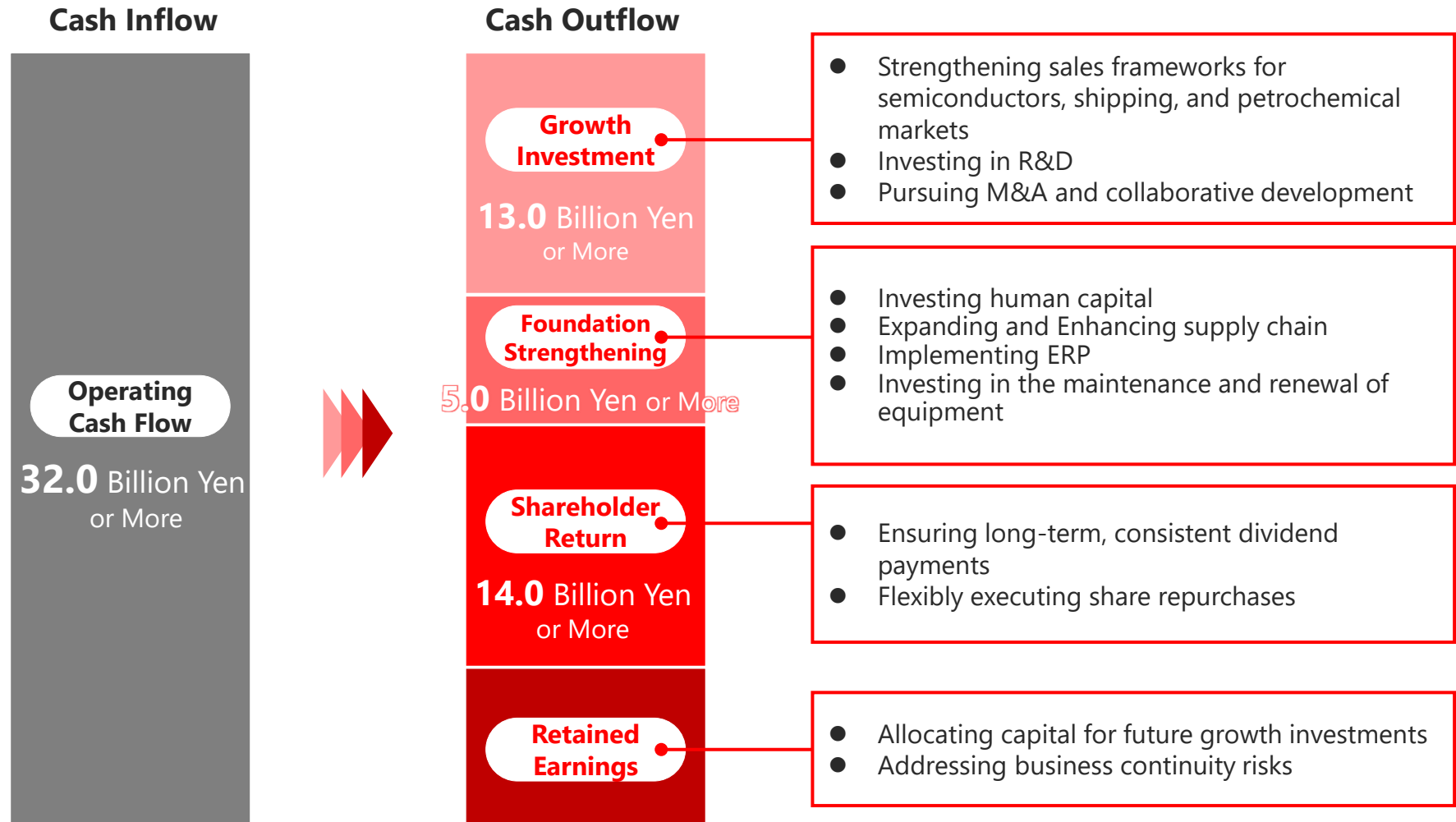
- Total Return Ratio: Projected at approx. 40%
- Amount: Projected at approx. 14.0 billion yen (cumulative)

4. Financial and Capital Efficiency Targets

- ROE: Target 10% or higher
- Cost of Equity: Estimated at 7%

Three-Year Cash Allocation under the New MTP

Prioritize operating CF for growth investments and shareholder returns.
No external financing is currently planned.



- This document contains forward-looking statements regarding the Company's performance. These statements are based on assumptions and beliefs derived from currently available information. They also involve uncertainties, such as economic trends and market demand. Accordingly, actual results may differ from these statements.

- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.