RYODEN



RYODEN REPORT 2026

Giving shape to “Waku-Waku (Excitement)”
by connecting people and technology

RYODEN's Vision for the Future in 2047

Transcending the bounds of an agency or trading company, toward a business creation company that solves social issues. Leveraging the technological capabilities and extensive network cultivated through its businesses in FA systems, cooling & heating systems, building systems, and semiconductors (electronics), RYODEN is committed to the sustainable enhancement of corporate value. The RYODEN Group's vision for the future in 2047 is contributing to a society where we solve the challenges faced by our customers and giving shape to Waku-Waku (Excitement) by connecting people and technology. We will continue to create new value through our capabilities of innovation that pioneer the next generation. In doing so, we will keep evolving into a company that earns global recognition, an excellent company co-creating the future.



Philosophical Framework

Commitment, significance

PURPOSE

Giving shape to
"Waku-Waku (Excitement)"
by connecting people and
technology

Image of how we wish to be

VISION

An excellent company
co-creating the future

Values that we cherish

VALUES

- Connecting with people
- Knowing and honing our strengths
- Challenging ourselves and learning from failures
- Acting with fairness and sincerity

Management Philosophy

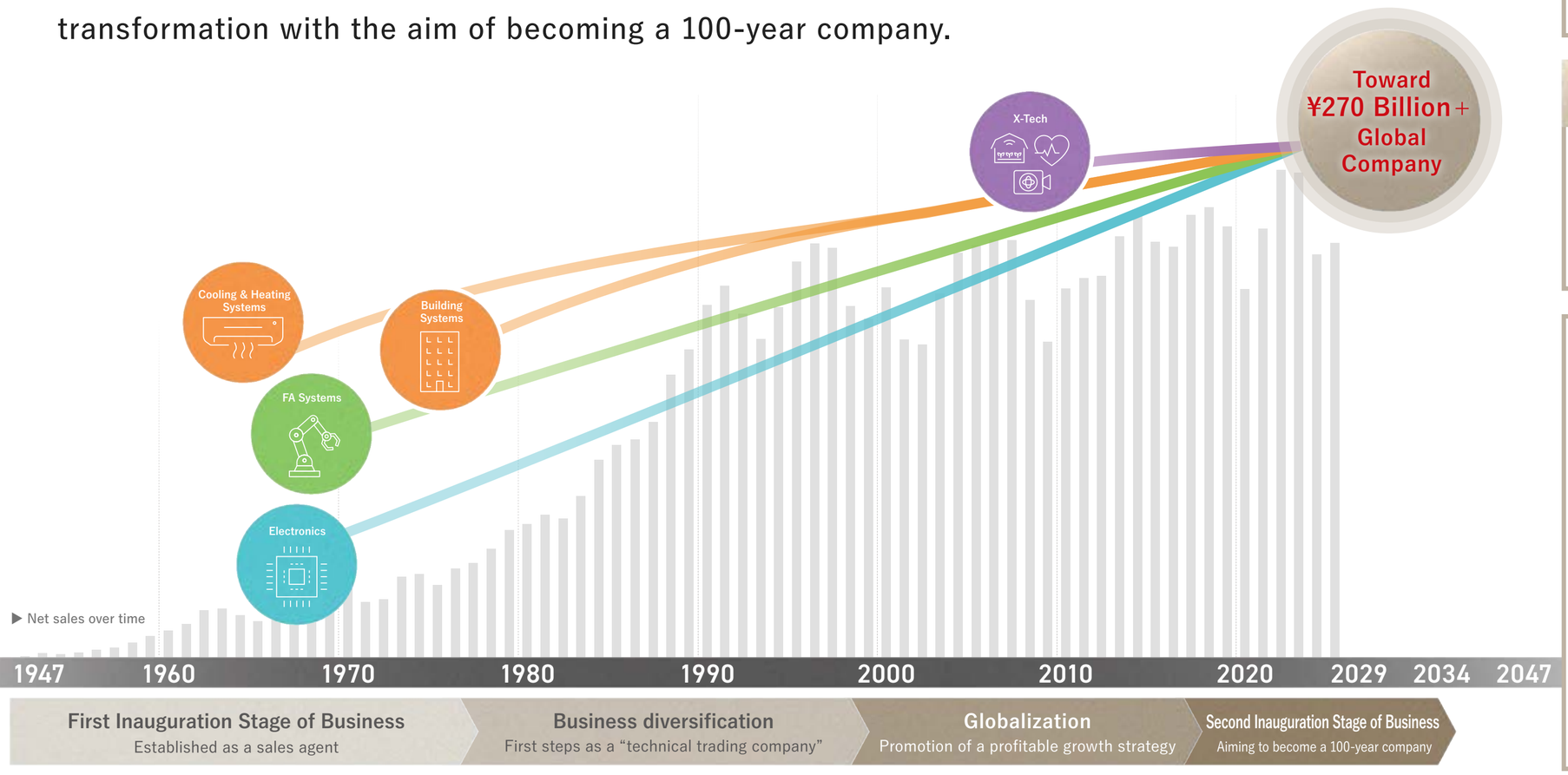
- We respond to societal changes, strive for the stability and development of our corporate management, and contribute to the communities in which we do business.
- By conducting business sincerely and providing leading-edge technologies, we justify the trust of our stakeholders.
- We respect the dignity and individuality of each employee, cultivating human capital with a high degree of professional skill, commitment to innovation, and creativity.

Guidelines for Action

- We strictly comply with laws and regulations.
- We aim for profitable growth.
- RYODEN fulfills its responsibilities to society as a global enterprise.
- RYODEN establishes its own approach and pursues self-enlightenment with a high sense of purpose, by which it builds a dynamic organization.
- Our managers and directors take the initiative in fulfilling their roles.

An excellent company co-creating the future as a 100-year company

RYODEN CORPORATION was set up just after the end of the World War II in 1947.
We started off as a Mitsubishi Electric sales agent, and in the 1970s, we ventured into business diversification as a technical trading company trading in semiconductors, elevators, and other equipment.
After an era of rapidly globalizing our business from the 1990s, and as part of our second inauguration stage of business since 2010, we have been pursuing further corporate transformation with the aim of becoming a 100-year company.

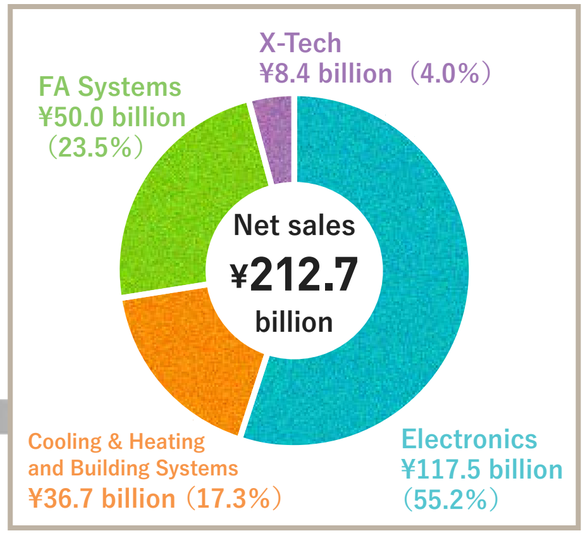


FYE2026

Net sales
¥212.7 billion

Operating profit
¥5.2 billion

Profit attributable to owners of parent
¥5.2 billion



Get to know RYODEN

What makes RYODEN unique? The following key figures provide a snapshot of our strengths and characteristics.

1. Financial & Growth

Indicators	FYE2024	FYE2025	FYE2026	Unit
Net sales	259,008	215,790	212,772	Millions of yen
Gross profit	29,228	27,543	29,756	Millions of yen
Operating profit margin	3.2	2.5	2.5	%
Ratio of overseas sales	18.3	22.2	23.6	%
Investment amount (equipment/R&D)	0.6	1.8	4.6	Billions of yen

2. Capital Efficiency & Market Value

Indicators	FYE2024	FYE2025	FYE2026	Unit
ROE (Return on Equity)	6.9	5.3	5.7	%
ROIC (Return on Invested Capital)	8.0	6.4	7.0	%
PBR (Price Book-value Ratio)	0.68	0.61	0.75	Times
PER (Price Earnings Ratio)	10.37	11.74	13.38	Times
Market capitalization	61,855	54,289	70,779	Millions of yen
Cash dividends per share (¥)	106.0	106.0	138.0	Yen

3. Human Capital & Innovation

Indicators	FYE2024	FYE2025	FYE2026	Unit
Number of employees	1,360	1,451	1,555	Person
Engagement score	-	49.2	49.7	Points/100
Investment per employee in talent development	-	130	74	Thousand yen
Proportion of women in management positions	0.7	2.5	4.9	%

4. Environment & Governance

Indicators	FYE2024	FYE2025	FYE2026	Unit
Proportion of Outside Directors	56	56	50	%
Proportion of female Directors	22.2	22.2	20.0	%
Serious violations of laws and regulations	0	0	0	Cases
GHG emissions	4,247	5,053	4,324	t-CO_2
Solar power generation	3,842.6	3,768.9	3,805.2	MWh

5. Base & Network



*The number of sites is based on information as of the end of July 2026.

Medium- to Long-term Goals and Targets

Uniqueness
異質化

RYODEN's Vision

RYODEN identifies challenges that customers themselves may not yet recognize and delivers value tailored to their needs through a broad perspective. To achieve this, RYODEN continuously strengthens its unique capabilities, unconstrained by conventional wisdom or existing frameworks, provides distinctive value to customers, pursues the sustainable enhancement of corporate value, and strives to differentiate itself from our competitors through Uniqueness.

What must we do to realize our vision?

Innovation
価値結合

From selling products to selling solutions. RYODEN creates and provides entirely new value to customers through innovation that combines existing technologies and sources of value across society. Through this Innovation, we will implement management aimed at being a 100-year company.

business creation company
事業創出会社

What lies beyond achievement?

Building on the trust and achievements cultivated throughout its history, RYODEN will evolve into a business creation company that creates new value without fear of change. By combining technology and ideas, we will not only deliver value to customers but also continue taking on challenges to help realize a sustainable society.

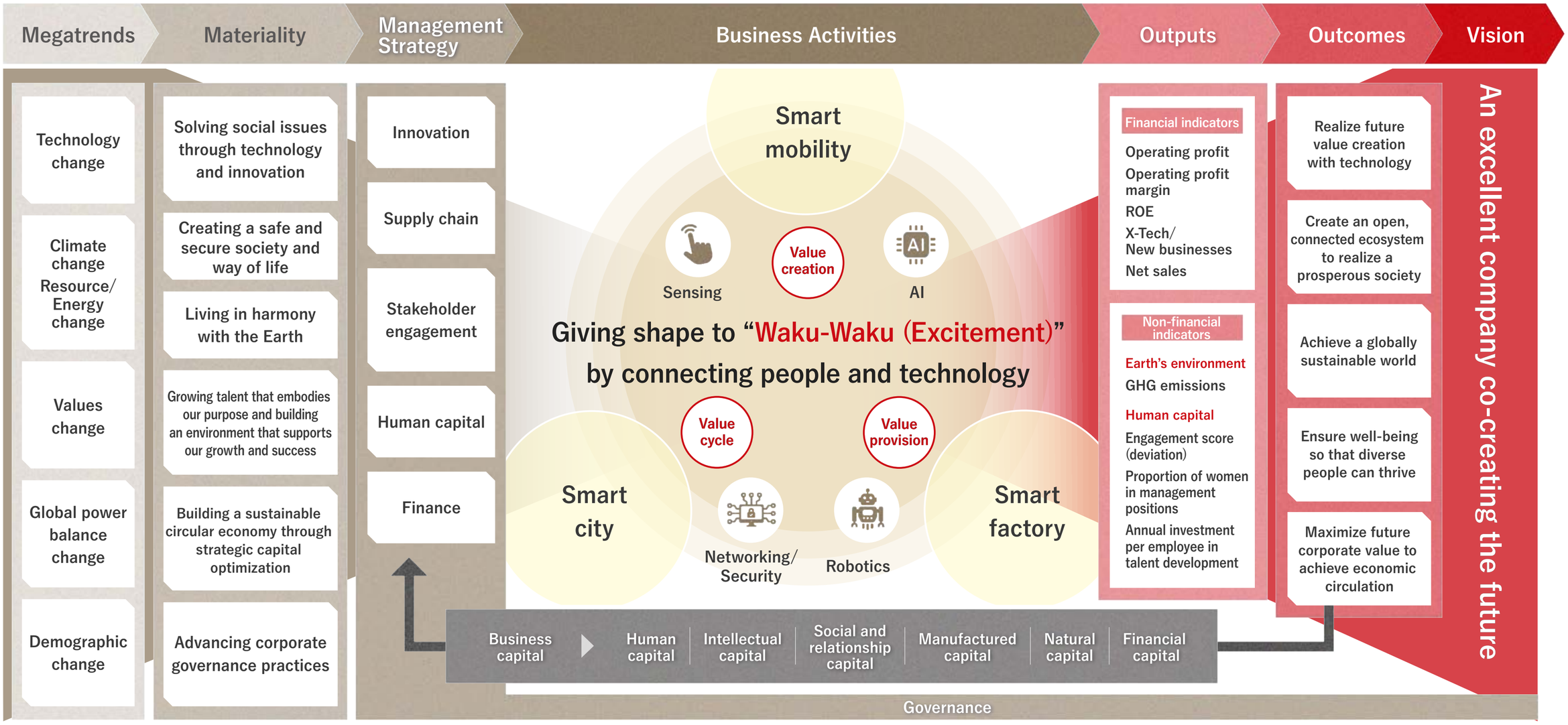
How will we achieve our targets?

Under our medium- to long-term management plan, we target an operating profit of ¥13.5 billion and an operating profit margin of 5% in FYE2030. Achieving these targets will require innovations that go beyond simply extending our mainstay core businesses. To achieve them, we will create new businesses, deepen our mainstay core businesses, generate innovation in both directions, and pursue the enhancement of corporate value.

P9

RYODEN's Value Creation Model

We use business capital effectively and collaborate with all stakeholders to create value through our corporate activities.
By reinvesting the created value back into business capital to build a sustainable growth cycle, we aim to harmonize social value and economic value and sustainably enhance corporate value.



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Editorial Policy

This RYODEN REPORT 2026 is issued as an important tool for communication with our shareholders, investors, and other stakeholders, with reference to the framework published by the International Integrated Reporting Council (IIRC).
It combines financial and non-financial data with management strategy, and has been planned and edited to emphasize the Company's long-term sustainable growth, its increase in corporate value, and its initiatives that contribute toward realizing a sustainable society.

Reporting Period

This report covers information related to our business activities for FYE2026 (April 1, 2025 to March 31, 2026). Some sections also include past information and details from after April 1, 2026.

Reporting Scope

This report covers RYODEN CORPORATION and its group companies. For matters where the reporting scope differs, the applicable reporting scope is clearly stated.

SECTION 01

RYODEN's Vision

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SECTION 1



Message from the President & CEO

Turning transformation into results
A year of harvest, delivering tangible value to our stakeholders

President & CEO
Katsuyuki Tomizawa

Our unwavering commitment to the fulfillment of our medium- to long-term management plan.

We live in an era of change, where the value of goods and products is swiftly reduced to commodity status. In this context, what kind of high added value should we, at RYODEN, co-create with our customers to enhance our mutual competitiveness? With what strategies and measures should we expand our business beyond the scope of product sales? And how will we transform into "an excellent company co-creating the future"? It was upon consideration of precisely these questions that we formulated our medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034."

The core strategies of this medium- to long-term management plan are "Uniqueness," which aims to sustainably create high added value through unique ideas, and "Innovation," which creates new value through the horizontal development of synergies across our businesses and optimal combinations, primarily through M&A activities.

The various initiatives implemented through our "Uniqueness" and "Innovation" strategies are already bearing fruit. For example, solutions based on a shift of approach from conventional "air conditioning" to "extreme heat countermeasures" have supported the strong performance of our Cooling & Heating and Building Systems business. Likewise, our steady cultivation of the plant factory business returned a profit for the first time in FYE2026, with further growth expected in the future.

FYE2027 will be a pivotal year, as we turn the seeds of transformation sown in the first year of the plan into tangible profits. Through this, we will strive to fulfill RYODEN's purpose of giving shape to "Waku-Waku (Excitement)" by connecting people and technology, and further, achieve our aim of becoming a 100-year company. Above all, we will approach the FYE2027 stage of our medium- to long-term management plan with our own sense of "Waku-Waku (Excitement)."

Turning the seeds of transformation into tangible profits and accelerating our progress on the medium- to long-term management plan in FYE2027

We launched the medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034" as part of our efforts to realize RYODEN's vision to be "an excellent company co-creating the future." In FYE2026, the first year of the plan, we actively deployed a range of initiatives aimed at growing into a resolute and unshakeable business creation company not swayed by temporary profit fluctuations.

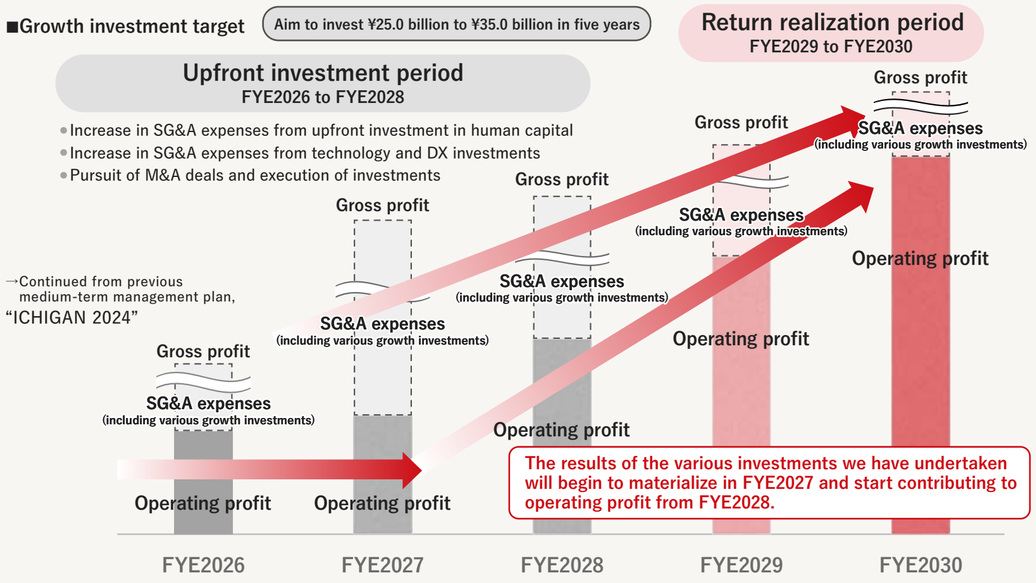
Specifically, we implemented upfront investments with unprecedented speed and proactiveness. In doing this, our sights were set not only on generating results in each fiscal year but also achieving our targets in FYE2030, the final year of the five-year medium- to long-term management plan; beyond that, on building a foundation for growth over the long term with an eye toward the 100th anniversary of our founding in 2047.

As a result, although consolidated net sales, operating profit, and ordinary profit all decreased due to higher SG&A expenses, we accelerated the sales of our cross-shareholdings to improve capital efficiency. This led to a 12.2% year-on-year increase in net income to ¥5,275 million. Gross profit also increased, with an increase in gross profit margin of 1.2 percentage points year-on-year. I have a genuine feeling that our business model and business portfolio are steadily shifting toward higher added value and greater profitability overall.

Looking back on FYE2026 by business segment, the FA Systems business saw increased sales due to ongoing, systematic human capital investment and strategic investment, as well as steady sales to distributors and control panel manufacturers. Sales and profit both increased in the Cooling & Heating and Building Systems business for the fourth consecutive fiscal year, due to growth in air conditioning product sales. In the X-Tech business, the enclosed-type plant factory business finally turned profitable on an annual basis, and we continued to receive a strong stream of orders for contracted research, consulting, and test plants utilizing technology to optimize photosynthesis. The Electronics business saw decreased sales, but the gross profit margin increased, partly thanks to efforts to expand and deepen sales activities, shifting from dependence on specific suppliers to multiple suppliers.

A year of harvest lies ahead in FYE2027, as we bring the seeds of transformation—sown through the upfront investments we made, even at the cost of decreased sales and profit—to full bloom and reap them as tangible profits. We expect improvements in the domestic and overseas business environment and a recovery in demand, as well as the flow-through effects of M&A. On this basis, we forecast a significant turnaround, with an increase in sales and profit: net sales of ¥252.0 billion and operating profit of ¥7.5 billion (revised upward on July 28, 2026). This budding of investment results will also bring about higher operating profit margins from FYE2028 onward. In the final three years of the five-year medium- to long-term management plan, we expect RYODEN's growth curve to rise sharply.

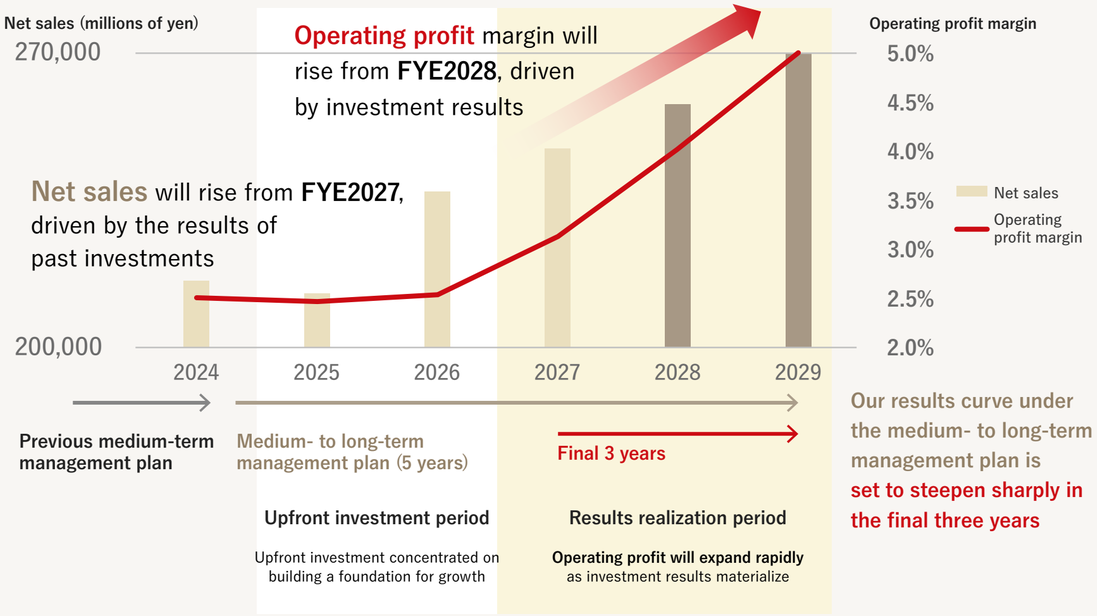
Medium- to long-term management plan: Planned progress of profit and growth investment



Medium- to long-term management plan: Quantitative targets and planned investment progress

By promoting innovation (including M&A and business creation through value co-creation) we will achieve profit growth that exceeds sales growth.

■ Net sales and operating profit margin over five years: Plan overview



Our results curve under the medium- to long-term management plan is **set to steepen sharply in the final three years**

Details of other initiatives
▶ https://ssl4.eir-parts.net/doc/8084/ir_material_for_fiscal_ym6/205217/00.pdf

Striving to be "an excellent company co-creating the future" through the prisms of "Uniqueness" and "Innovation"

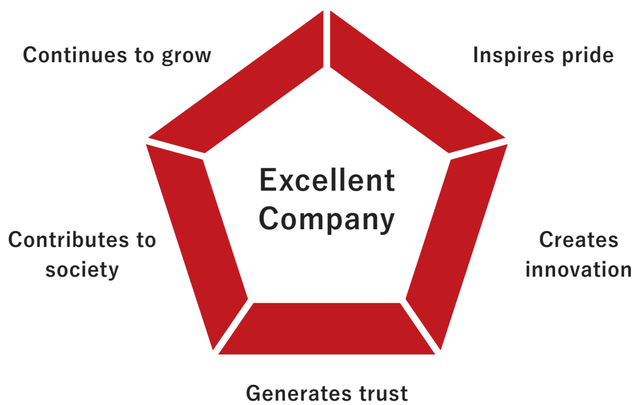
With our sights clearly set on becoming "an excellent company co-creating the future," we will continue our efforts under the previous medium-term management plan, pursuing RYODEN's transformation into a "business creation company" through our medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034." We accomplish this by pursuing both higher profitability and higher added value, going beyond the conventional framework of product sales. The two keywords at the core of this strategy are "Uniqueness" and "Innovation."

"Uniqueness" refers to our efforts to create genuinely unique businesses that deliver new value to customers and society by boldly taking on markets that no one else would even think to enter. One successful example of this is the business we launched after recognizing the growing need for extreme heat countermeasures in recent years. Delivering cooling solutions for gymnasiums, large factories, and on-site work areas not sufficiently serviced by conventional air-conditioning systems, this business has helped to drive strong performance in our Cooling & Heating and Building Systems business.

"Innovation" refers to creating new value and delivering it to customers by horizontally deploying the technologies and value we have cultivated across our businesses and through M&A initiatives. For example, our FA Systems business supports production efficiency on the factory floor, while the Cooling & Heating Systems business supports energy efficiency. If factory air conditioning struggles to keep pace when production lines are sped up, it consumes excess power, resulting in inefficiency. From optimization at each process to optimization across the entire factory——we aim to respond to on-site efficiency needs such as this through the prism of "Innovation."

While I was stationed in China, I saw many companies that mistook cyber-technologies for the starting point—instead of the means—of "Industry 4.0," only to find themselves disconnected from conditions on the factory floor. Companies that became too fixated on the means for reform tended to lose touch with frontline operations: they lost sight of what they were actually trying to reform. This experience made me realize that it is only by starting from the challenges faced on-site that we can determine the optimal means to address them. By achieving "Innovation" from a neutral perspective, free from conventional assumptions and business practices, we will make it our distinctive strength to propose the optimal solutions that our customers truly need.

An excellent company co-creating the future



*We define an "excellent company" as a state in which the RYODEN Group is regarded as above both inside and outside the Group

We will progressively roll out growth strategies as we shift from selling "products" to delivering "solutions."

Under the medium- to long-term management plan, we plan to make growth investments of ¥25 billion to 35 billion over five years and technological infrastructure investments of approximately ¥2.5 billion, using "Uniqueness" and "Innovation" to achieve business innovation. We will accelerate our transformation into a business creation company by swiftly filling in the missing pieces needed to shift from a business model that sells "products" to one that delivers "solutions." The key measures for achieving this are the pursuit of M&A, the SI business, and physical AI.

In terms of M&A, we acquired the Mitsubishi Electric FA equipment sales agent business from Hokkaido Mitsubishi Electric Sales and KITA KOUDENSHA in FYE2026. The aim of this M&A deal was to secure and expand customer touchpoints and future operational sites. We will use this as a springboard to provide higher-value-added solutions through horizontal deployment across our businesses, expanding our distribution area outward from Hokkaido.

In Europe, we acquired TOPAS, based in Hannover, Germany, as a subsidiary. This investment enables us to gain new capabilities by bringing in TOPAS's customer base and technical response capabilities. TOPAS is proficient in semiconductor sales and solutions that integrate internal communication tools such as telephone, email, and web conferencing. Together, we will leverage RYODEN's procurement capabilities in Japan, Asia, and the U.S., together with TOPAS's customer touchpoints in Europe.

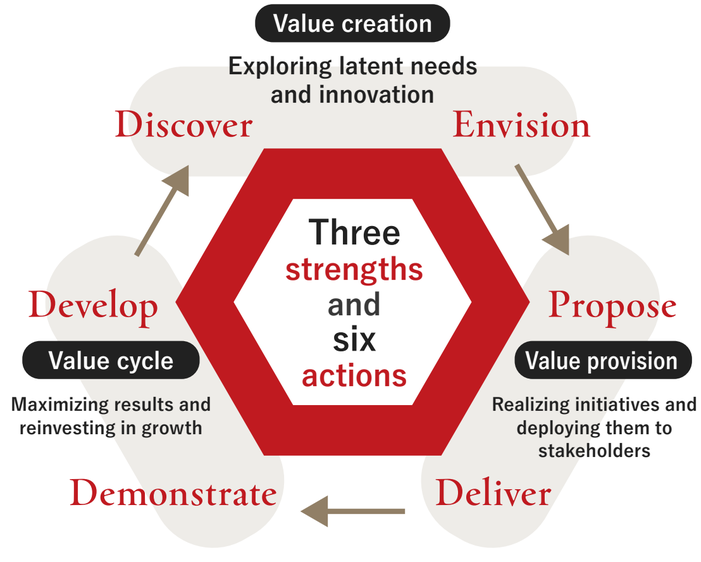
The SI business, driven mainly by the System Integrate Promotion Department, which began full-scale operations in April 2026, is a new business that truly integrates RYODEN's value resources. Through horizontal Innovation, we will combine the strengths individually refined in the FA, Cooling & Heating and Building Systems, and Electronics businesses. By proposing this Innovation to customers in the form of total solutions with an on-site perspective, we will secure firm orders and recurring revenue. With small and medium-sized manufacturers as our main target, we expect to achieve the targets of our FYE2027 plan.

In July 2026, we signed a strategic partnership agreement with China's Mogulinker to commercialize physical AI in anticipation of the future use of AI at manufacturing sites. Together with Mogulinker, we will jointly develop next-generation control solutions for industrial equipment such as air compressors, cooling towers, pumps, and air-conditioning systems, aiming to improve energy efficiency across entire factories. This initiative connects on-site physical data with AI and promotes a recurring business model based on data utilization starting from equipment sales. It is another example of Innovation: a business model through which we combine RYODEN's technical frontline expertise at manufacturing sites with the strengths of Guangdong Mogulinker, a leader in physical AI.

With human capital as our driving force, we will work as one to achieve our goals

To achieve our purpose of giving shape to "Waku-Waku (Excitement)" by connecting people and technology, it is vital, first and foremost, that our employees themselves feel excited and inspired, think independently about how they can provide value, and work as a team to actively seek new challenges.

Therefore, under the medium- to long-term management plan, we actively pursue human capital management. This includes improving our engagement score, promoting diversity and inclusion (D&I), raising the proportion of women in management positions, and increasing our investment per employee in talent development.



In April 2025, we unified our wording from "human resources" to "human capital." To our employees—who are the true assets that drive RYODEN forward—I communicate these six actions as guidelines for transformation: discovering new needs, envisioning initiatives, proposing and delivering them, and demonstrating and developing concrete results.

In April 2027, we will introduce a new personnel system focused on evaluating employees' willingness to take on challenges. By embedding a culture in which raising one's hand is the norm—for managers as well—and people can challenge themselves without fear of failure, we will further strengthen our human capital as the driving force behind our journey to becoming a 100-year company.





Improving capital efficiency and enhancing shareholder returns: Fulfilling the expectations of our stakeholders

Further strengthening our financial soundness is another key strategy of the medium- to long-term management plan. Specifically, we target operating profit of ¥13.5 billion and an operating profit margin of 5% or higher. These are challenging targets, but we are determined to take them on boldly while accelerating higher added value and higher profitability in our business management.

In improving return on capital, we will focus on strengthening earning power and optimizing our balance sheet. For earning power, we will use the ROIC management indicator introduced in April 2025 as our core metric. We will also use ROIC as a yardstick for measuring investment and returns in each business and as an evaluation axis for building an optimal business portfolio. We will pursue balance sheet optimization, including the active use of debt, as we work to prioritize growth investment.

For shareholder returns, we will introduce and enhance progressive dividends. We have set a DOE target of 4.5% or more by the end of the medium- to long-term management plan period. For FYE2027, we forecast an annual dividend of ¥170 per share, a year-on-year increase of ¥32 per share.*

The ongoing efforts of each employee as they embrace our six actions and take on challenges without fear of failure will propel us closer to our vision of becoming "an excellent company co-creating the future." At RYODEN, we will never slow our pace of transformation and will continue, together with our customers and partners, to take on the challenge to realize a sustainable society and create new value. I invite you to look forward to RYODEN's endeavors as we advance to our next stage of growth, and our steady progress in shaping the future.

I would like to ask all our stakeholders for their continued warm support and guidance.

*Amounts are before adjustment for the stock split effective October 1, 2026.

Overview of the Medium- to Long-term Management Plan

Purpose

Giving shape to "Waku-Waku (Excitement)" by connecting people and technology

Vision

An excellent company co-creating the future

Sustainability Basic Policy

The RYODEN Group aims to harmonize social value and economic value and sustainably enhance corporate value by continuing to create new value alongside all of our stakeholders through our corporate activities in line with our purpose of giving shape to "Waku-Waku (Excitement)" by connecting people and technology.

Outputs

Sustainable enhancement of corporate value

Economic impact Enhance earning capacity

FYE2030 Financial Targets

●Operating profit	¥13.5 billion
●Operating profit margin	5.0% or more
●ROE	10.0% or more
●Net sales in X-Tech/ new businesses	¥23.5 billion

Social impact Raise growth expectations

FYE2030 Non-financial Targets

●GHG emission reductions (Scope 1+2)	36% or more (compared to FYE2024)
●Employee engagement score	52 or more
●Proportion of women in management positions	10% or more
●Annual investment per employee in talent development	¥200,000 or more

Stakeholders

Customers | Suppliers | Earth's environment | Employees | Local communities | Shareholders and investors

Corporate activities

Smart city

●Distribution ●Medical and nursing care ●Agriculture and food
●Energy and water ●Crime prevention, disaster preparedness, safety, etc.

Smart mobility

●Self-driving cars ●Car sharing ●Connected cars
●IoT sensors on the road, etc.

Smart factory

●Automation ●Production optimization ●Preventive maintenance
●Safety ●Working environment ●Environmental burden, etc.

Management strategy

Innovation

Deepen and broaden existing businesses and explore new domains to drive value creation

Supply chain

Enhance productivity and operational quality by streamlining processes from procurement to distribution and sales

Stakeholder engagement

Deepen mutual understanding and collaboration with stakeholders

Human capital

Foster employees who drive co-creation of the future, and build an environment that supports their growth and success

Financial

Drive a virtuous cycle of re-investment to achieve further growth by making optimal investments in business capital and utilizing it efficiently

Governance

Advance the enhancement of the corporate governance structure to support agile and decisive decision-making

Materiality (Material Issues)

Solving social issues through technology and innovation | Creating a safe and secure society and way of life | Living in harmony with the Earth | Growing talent that embodies our purpose and building an environment that supports our growth and success | Building a sustainable circular economy through strategic capital optimization | Advancing corporate governance practices

Business capital

Intellectual capital | Social and relationship capital | Natural capital | Human capital | Financial capital | Manufactured capital

KEY POINTS

- Redefinition of our vision based on our purpose
- Presentation of qualitative and quantitative vision and targets
- Reorganization of internal capital, strengths, and Materiality
- Presentation of our management strategies and approach to sustainability management based on organized information
- Presentation of our business strategy as the basis for growth

RYODEN's Strengths

RYODEN's Strengths(Core Competencies)

Value creation
Ability to drive innovation and create value

Value provision
Ability to propose and deliver value to stakeholders

Value cycle
Ability to reinvest value to grow further

Business Capabilities

Issue identification
Discover issues for customers

Proposal and solution
Propose products, technologies, and solutions to solve customer challenges

Relationship building
Build continuous relationships with customers

Business Foundation

Broad business domains
FA Systems, Cooling & Heating and Building Systems, Electronics, X-Tech, new businesses, and more

Please refer to the website below for information on our businesses.
▶ https://www.ryoden.co.jp/en/business

ICT engineering prowess
ICT engineering prowess to support problem-solving proposals for customers (RYODEN Tii!)

Please refer to the website below for our RYODEN Tii! original product lines.
▶ https://www.ryoden.co.jp/ryoden-tii

Glocalization
Our reach from Japan to Asia, the U.S., and Europe, with 31 domestic and 22 overseas operational sites

The number of operational sites is as of July 31, 2026.
Please refer to the website below for information on our operational sites.
▶ https://en.ryoden.co.jp/corporate/network#anchor01

Internal Open-Call Proposal Program Rα + (Rα -plus)

About Rα+ (Rα-plus)

Let's create own innovation!

At RYODEN, we aim to continue to create new value and deliver it to society, as a business creation company that transcends the bounds of an agency or trading company. At the heart of this transformation is each employee's willingness to take on challenges.
In FYE2026, we have launched R α+ (R α-plus), an internal open-call proposal program for new business creation, to encourage employees to take challenges autonomously and create RYODEN's next engine of growth. The name R α+ expresses our determination to multiply our business domains by a new α: an additional something extra. By developing human capital that embodies our values of "challenging ourselves and learning from failures," and by fostering a corporate culture in which our people can take on challenges, we will accelerate our cycle of sustainable value creation.

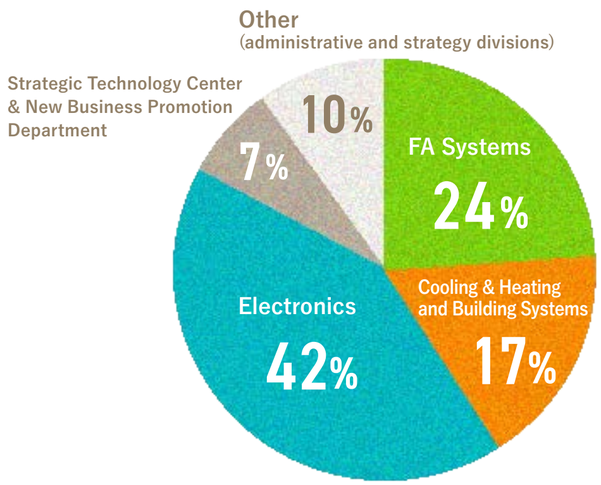


First-year review

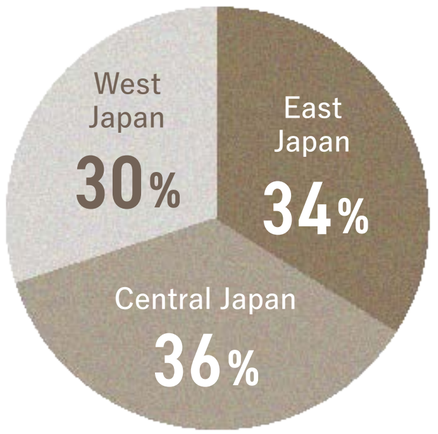
In the first year's call for proposals, we received 92 ideas—three times our initial target. This strong response reflects the high degree of motivation among our employees to transform RYODEN into a business creation company. The proposals were broadly diverse and highly original, ranging from deepening existing businesses to taking on new domains.
Following a rigorous screening process, three projects are currently in the commercialization assessment phase, and we have high expectations for them as next-generation engines of growth.
The final screening event, livestreamed company-wide, was filled with energy and became a forum for co-creation that engaged employees across the company.

FYE2026 Rα+ Applicant Data

Applicants by division



Applicants by area



Looking ahead: toward next fiscal year

From the next fiscal year onward, we will advance the commercialization of ongoing projects while unearthing the seeds of new businesses. The purpose of this program is not merely to generate ideas: it is to cultivate new revenue pillars that can address social issues while also driving RYODEN's sustainable growth.
We will continue to support employees' autonomous challenges and advance commercialization, aiming to enhance corporate value over the medium to long term.

Number of proposals

First fiscal year (FYE2026)
Target: 30 ➡ Result: 92

Second fiscal year (FYE2027)
Target: 40 ➡ Currently calling for proposals

We aim to develop at least 2 proposals that generate sales within 3 years.

Financial and Non-financial Targets

Financial Targets

	FYE2026 Results	FYE2030 Targets
Operating profit	¥5.2billion	¥13.5billion
Operating profit margin	2.5%	5.0% or more
ROE	5.7%	10.0% or more
let sales in X-Tech/ new businesses	¥9.5billion	¥23.5billion

Growth Investment and Shareholder Returns

	FYE2030 Targets
Growth investment	Aim to invest ¥25.0 billion to ¥35.0 billion in 5 years
Shareholder returns	Implement progressive dividends and a DOE of 4.5% or more, ensuring stable and continuous returns*1
Capital efficiency improvement	Utilize liabilities maintaining the D/E ratio at 0.3 or less; Sell cross-shareholdings and non-core assets Develop a framework to optimize investments based on ROIC, etc.

*1 We changed our dividend policy in May 2026.

Non-financial Targets

GHG Reduction	FYE2026 Results	FYE2030 Targets
Scopes 1 and 2 (compared to FYE2024)	+1.8%	-36% or more
Scope3 (compared to FYE2024)	-17.5%	-21% or more

Investments in human capital	FYE2026 Results	FYE2030 Targets
Engagement score*2 (deviation)	49.7	52 or more
D&I Proportion of women in management positions	4.9%	10% or more
Annual investment per employee in talent development	¥74,000	¥200,000 or more

*2 The engagement score is for work engagement.

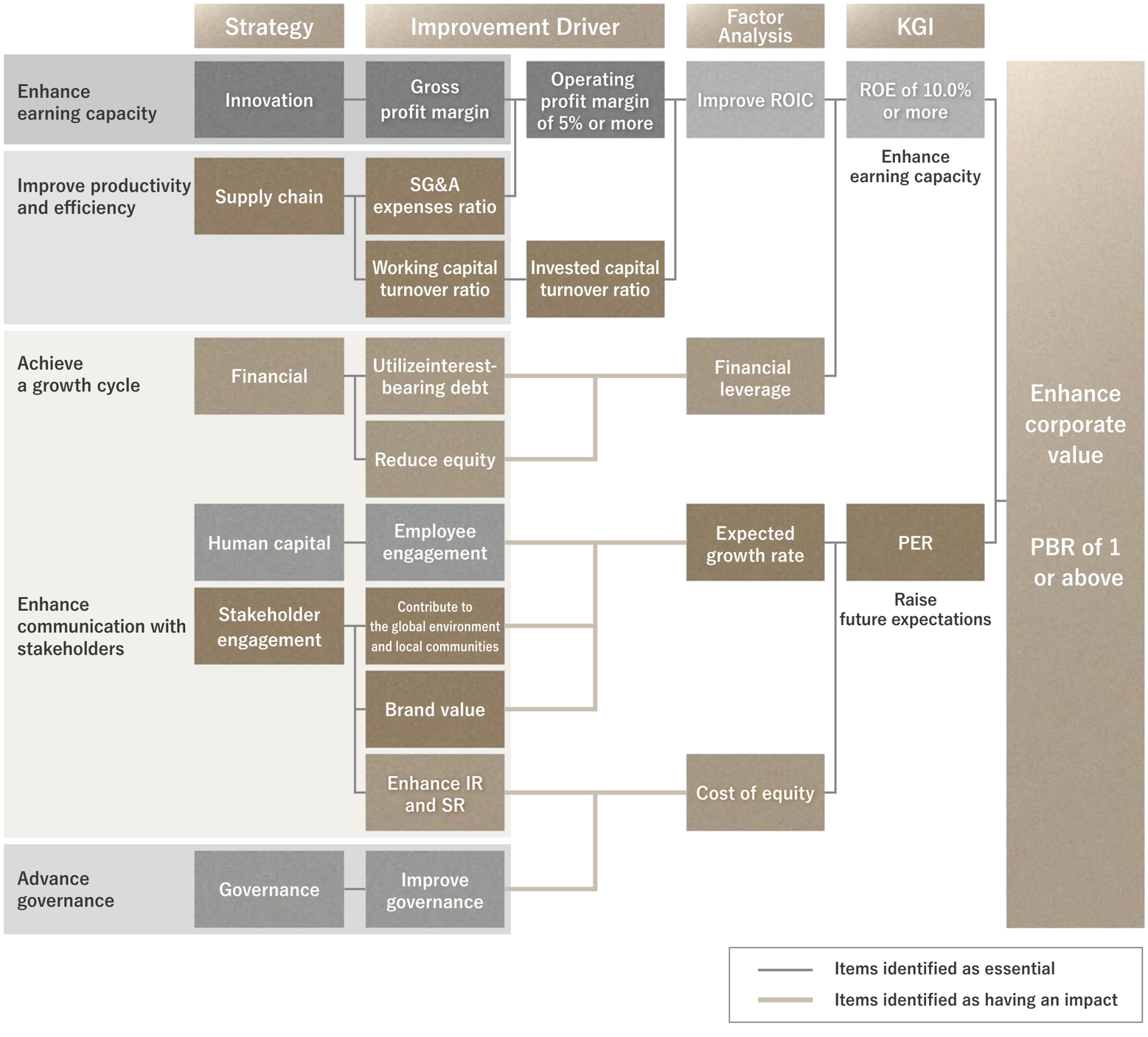
Connecting Management Strategy with Corporate Value Enhancement

Connecting Management Strategy with Corporate Value Enhancement

To improve PBR and increase market capitalization, it is important that we strengthen our earning capacity in terms of the return on equity (ROE) and raise future expectations in terms of the price-to-earnings ratio (PER). We have formulated the financial and non-financial indicators and various strategies in our medium- to long-term management plan to enhance corporate value. By steadily executing these strategies, we will strive to increase ROE and PER.

Financial Targets and Non-financial Targets

Our financial targets include operating profit of ¥13.5 billion, operating profit margin of 5.0% or more, and ROE of 10.0% or more. These targets are based on our belief that strengthening earning capacity is a key factor in enhancing corporate value.
We have identified items such as GHG emissions and employee engagement as our non-financial targets because we believe that they will contribute to an increase in PER by raising RYODEN's expected future value.
We believe that the concerted efforts of all Group employees to achieve both the financial and non-financial targets are essential for the Group to achieve sustainable growth.



SECTION 02

RYODEN's Growth Strategy

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27 Message from the CFO

SECTION 2

Basic Policy of the Medium- to Long-term Management Plan

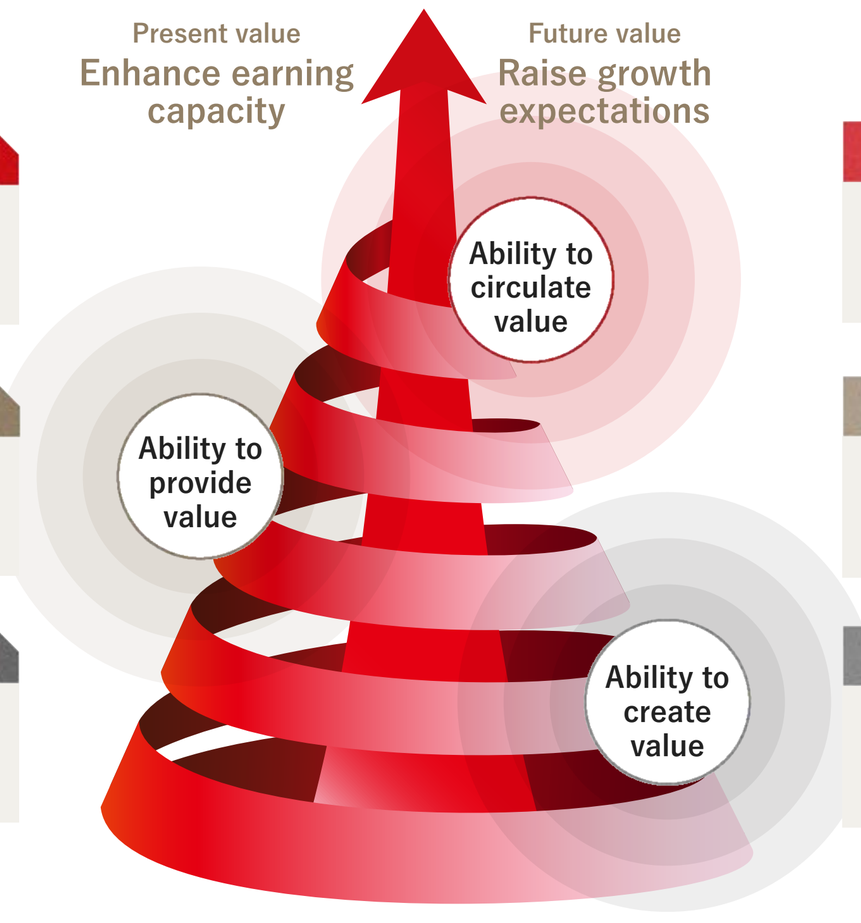
To achieve the medium- to long-term management plan, we have established six management strategies that address Materiality (material issues), and have set up cross-functional working groups to promote and manage each of them. Each strategic working group sets specific themes for company-wide issues such as growth strategies and strengthening the foundation, objectively measures the progress of KPIs set based on Materiality on a monthly and yearly basis, and accelerates the pace of management. Rather than being mere review bodies, the working groups implement a PDCA cycle based on KPIs and report progress to the Sustainability Committee, thereby identifying and reviewing issues. To steadily achieve the medium- to long-term management plan, we present on the following pages the details of our FYE2026 activities as an autonomous, transformative organization that responds promptly to changes in the market environment.

"An excellent company co-creating the future"

Sustainable enhancement of corporate value

Present value
Enhance earning capacity

Future value
Raise growth expectations



Financial strategy

Drive a virtuous cycle of reinvestment to achieve further growth by making optimal investments in business capital and utilizing it efficiently

Supply chain management strategy

Enhance productivity and operational quality by streamlining processes from procurement to distribution and sales

Innovation strategy

Deepen and broaden existing businesses and explore new domains to drive value creation

Governance strategy

Advance the enhancement of the corporate governance structure to support agile and decisive decision-making

Stakeholder engagement strategy

Deepen mutual understanding and collaboration with stakeholders

Human capital strategy

Foster employees who drive co-creation of the future, and build an environment that supports their growth and success

1 Innovation Strategy

We aim to create new value centered on "Innovation," which connects technologies and needs both inside and outside the company. By exploiting and expanding existing businesses and exploring new domains, we will accelerate our expansion into "Smart-X markets," such as smart factories and smart cities, and contribute to the realization of a sustainable society. We will create businesses that directly contribute to the resolution of social issues by promoting Uniqueness across three axes: leveraging the strengths of existing products to expand into new markets or regions (market innovation); driving transformation toward new products and unique services to generate high added value (product innovation); and business model transformation (business model innovation).

Exploit and expand existing businesses

Market innovation	Product innovation
Leverage the strengths of existing products to expand into new markets or regions	Drive transformation toward new products and unique services to generate high added value
• Market acquisition through strategic investments in Japan and overseas • Regions: Global South, North America, and China • Markets: Smart-X markets, green markets, sustainability markets, etc.	• Explore and promote new products with strong synergy with core offering • Strengthen the system engineering business. • Expand alliances with overseas products and partners in North America, East Asia, Taiwan, and others

Exploration of new domains Business model innovation

Create added value through business model transformation

- Discover highly competitive products and expand our reach into new markets or regions where their strength can be fully leveraged
- Leverage our engineering prowess to develop new products and unique services that can generate high added value
- Transform our business models to create a high-value-added business in new markets or regions

FYE2026 Results and KPIs

Cultivation of innovation awareness and establishment of systems to promote data-driven business

We widely disseminated the definition of innovation throughout the company and worked to foster an awareness toward transformation across the entire organization.
We clarified the definition of data-driven business and proceeded with building the technological foundation and strengthening the organizational structure to support it.

Establishment of business promotion structure and investment management processes

To effectively promote the System Integrate (SI) business, we conducted a review of the new promotion structure and established the System Integrate Promotion Department (refer to page 31 for details on the System Integrate Promotion Department).
We proceeded to consider the organizational structure and processes required to comprehensively manage and monitor all investments, regardless of investment types or targets.

KPI	FYE2030 Targets	FYE2026 Results
Innovation sales	Over ¥100 billion	¥32.8 billion
Operating profit margin	5.0% or more	2.5%
Net sales in X-Tech/new businesses	¥23.5 billion	¥9.5 billion
Sales from overseas associates	124% compared with FYE2025	106%
Value-added per employee	Improve value-added per employee (gross profit)	1.0 times compared with FYE2025

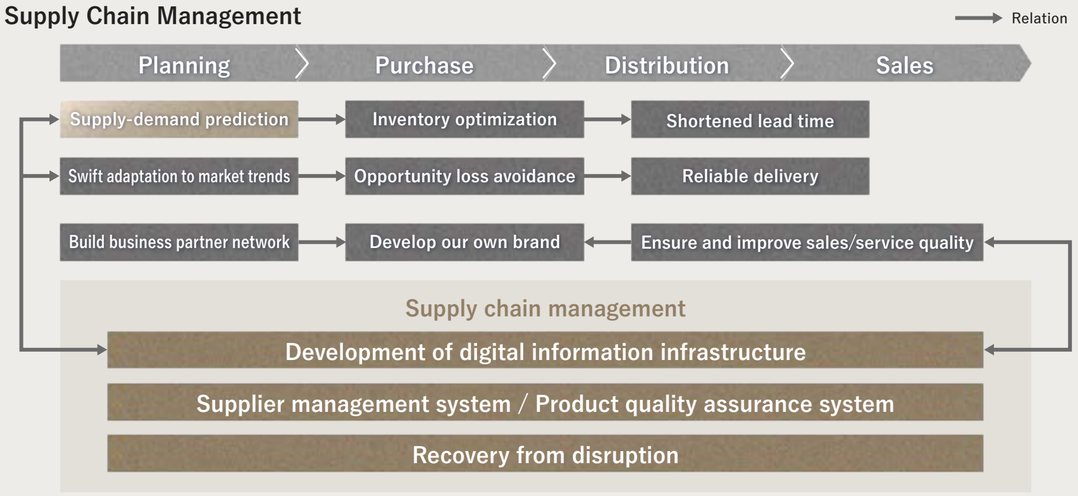
2 Supply Chain Management Strategy

To further strengthen our supply chain as a core function of our trading business, we are implementing our strategy with a primary focus on building a sustainable and competitive supply system by optimizing the entire process—from procurement and distribution to sales—both domestically and internationally, while reducing costs, managing risks, and improving quality.

Optimize and strengthen resilience across the supply chain to build a sustainable and competitive supply system

- Build a supplier management system and a quality assurance system for our brands
- Reform sales/operating processes to improve operational quality and productivity
- Environmental adaptation and risk reduction responding to supply and demand changes; value allocation (such as inventory optimization, opportunity loss avoidance, and disaster recovery capabilities)
- Develop and leverage digital information infrastructure

Supply Chain Management



FYE2026 Results and KPIs

Procurement policy formulation and external release

We have formulated a procurement policy to demonstrate our commitment to sustainable procurement throughout the entire supply chain, including our own operations.

Procurement Policy

The RYODEN Group promotes procurement activities that balance environmental, social, and economic considerations throughout our entire supply chain to contribute to the realization of a sustainable society through our business activities. We collaborate with our business partners to implement "Sustainable Procurement" based on the following principles:

1. **Respect fundamental human rights and eliminate forced labor and child labor.**
2. **Apply fair labor conditions and maintain safe and healthy workplace environments.**
3. **Comply with laws, regulations, and social norms, and conduct fair and transparent transactions.**
4. **Prioritize environmental conservation and strive to solve challenges such as decarbonization and resource circulation.**

For more information, see: **https://sustainability.ryoden.co.jp/en/social/supply-chain**

Quantification and optimization of operations undertaken by the electronics & FA divisions

To improve labor productivity per employee, the electronics division has identified its business processes, established a system to quantify the workload of inside sales representatives, and continues to monitor it. The FA division has completed the restructuring of its business processes with the aim of quantifying business improvements.

KPI	FYE2030 Targets	FYE2026 Results
Reform sales/operating processes to improve operational quality and productivity	Improve labor productivity per employee (operating profit)	Number of defects for which we are responsible: 0
	Compared to FYE2025: 0.9 times	Number of defects for which we are responsible: 9

3 Stakeholder Engagement Strategy

We will engage in dialogue with diverse stakeholders and promote value creation through collaboration in order to create a safe and secure society and way of life and live in harmony with the Earth. We will leverage the insights gained from dialogue to improve management, aiming for sustainable growth and the enhancement of social value.

Encourage communication with stakeholders to ensure deeper mutual understanding and closer collaboration for co-creating value

- Enhance the brand
- Enhance social contribution activities
- Promote IR and SR activities
- Strengthen efforts to reduce environmental impact

FYE2026 Results and KPIs

Branding and inner engagement

Awareness scores improved to 4.4 (from 2.4 in the previous fiscal year) due to RYODEN Tii! and transit advertising.
We fostered a culture that embraces change through dialogue between the management team and employees.

IR and SR activities

Conducted 33 meetings annually (including financial results briefings). We share requests from investors (PBR, governance, etc.) with the Board of Directors and other bodies, establishing a cycle that leads to the improvement of management issues. (Refer to page 51 for details)

Social contribution (CSV)

Conducted 22 times annually. In Omura City, Nagasaki Prefecture, we spearheaded the acquisition of J-Blue Credit, which certify environmental conservation and CO2 absorption, utilizing the Corporate Version of Hometown Tax (refer to page 53 for details). We will continue to enhance the quality of our business-linked initiatives to address local issues (CSV).

Decarbonization and natural capital

Sales of environmentally friendly products expanded to ¥43.5 billion, and we achieved a B score in the CDP assessment in two areas: "climate change" and "water security." As a measure against the increase in Scope 1 and 2 emissions (an increase of 1.8%), we will accelerate the procurement of non-fossil certificates and the introduction of EVs in FYE2027.

KPI	FYE2030 Targets	FYE2026 Results
External reputation score for the brand	Improve the external reputation score for the brand	Strengthened advertising and promotional activities
Number of IR meetings	Double that of FYE2025	1.04 times that of FYE2025
Number of social contribution activities	Maintain the number of activities	Ensured the maintenance of the number of activities
GHG emissions	36% reduction in Scope 1 and 2 compared with FYE2024	1.8% increase compared with FYE2024
	21% reduction in Scope 3 compared with FYE2024	17.5% decrease compared with FYE2024
Increasing sales of environmentally friendly products and services	200% compared with FYE2025	106%
Our dependency and impact on natural capital, and disclosures in line with the TNFD recommendations	Understand our dependency and impact on natural capital, and conclude disclosures in line with the TNFD recommendations	Commencing from FYE2027

4 Human Capital Strategy

With a focus on building a human capital portfolio aligned with our management strategy, we are working to visualize employee skills and formulate new evaluation criteria. Human Resources Department and various internal organizations are collaborating to build an organizational foundation that supports autonomous growth and the achievement of medium- to long-term management plan targets.

Foster employees who drive co-creation of the future, and build an environment that supports their growth and success

- Enhance employee engagement
- Actively invest in human capital that will drive co-creation of the future

FYE2026 Results and KPIs

Evolution of human capital strategy through strengthened collaboration with each business division and the introduction of a talent management system

We collaborated with each business division to assess the number of people for each role within each division and lay the groundwork for a dynamic talent portfolio to be established in the future. At the same time, we promoted rolling planning in line with preparations for introducing a talent management system.

Initiatives to enhance engagement

Through dialogue sessions that encouraged participants to "take ownership" of PVV, we fostered a corporate culture that embraces change. We promoted the creation of an organization where employees can actively participate and find fulfillment by introducing a new awards system that recognizes the process itself and by establishing an environment that supports diverse working styles.

KPI	FYE2030 Targets	FYE2026 Results
Engagement score	52 points	49.7 points
Proportion of women in management positions	10% or more	5%
Investment per employee in talent development	Per year: ¥200,000 or more	Per year: ¥74,000

Head Office Relocation



In December 2025, the Company relocated its head office from Higashi Ikebukuro, Toshima-ku, Tokyo, where it had been for 35 years, to Kojimachi, Chiyoda-ku, Tokyo. By creating a comfortable working environment, we aim to increase employee engagement and improve productivity and the quality of working styles.

Moreover, in August 2026, we invited employees' families to our new office for a workplace tour and to watch the Jingu Gaien Fireworks Festival. We encourage all stakeholders to stop by if you are in the area.

5 Governance Strategy

We aim to build a strong management foundation that will serve as the source of our corporate competitiveness by establishing corporate governance that enables sustainable growth over the medium to long term.

Promote advanced governance to enhance management transparency and fairness, and to support agile and decisive decision-making

- Improve governance
- Enforce compliance
- Evolve risk management framework
- Actively adopt data-driven approaches to advance governance

FYE2026 Results and KPIs

Reconstruction of the ERM framework and strengthening of our ability to respond to strategic risks

To balance the reduction of factors hindering the achievement of the medium- to long-term management plan with the pursuit of new growth opportunities, we led a verification of business risks and an examination of systems for promoting countermeasures.

Throughout the second half of the year, we began reviewing our response system to strategic risks, and conducted a gap analysis to accurately identify and organize issues. Based on this organization of issues, we are conducting continuous discussions within the governance working group and deepening concrete discussions and verifications aimed at improving the structure and effectiveness of the Business Risk Committee.

Strengthening corporate governance and improving the effectiveness of the Board of Directors

To further enhance the supervisory functions and the quality of strategic decision-making that should be possessed by the Board of Directors, we conducted continuous effectiveness evaluations and reviews of our structure.

We held repeated discussions on the structure of the Business Risk Committee and promoted the development of concrete plans to improve its effectiveness. Through business risk verification involving subcommittees and active exchanges of opinions with management, we aimed to revamp our decision-making process to make it more transparent and swift.

Strengthening global governance and management of associates

With a view to sustainable value creation and enhanced risk management across the entire Group, we began reviewing our operational policies for managing associates.

Furthermore, while striving to expand areas of expertise, we strengthened governance through a multifaceted approach centered on administrative divisions, including the consolidation of compliance training, the strengthening of accurate audits and feedback, enhanced follow-up on improvement activities, and the establishment of mechanisms for information sharing.

6 Financial Strategy

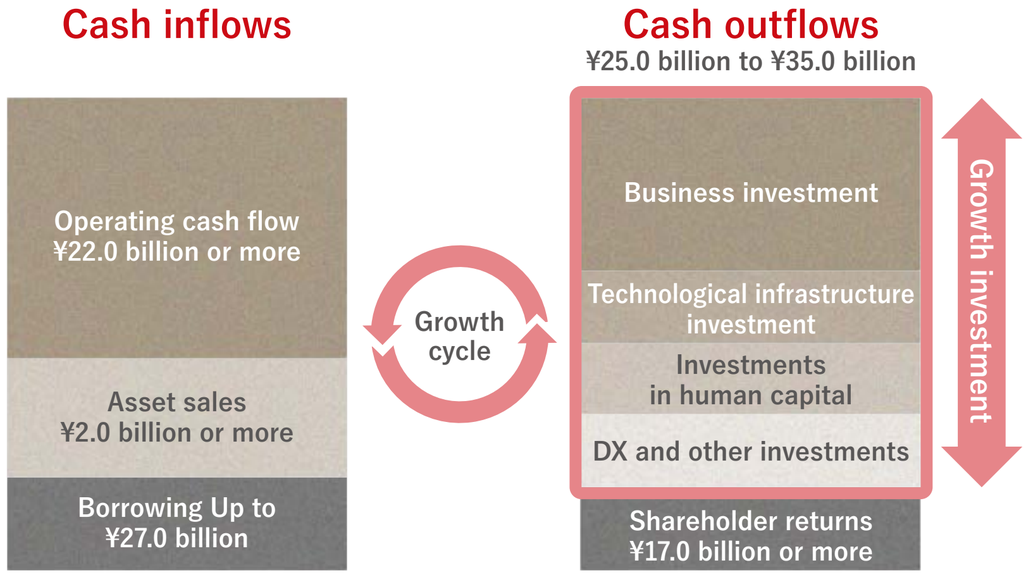
We enhance corporate value by optimizing investment and efficiently using management capital, creating a virtuous cycle for future growth

Financial	Drive a virtuous cycle of optimal business capital investment and stable shareholder returns	• Develop and implement a capital allocation strategy to build a growth cycle
	Invest in growth areas to enhance earning capacity (Business portfolio strategy)	• Proactive Investment in new businesses • Pursue growth investments in existing businesses while executing strategic reviews for withdrawal and restructuring (Develop a framework to optimize investments based on ROIC, etc.)
	Evolve risk management framework	• Strengthen the structure for group governance and risk management
	Maintain a strong financial foundation	• Enhance return on capital by optimizing the capital structure

FYE2030 Targets

Growth investment	Aim to invest ¥25.0 billion to ¥35.0 billion in 5 years
Shareholder returns	Implement progressive dividends and a DOE of 4.5% or more, ensuring stable and continuous returns*
Capital efficiency improvement	Utilize liabilities maintaining the D/E ratio at 0.3 or less; Sell cross-shareholdings and non-core assets Develop a framework to optimize investments based on ROIC, etc.

*We changed our dividend policy in May 2026.





Director of Board,
Senior Executive Officer,
General Manager of Accounting

Yasuhiro Shibata

Message from the CFO

We aim to achieve sustainable corporate value enhancement through aggressive investment and a disciplined financial strategy

Viewing the changing business environment as a prime opportunity and maximizing investments that generate innovation and their impact

Due to technological advancements and an increasingly intense competitive environment, the challenges facing customers are becoming more diverse and complex than ever before. We have entered an era in which it is impossible to sufficiently meet such sophisticated customer needs through the conventional approach of selling individual products. At the same time, manufacturers located upstream in the supply chain are also implementing structural reforms, such as the selection and concentration of product lineups and the restructuring of sales networks, and the roles required of us as sales agent are also changing significantly.

We view these dramatic changes in the external environment not as a threat, but as a prime opportunity to elevate our business model from the sale of individual products to the provision of value through solutions. To ensure that this transformation is successful and to create new innovations, we are currently focusing on maximizing investment in four areas: business investment, technological infrastructure investment, human capital investment, and DX-related investment.

Furthermore, in such periods of investment expansion, controlling uncertainty and ensuring transparency are essential. We are currently working to establish an investment monitoring system with the aim of maximizing investment returns through strengthened governance and risk management. Our business portfolio strategy involves appropriately allocating management resources to mainstay core businesses such as "FA Systems," "Cooling & Heating and Building Systems," and "Electronics," as well as to new business domains centered on "X-Tech," thereby transforming our portfolio into a robust one that supports our growth cycle model.

Thanks to the results of strategic upfront investments, our transformation into a business creation company has steadily begun to bear fruit

In FYE2026, the first year of our medium- to long-term management plan, ONE RYODEN Growth 2029 | 2034, net sales were ¥212.8 billion, gross profit was ¥29.8 billion, operating profit was ¥5.2 billion, and profit was ¥5.3 billion. It is noteworthy that gross profit, the source of our earning power, increased by ¥2.2 billion from the previous fiscal year, and that profit margins also improved significantly from 12.8% to 14.0%.

Regarding operating profit, results fell below the previous year's actual results and the announced forecast; however, this is due to the intentional and proactive execution of strategic upfront investments, with a view toward achieving the final year targets of the current medium- to long-term management plan and ensuring sustainable growth beyond that.

Looking at individual businesses, in addition to achieving profitability in new domains such as the Smart Agriculture business within X-Tech, which is being developed as a next-generation pillar, our mainstay core business of Cooling & Heating and Building Systems achieved increases in both sales and profit for the fourth consecutive fiscal year and reached record high profit. I feel a strong sense that the seeds of growth sown during the previous medium-term management plan are steadily beginning to bear fruit in the form of tangible results.

Highly precise business portfolio management that balances capital efficiency and growth potential

Optimizing our business portfolio strategy will be key to further growth in the future. Our policy is to drive a robust corporate growth cycle model by appropriately reallocating cash generated from mainstay core businesses with strong customer bases—namely FA Systems, Cooling & Heating and Building Systems, and Electronics—into growth areas for new businesses, including X-Tech.

Currently, we have set the achievement of an operating profit margin of 5%, an indicator of our earning power, as a key management indicator; however, for the quantitative evaluation of our business portfolio management (BPM), we utilize ROIC (Return on Invested Capital) as an indicator that measures both earning power and capital efficiency in each business. Rather than simply pursuing expansion in scale, we will promote more precise portfolio management by carefully monitoring both the efficiency of invested capital and the qualitative growth potential that reflects improvements in value provided.

Prioritizing growth investments while maintaining an optimal capital structure that is conscious of the cost of capital

The core elements of a medium- to long-term financial strategy are twofold: enhancing return on capital (earning power) through proactive investment, and optimizing the balance sheet.

In the allocation of cash generated by the Company, our top priority is growth investment. While vigorously pursuing this, we have set forth the following three pillars to optimize our balance sheet.

1. **Promotion of growth investment**
2. **Agile equity control**
3. **Appropriate use of liabilities**

In particular, we plan to revise our historically conservative capital structure and effectively utilize interest-bearing debt to accurately lower the overall cost of capital.

At the same time, we have further strengthened and clarified our policy regarding returns to shareholders. To ensure medium- to long-term and stable shareholder returns, we have adopted a new progressive dividend policy of not reducing dividends, and have declared a commitment to DOE (Dividend on Equity) of 4.5% or more as a target to be achieved during the period of the medium- to long-term management plan. We will pursue the optimal balance between growth investment and shareholder returns, and strive to achieve both at a high level.

Specific measures that are conscious of the cost of capital and stock price

Implementation period	Purpose	Specific measures
December 2025	Ensure diversity and further strengthen sustainability management	Achieved a B score in the CDP assessment in two areas: "climate change" and "water security"
February-March 2026	Promote understanding of management policies and business operations	Conducted proactive SR interviews in the current fiscal year
April 2026	Promote growth strategy	Established a new "System Integrate Promotion Department" to expand high-value-added businesses as part of our business portfolio transformation
April 2026	Ensure diversity and further strengthen sustainability management	Revised the regulations of the Sustainability Committee and strengthened its structure
April 2026	Promote growth strategy	Introduced ROIC management indicators in each business division
May 2026	Enhance shareholder returns	Changed our dividend policy to implement progressive dividends and aim for a DOE of 4.5% or more during the period of our current medium- to long-term management plan
July 2026	Enhance shareholder returns	Made an upward revision to earnings forecast and increased dividends (DOE 4.3%)
July 2026	Implement capital policy	Announced a stock split (1-for-2) with an effective date of October 1
July 2026	Implement capital policy	Acquisition of treasury shares (300,000 shares before split) from August to December 2026

A PBR of over 1 is merely a milestone. Through dialogue, we will foster greater expectations for growth from stakeholders

These financial strategies and capital policies have been well-received by the market, and as of August 2026, our PBR has exceeded 1.0 and our market capitalization has reached over ¥100.0 billion.

However, we recognize that a PBR of 1.0 is the minimum standard (a milestone) that must be met. Rather than being satisfied with these results, we will continue to dedicate ourselves to improving both return on capital (ROE) and growth expectations (PER) in order to achieve a sustainable enhancement of corporate value.

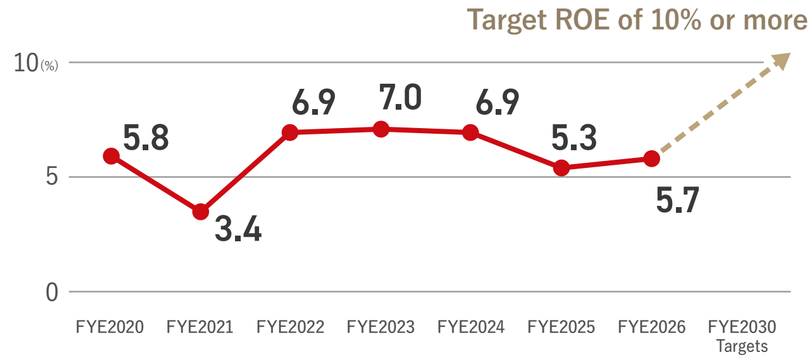
For that reason, dialogue (engagement) with shareholders and investors will be more important than ever before. Last fiscal year, in addition to the two annual financial results briefings, we held a greater number of IR and SR meetings than in the prior year. The valuable opinions received from everyone through dialogues are regularly shared with the Board of Directors and used as an important compass to further refine our management strategies.

RYODEN aims to transform into a business creation company that goes beyond being a mere trading company. As CFO, I am determined to drive this transformation through the establishment of a disciplined financial foundation and strategic resource allocation, and to work with all stakeholders to achieve the sustainable enhancement of RYODEN's corporate value.

Capital measures

Cost of equity	Risk-free rate	β value	Market risk premium
7.41%	2.366%	0.841	6.00%

ROE trends



- The cost of capital calculated using CAPM is currently 7.41%. Previously, it was 6.21%, but after considering the results of investor meetings and other factors, we recognize that the market values the shareholder capital cost at around 7% to 9%. Therefore, under our current medium- to long-term management plan, we will work to improve return on capital with the aim of achieving an ROE of 10% or more.
- ROE improved slightly to 5.7%. It falls short of the revised cost of capital of 7.41%.

Measures to improve ROE

❶ Improve profitability (review of business portfolio, proactive investment in growth drivers, etc.)
❷ Optimize the balance sheet, including the use of liabilities

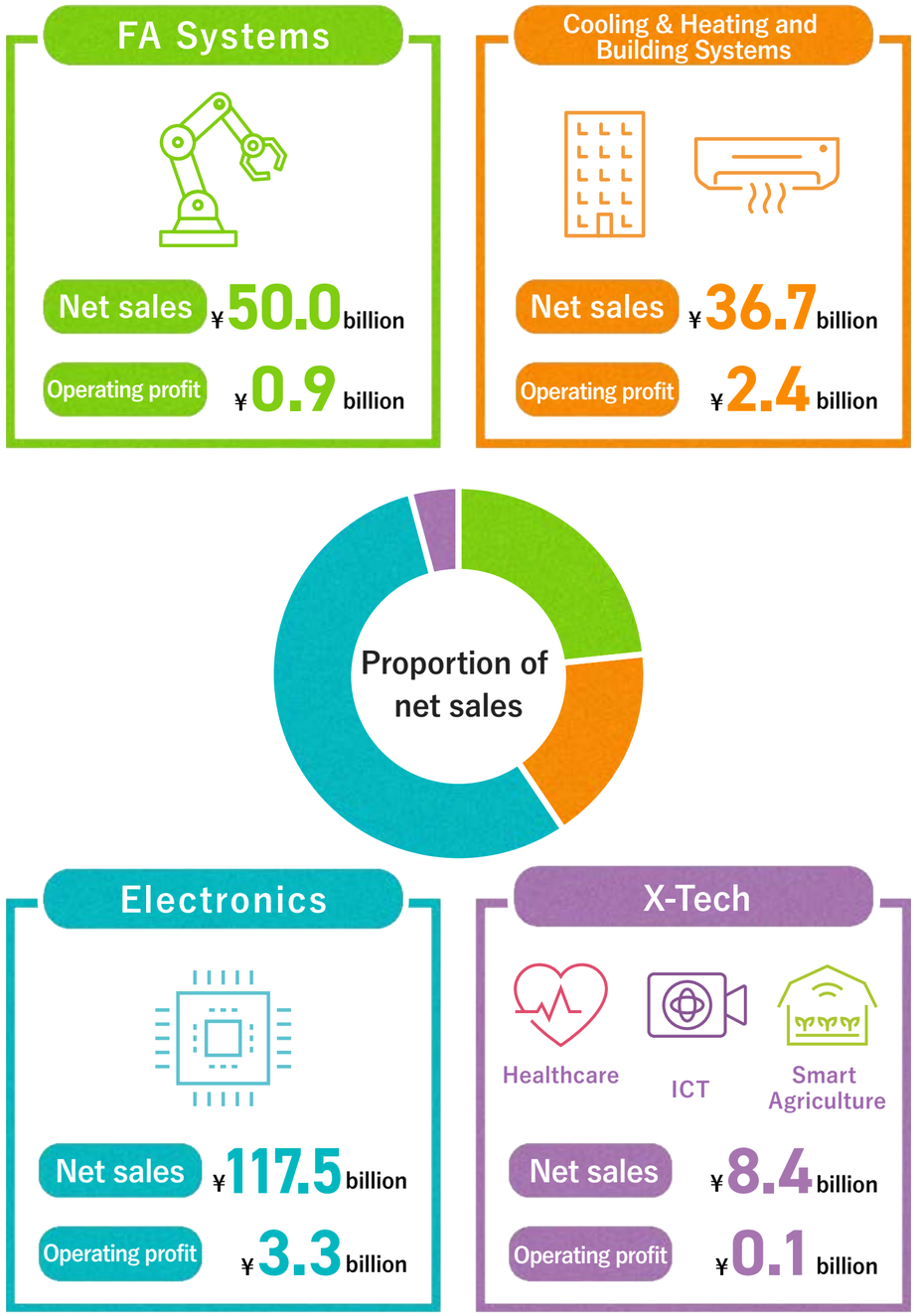
SECTION 03

Segment-specific Business Strategies

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32 Business Overview: FA Systems
34 Business Overview: Cooling & Heating and Building Systems
36 Business Overview: X-Tech
38 Business Overview: Electronics

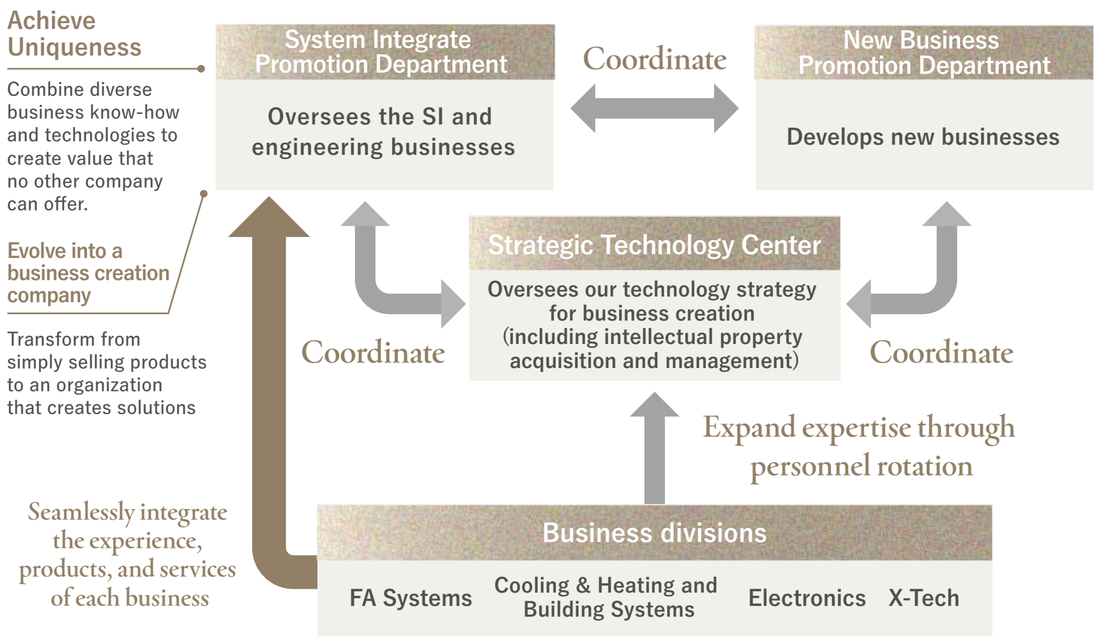
SECTION 03

RYODEN's Business Portfolio



System Integrate Promotion Department (newly established)

We established the System Integrate Promotion Department to accelerate our innovation strategy and high-value-added business, as part of our business portfolio transformation under the medium- to long-term management plan.
The department—a dedicated team of 60 professionals—comprises two divisions: the System Integrate Division, responsible for planning, sales, and marketing, and the Engineering Division, responsible for advanced construction and technical support.
Its greatest strengths are twofold. First, it promotes direct value provision to end users and market development through unique solutions that combine our original products with advanced system integration. Second, it breaks down the traditional framework of departmentalized business to achieve a company-wide, cross-functional approach, driven by our customers' true challenges and needs.
Through the department's activities, we are further accelerating innovation across the company. As a business partner that co-creates next-generation value together with our customers, we will achieve sustainable business growth while contributing strongly to the realization of a decarbonized society: an urgent challenge for us all.



FA Systems

Business description

We provide high-value-added solutions, together with knowledge from industry-academia joint research and our strategic technology division, to achieve the shift to smart manufacturing and enhance efficiency. Our extensive product lineup meets all needs for factory productivity improvement, energy saving, and labor-saving, from FA controller products, drive control and NC control products to robots, laser processing machines, and AI-based vision systems.

Message from the Division General Manager



Yuji Ishida

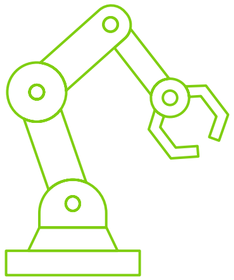
Executive Officer
General Manager, FA Business Division, FA & Facilities System Business Headquarters

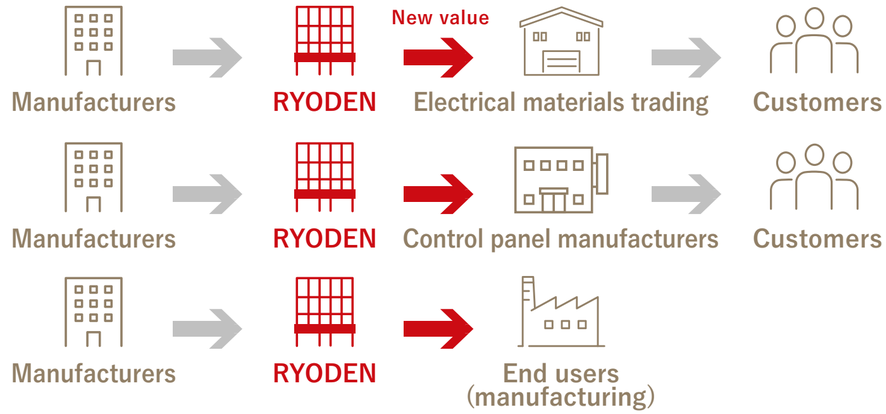
The business environment remained challenging in the first half of FYE2026, with sluggish market conditions, slow drawdown of excess inventory, and restrained investment from automotive-related users. However, the semiconductor market picked up from the second half of the fiscal year onward, driven mainly by demand for generative AI and data centers. As the market continues to recover, we regard FYE2027 as a year for significant breakthroughs.

We will strive to maintain the scale of our mainstay businesses in Japan and other regions by strengthening our technical support capabilities to retain our solid position as a Mitsubishi FA agent. By expanding our business domain in Hokkaido through market innovation, we will contribute value through proposals that leverage synergies, including RYODEN solutions. We will continue to step up strategic investments aimed at expanding business domains and user bases domestically and overseas. Moreover, by enhancing our lineup of highly competitive partner products, mainly in the Chinese and Taiwanese markets, along with combination proposals, we aim to enhance the value we provide to customers—for both hardware and software—and enhance our earning capacity. In addition to pursuing our system engineering business (robots, automated transport, image inspection, sensing, etc.) in collaboration with partner companies, we will work together with the newly established System Integrate Promotion Department to advance initiatives such as energy optimization proposals based on physical AI control solutions.

With labor shortages and demand for automation and labor-saving in the FA market expected to accelerate further, we will drive steady growth toward the achievement of our medium- to long-term management plan.

Business model





Domestic market
Machine tool manufacturers
Semiconductor manufacturing equipment manufacturers
Control panel manufacturers

Overseas markets
Numerical control (NC)-related
Semiconductor manufacturing equipment manufacturers

Main products



Mitsubishi Electric Corporation sequencer



Mitsubishi Electric Corporation SCADA software



inbolt 3D vision systems

Strengths of the FA Systems business

Backed by the support of a deep bench of technical staff and our ability to propose AI-driven technical solutions, we are advancing global expansion ahead of other trading companies, with a focus on China and Southeast Asia. Looking ahead, we will further expand our business overseas through our China desk and broaden our lineup of competitive overseas products.

Business Environment

Risks and opportunities

We anticipate further changes in the business environment, as illustrated by the restructuring of Mitsubishi Electric product lines such as transformers and motors. However, we will proceed to build a portfolio of new solution offerings, including proposals for alternative products.

Innovation strategies

Mainstay core businesses

Demand is expected to remain strong in semiconductor-related fields, centered on generative AI and data centers. We will strive to ensure stable supply, including through business via distributors, while also leveraging strategic inventory to handle longer lead times for components.

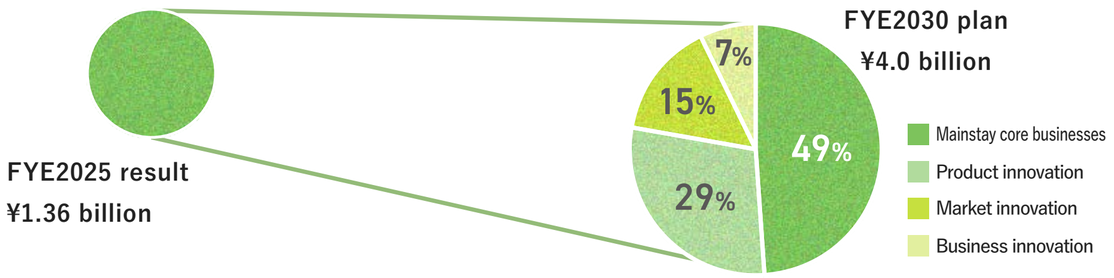
Product innovation

We will step up high-value-added proposals by expanding our unique solutions in the laser business and our offerings of highly competitive overseas products, mainly in the Chinese and Taiwanese markets, as well as strengthening our system engineering business (automated transport, image inspection, robots, etc.) in collaboration with partner companies in Japan and overseas.

Market innovation

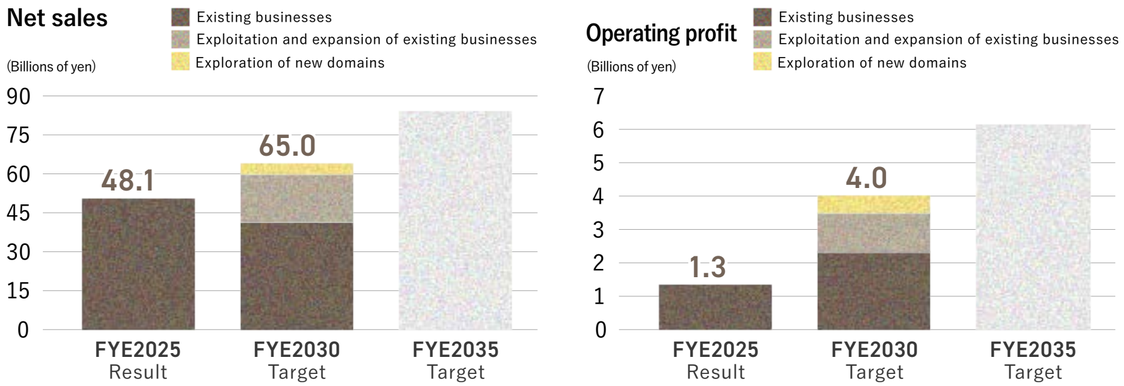
We will step up strategic investments aimed at expanding business domains and user bases domestically and overseas. In the Hokkaido area, which we expanded last fiscal year through a business transfer, we will pursue proposals that generate synergies with RYODEN solutions and contribute to the growth of our customers' businesses.

Breakdown of operating profit growth in the FA Systems business

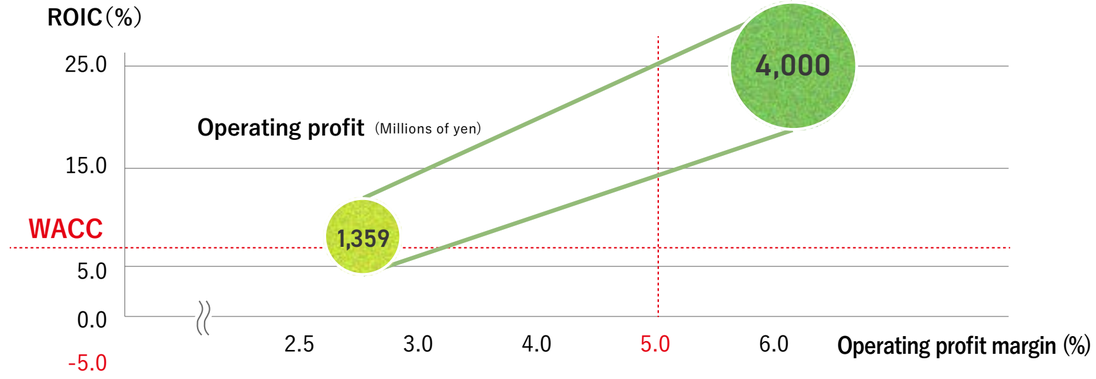


Medium- to long-term management plan targets: ROIC by business

Medium- to long-term management plan targets



ROIC by business



*ROIC: Operating profit after tax ÷ {Working capital (Trade receivables + Merchandise inventory - Trade payables + Accounts receivable–other) + Non-current assets}

FYE2026 Topics

In the FA Systems business, we are steadily expanding our operations to achieve "market acquisition through strategic investments in Japan and overseas," one of the innovation strategies under our medium- to long-term management plan.
Through two business acquisitions in June and October 2025, we are expanding and strengthening our business platform in the Hokkaido area.

Details of acquired businesses	Mitsubishi Electric FA equipment agency business of KITA KOUDENSHA Corporation	FA equipment sales agent business of Mitsubishi Electric Corporation
Acquired from	KITA KOUDENSHA Corporation	Hokkaido Mitsubishi Electric Sales Corporation
Contract date	June 30, 2025	October 9, 2025
Acquisition date (business commencement date)	October 1, 2025	January 5, 2026

Cooling & Heating and Building Systems

Business description

We provide total solutions from sales of a wide range of equipment to design and construction of air conditioning systems and cleanrooms, and energy-saving support, at a range of sites such as office buildings, production plants and logistics warehouses. In addition to solutions such as environmentally-friendly air-conditioning environments, low-temperature environments, and heat countermeasures, we propose safe and comfortable environments by promoting building management and Net Zero Energy Buildings (ZEB).

Message from the Division General Manager



Keiichi Yaji

Managing Executive Officer
General Manager, FA & Facilities System Business Headquarters
General Manager, Facilities System Business Division, FA& Facilities System Business Headquarters

In FYE2026, our Cooling & Heating business achieved its fourth consecutive year of sales and profit growth, posting record-high results. This marked a smooth start in the first year of our medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034."

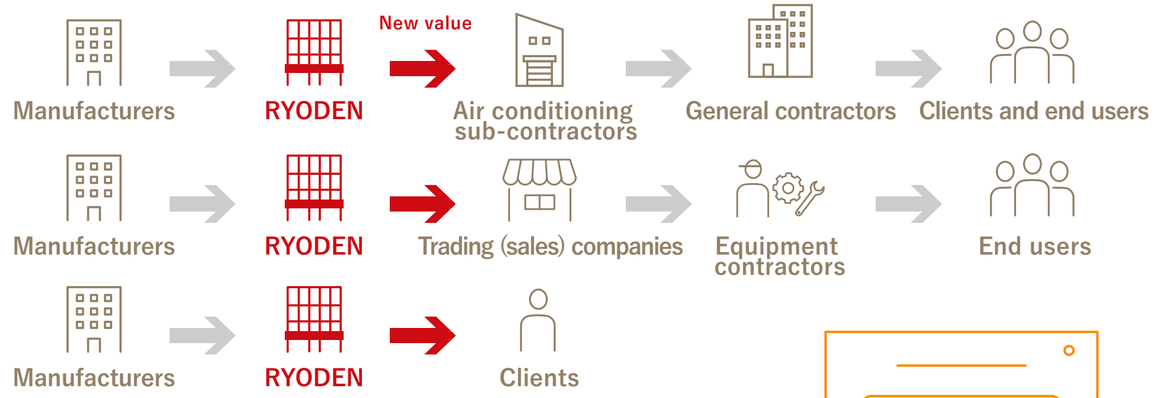
The market for air conditioners, which are our mainstay business, is steadily expanding due to the growing demand from data centers and semiconductor factory construction, as well as replacement demand driven by increasingly frequent heatwaves and environmental regulations, and the need to address energy savings and efficiency improvements. Going forward, we believe that this business environment will continue to see stable growth, supported by the persistence of global heatwaves, stricter environmental regulations, and efforts to achieve decarbonization.

Under these conditions, in FYE2027, we will focus on the ongoing growth of our heat countermeasures business, proposing efficiency improvements for building equipment and processes, and solving issues in factories and office buildings through "R-AC CONNECT™," an environmental service we launched in FYE2027.

In FYE2026, the Building Systems business' core elevator business struggled due to project delays and limits on orders caused by a shortage of construction workers. However, this was offset by strong results from our net-zero initiatives.

In FYE2027, we will continue to ensure the stable expansion of our mainstay elevator business, while focusing further on our net-zero business with the aim of maximizing the value of renewable energy and building optimization solutions.

Business model



Domestic market

Cooling & heating
- Air conditioning sub-contractors
- Distributors

Buildings
- Construction companies and general contractors
- All potential client industries

Main products



Mitsubishi Electric Corporation
Packaged air conditioner for facilities



Mitsubishi Electric Corporation
Observation elevator



Kubota Air Conditioner, Ltd.
Indoor units of area air conditioner

Strengths of the Cooling & Heating and Building Systems business

We serve our customers as a professional partner that understands them best and can accommodate their equipment installation and operating environment needs. This is one of the strengths of our Cooling & Heating and Building Systems business. Another is our ability to provide value and solve issues for customers through our specialized expertise and engineering capabilities.
Going forward, we will also accelerate our efforts in new domains (innovation) and strive to continue to be the chosen partner for our customers and society.

Business Environment

Risks

Higher costs and process delays due to the soaring prices of memory and materials such as naphtha, and construction issues due to labor shortages

Opportunities

Contribution to decarbonization and labor-saving through the provision of equipment and systems for environmental countermeasures

Innovation strategies

Mainstay core businesses

By strengthening our efforts in the heat countermeasures business and the construction and engineering business, we will help improve workplace environments, address labor shortages, and resolve other social issues.

Product innovation

We will step up the expansion of our recycled refrigerant network, contributing to decarbonization.

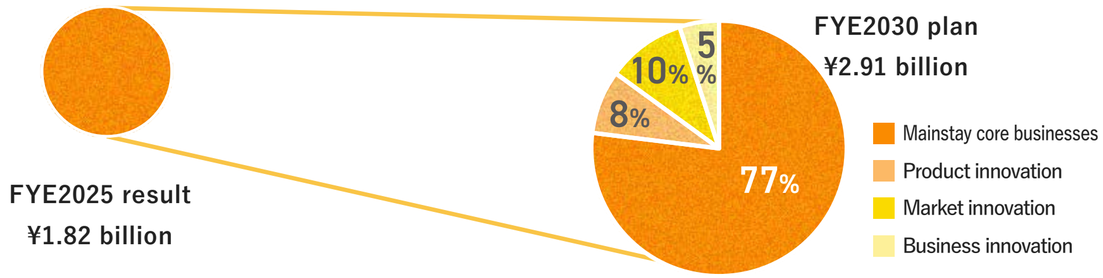
Market innovation

We will help to address labor shortages and promote decarbonization by shortening construction periods through the establishment of off-site construction methods in collaboration with our partner companies.

Business innovation

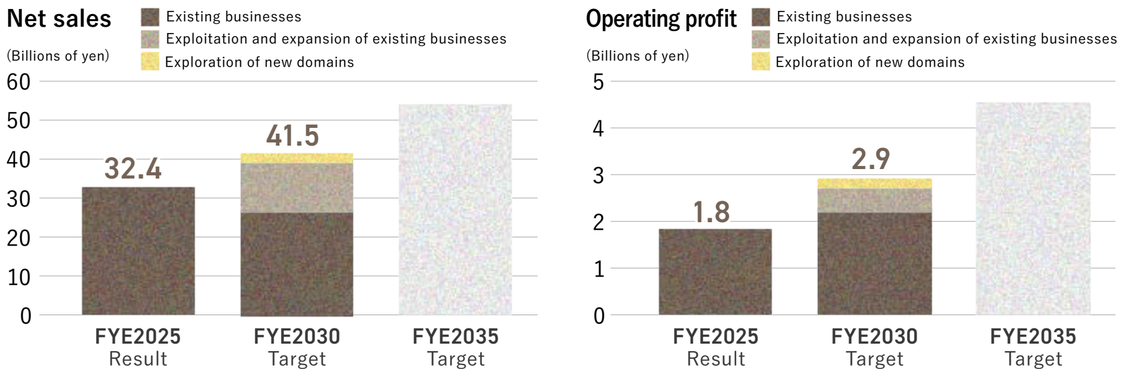
Through our environmental service "R-AC CONNECT™," we provide a seamless system covering all steps from data visualization and energy-saving proposals to preventive detection, maintenance inspections and repairs.

Breakdown of operating profit growth in the Cooling & Heating and Building Systems business

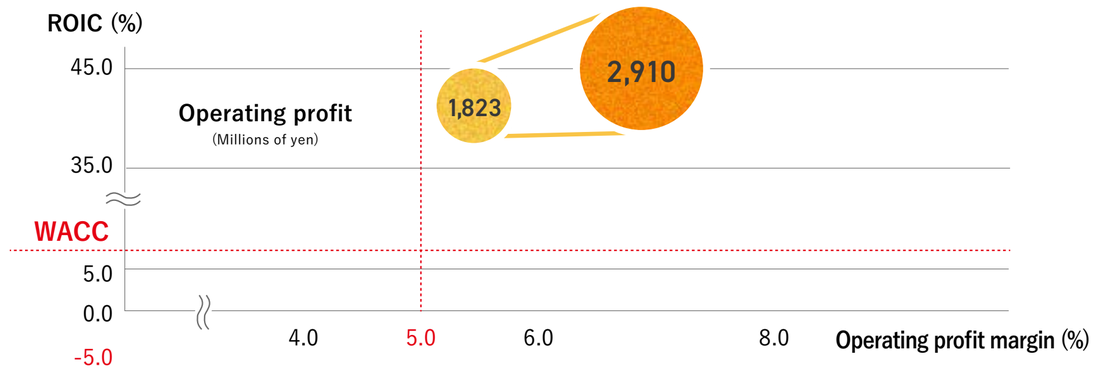


Medium- to long-term management plan targets: ROIC by business

Medium- to long-term management plan targets



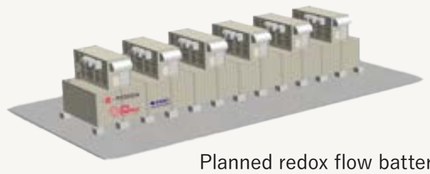
ROIC by business



*ROIC: Operating profit after tax ÷ {Working capital (Trade receivables + Merchandise inventory - Trade payables + Accounts receivable–other) + Non-current assets}

FYE2026 Topics

The Kurayoshi Battery Storage Facility (tentative name) Grid-Scale Storage System Introduction Project, jointly proposed by RYODEN Corporation and JPN ENERGY Integrated System Co., Ltd., has been selected by Sustainable open Innovation Initiative (SII) as a FYE2026 Grid-scale Storage Battery and Water Electrolysis Equipment Introduction Support Project. We plan to begin operation of the storage plant in FYE2028 through an operating company, Kurayoshi Battery Storage Facility G.K. (tentative name).
At RYODEN, we view energy optimization aimed at decarbonization as a future core business that will drive our growth through the next generation. In this context, we are focused on maximizing the value of renewable energy and building optimization solutions.



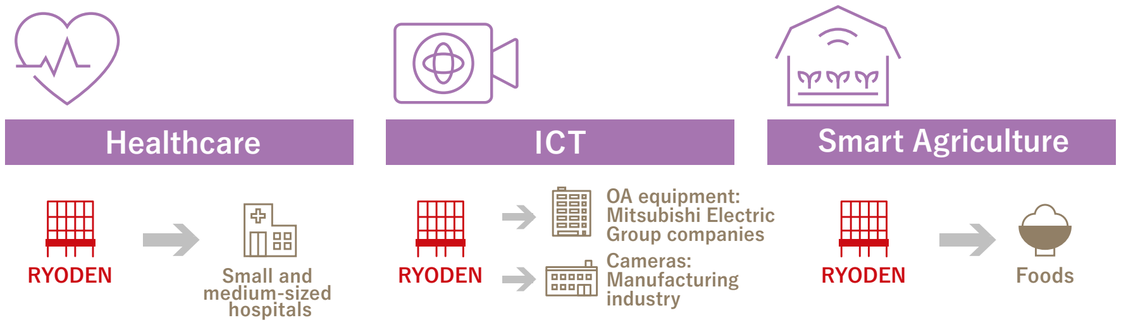
Planned redox flow battery system (1999kW)

In this project, we will achieve sustainable business operations through the installation of redox flow battery manufactured by Sumitomo Electric Industries, Ltd., which enable long-term stable operation with high levels of safety and environmental performance.
This battery storage facility will enable us to participate in the wholesale electricity market, the supply-demand adjustment market, and the capacity market. By providing the balancing capacity to absorb fluctuations in renewable energy output, we will help to stabilize the power grid and achieve carbon neutrality in Japan.

X-Tech

The X-Tech business is a new business segment that combines semiconductor-related technologies (Electronics), factory automation technologies (FA Systems), and air-conditioning control technologies (Cooling & Heating and Building Systems) that we have cultivated over many years. We provide unique solutions that utilize IoT technology across various industrial fields including automobiles, machinery, and food. We are developing business in a wide range of fields, and expanding our business domains into Healthcare and Smart Agriculture.

Business model



Support for the design, development, sale, maintenance, and rental of various in-hospital information systems, from image data management to operation support systems, as well as the provision of cloud services

Provision of new businesses, including solutions for communication networks, information and communications components, monitoring, RFID, etc.

Development and construction of plant factory systems utilizing the know-how cultivated in the FA Systems and Cooling & Heating and Building Systems businesses, as well as in semiconductor-related technologies

Main products

ICT

Digital signage, PCs, servers, other information processing devices, video and image information systems, RFID devices and systems, surveillance cameras, computer peripheral equipment, and computer supplies

Healthcare

Medical facilities and medical supplies

Smart Agriculture

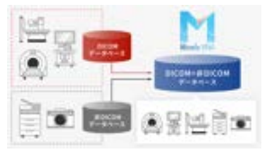
Plant factory commercialization support services and photosynthesis engineering services



RYODEN Group new products produced in a plant factory



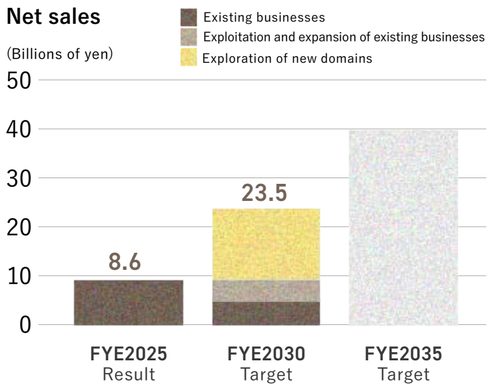
FlaRevo, a video camera solution

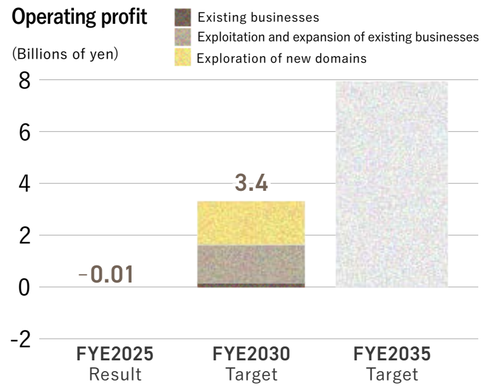


Open medical image-data integrated management system

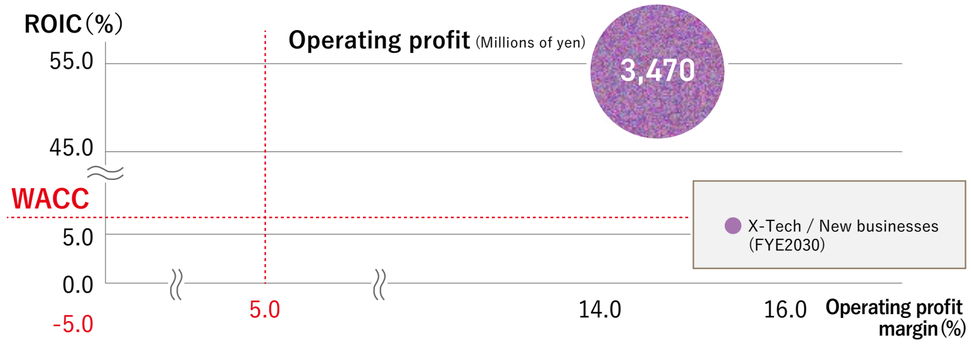
Medium- to long-term management plan targets: ROIC by business

Medium- to long-term management plan targets





ROIC by business



*ROIC: Operating profit after tax ÷ {Working capital (Trade receivables + Merchandise inventory - Trade payables + Accounts receivable–other) + Non-current assets}

FYE2026 Topics



Our photosynthesis engineering services use green innovation technology to provide seamless support for customers' progress to commercialization. We provide services ranging from evaluation and analysis to plant design, construction, and operational support, based on our integrated control technology for light, water, and air, and the know-how we have cultivated through plant factory operations. In this way, we help to solve social issues such as food shortages and CO_2 emissions reduction, and contribute to realizing food sustainability.

As part of this initiative, in December 2025, we completed a bench-scale plant for marine purple photosynthetic bacteria, which was ordered by Idemitsu Kosan Co., Ltd. and others. This is a state-of-the-art, enclosed-type demonstration plant aimed at establishing mass cultivation technology for the photosynthetic bacteria used in fertilizers, animal feed, and other applications. It utilizes RYODEN's Remces system to achieve integrated control and automation. We participated from the conceptual stage and provided end-to-end support. Going forward, we will also take part in planning the next plant, aiming to establish technological superiority in a growing market and enhance our corporate value.

Growth strategies in the Healthcare business

Message from the Division General Manager

Japan is moving ahead with a medium- to long-term restructuring of its healthcare delivery system for 2040. The national government is set to formulate new guidelines during FYE2027, and in FYE2028 local governments will update their community healthcare vision. These developments are expected to accelerate efforts to reduce excess hospital beds and reorganize or consolidate medical institutions. Other key themes include healthcare DX based on the My Number Card (Individual Number Card) Health Insurance Certificate and efficiency enhancements through the use of digital technology. In this context, our healthcare division will strive to provide the items needed, primarily in terms of healthcare DX, raise its presence in the industry, and stabilize revenue as a company that provides optimal solutions to medical institutions from a neutral standpoint.



Yoshinori Koushima
General Manager,
Healthcare Division

Business Environment

Japan's healthcare sector is facing structural changes due to declining birthrates, an aging population, and population decline. We also face a major turning point in social systems, including healthcare DX and work style reform.

Risks

Business conditions have worsened for many medical institutions due to rising prices and soaring personnel expenses, and their capacity to invest has declined.

Opportunities

Alongside the government's healthcare DX policy and community healthcare vision, there will be a growing range of opportunities for us to propose cloud-based data management systems and IT solutions that help to improve efficiency within hospitals.

Strengths of the Healthcare business

Our primary strength lies in our business relationships with our many business partners. In addition, the fact that we are not an agent for any specific medical equipment manufacturer means that we can work with all manufacturers, enabling us to offer system packages and other solutions that meet medical institutions' full range of needs.

Growth strategies in the Smart Agriculture business

Message from the Division General Manager

FYE2026 brought significant progress in business model innovation through our photosynthesis engineering. By providing new forms of value—including contracted research, commercialization consulting, IoT system licensing, and test plants—we succeeded in securing new projects and significantly improving profitability. We also made strong progress in our efforts to invest in development and establish technology, aiming to capture a first-mover advantage in the market.

In the plant production and sales business, we pursued higher added value through a product mix strategy and, despite a difficult external environment, we achieved operating profit double that of the previous year. At the same time, we rolled out initiatives to raise the market presence of the VEGE MONSTER brand, primarily through TV commercials, laying the groundwork for further sales expansion.

For FYE2027, we have set forth our basic policies to expand the photosynthesis engineering business and further improve the profitability of the plant production and sales business.

For photosynthesis engineering, we will advance the projects secured in FYE2026 to the commercialization phase, aiming to develop them into large-scale plant projects. At the same time, we will focus on cultivating new customers, striving to achieve the goals of our medium- to long-term management plan in FYE2030. For plant production and sales, we will pursue higher added value by developing and launching products from crop types that have become unreliable to produce or distribute in recent years due to climate change.



Yuushirou Mikami
General Manager,
Smart Agriculture Division,
Green Systems Headquarters

Business Environment

Risks and opportunities

Intensifying climate change is causing poor crop growth and uncertain supply, while energy costs and material prices continue to rise. These factors are putting upward pressure on plant factory production costs and intensifying market competition, making them issues of concern for our business. On the other hand, we are also experiencing tailwinds such as a growing awareness of food security amid extreme weather events, as well as expanding demand for agritech. We see this as a prime opportunity to build a new business model leveraging our photosynthesis engineering technologies and our ability to develop high-value-added crops.

Electronics

Business description

At the forefront of the continually evolving electronics industry, we provide ideal semiconductors and devices to suit our customers and solutions to meet their increasingly sophisticated needs. We leverage the electronics technologies we have cultivated over many years to contribute to a safe and secure environmental society.

Message from the Headquarters General Manager



Shigechika Motoyama

Managing Executive Officer
General Manager, Device Systems Headquarters

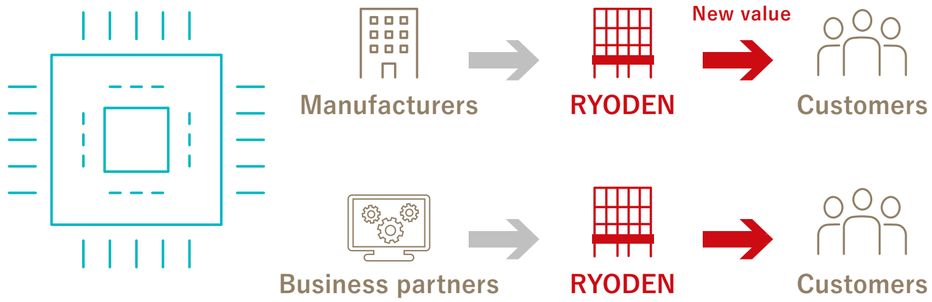
The electronics division's greatest assets remain, as ever, its global customers and business partners (manufacturers). We play the role of connecting the two through technology—semiconductor devices and electronic components—as we strive to solve social issues and give shape to a "Future full of Waku-Waku (Excitement)". I believe that the evolution of the semiconductor devices and electronic components offered by the electronics division will support us in achieving our vision for the future under "ONE RYODEN Growth 2029|2034."

The mainstay and existing businesses that support the daily lives of consumers today, as well as the innovations that solve social issues and create a future full of excitement: all are built on the foundation of semiconductor de vice and electronic component technologies. By connecting customers with our business partners, we will contribute to realizing a sustainable society.

In FYE2026, the first year of our medium- to long-term management plan, both net sales and operating profit declined substantially. While circumstances varied from customer to customer and partner to partner, the biggest factor overall was a significant imbalance in our sales.

In FYE2027, we will focus on securing future sales and profits by capturing orders for existing projects and uncovering new opportunities. Our efforts this year will fuel our sales and profits through FYE2030, the first goal of our medium- to long-term management plan. With a steadfast commitment to improving profitability, we will pursue sustainable growth by expanding our three innovations.

Business model



Domestic market
- Machine tool manufacturers
- In-vehicle product market
- Data center applications
- Control panel manufacturers for the industrial equipment market

Overseas markets
- Consumer products market
- OA equipment applications
- Industrial equipment market
- In-vehicle product market

Main products



Mitsubishi Electric Corporation
SiC power module



e. MMC manufactured by Micron Technology, Inc.



Virtual Space Simulation "WARXSS®"

Strengths of the Electronics business

Our strength stems from our long-term relationships with global customers and business partners (manufacturers). Our ability to understand market needs and social issues and to develop and provide optimal solutions is another source of strength. It is the Electronics business, too, that creates the "future" realizing RYODEN's vision for the future.

Business Environment

Risks

We recognize risks such as price revisions driven by rising material costs, as well as a potential decline in profitability in our mainstay businesses and fewer new business opportunities, due to increased development costs and longer production lead times.

Opportunities

We will discover and offer materials and solutions that help make development more efficient and reduce system costs. We believe this will drive differentiation and enhance our uniqueness, thereby enabling us to establish a stronger business platform and increase profitability.

Innovation strategies

Mainstay core businesses

We aim to utilize the digital information infrastructure and establish a supply chain that supports an agile operating structure. We will also expand our business platform centered on in-vehicle mobility and improve profitability by proposing high-value-added solutions to the industrial market.

Product innovation

We will discover and offer new high-value-added products that contribute to solving customer and social issues, as well as cultivate existing customers, to achieve sustainable growth (including new digital products and energy-saving solutions).

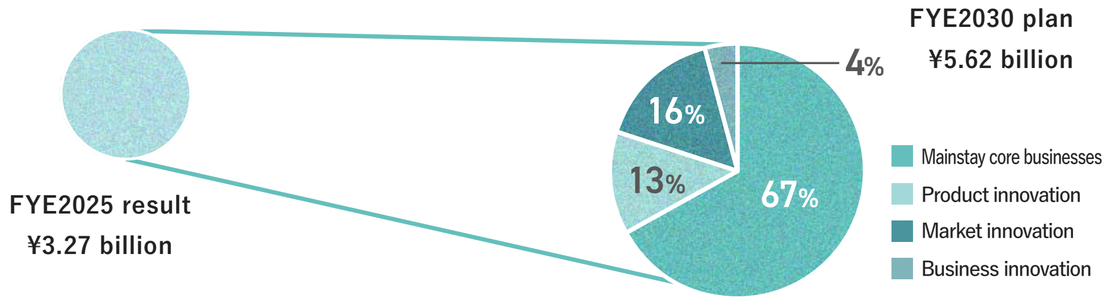
Market innovation

We will cultivate new markets by developing new products, advance into overseas markets based on global market research, and build new revenue bases to pursue sustainable growth (including entry into the amusement industry).

Business innovation

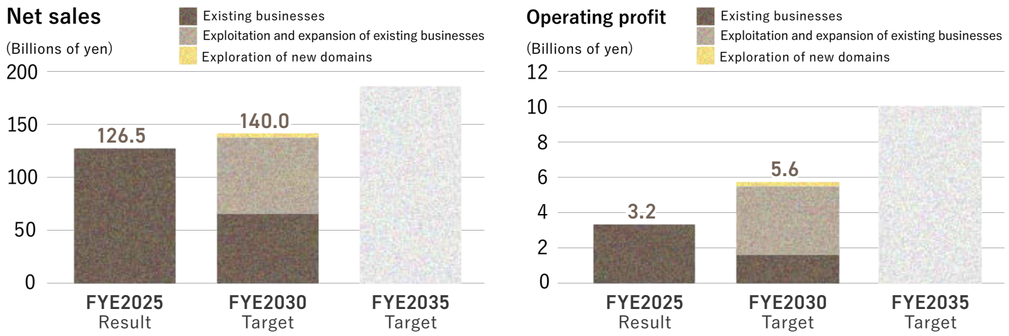
We aim for sustainable growth by transitioning from selling products to selling solutions and developing diverse business models, so that we can build long-term relationships with customers and business partners and create new revenue sources (such as intellectual property licensing).

Breakdown of operating profit growth in the Electronics business

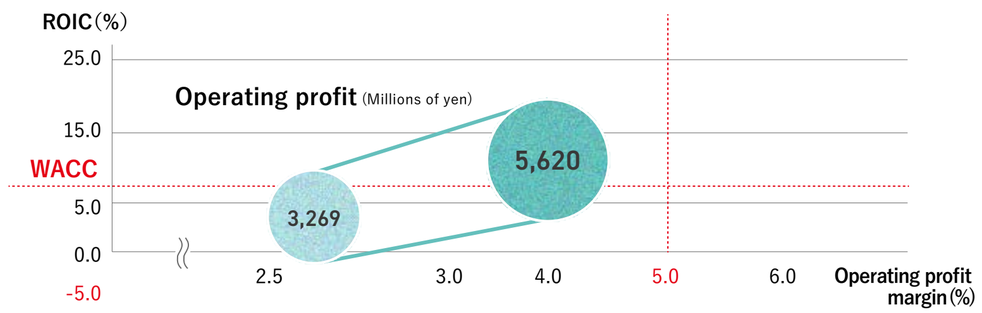


Medium- to long-term management plan targets: ROIC by business

Medium- to long-term management plan targets



ROIC by business

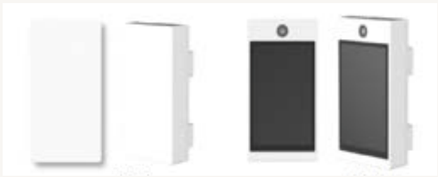


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FYE2026 Topics

Entering a new market (the amusement market)

By understanding customer needs and drawing on the electronics technologies we have developed so far, as well as our procurement capabilities from our cutting-edge suppliers overseas, we will make our entry into the amusement market through the development of a new cashless payment terminal. We will establish our position in this new market, using it as a new revenue base to drive sustainable growth. At the same time, we will work to expand and develop our target markets, establishing a new business model.



MPM terminal

COMBO terminal (MPM & CPM)

SECTION 04

Sustainability Management

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Tomoyuki Sugai

Executive Officer
General Manager, Sustainability
Management Strategy Division,
Corporate Strategic Planning

Building a foundation for sustainable growth and accelerating transformation

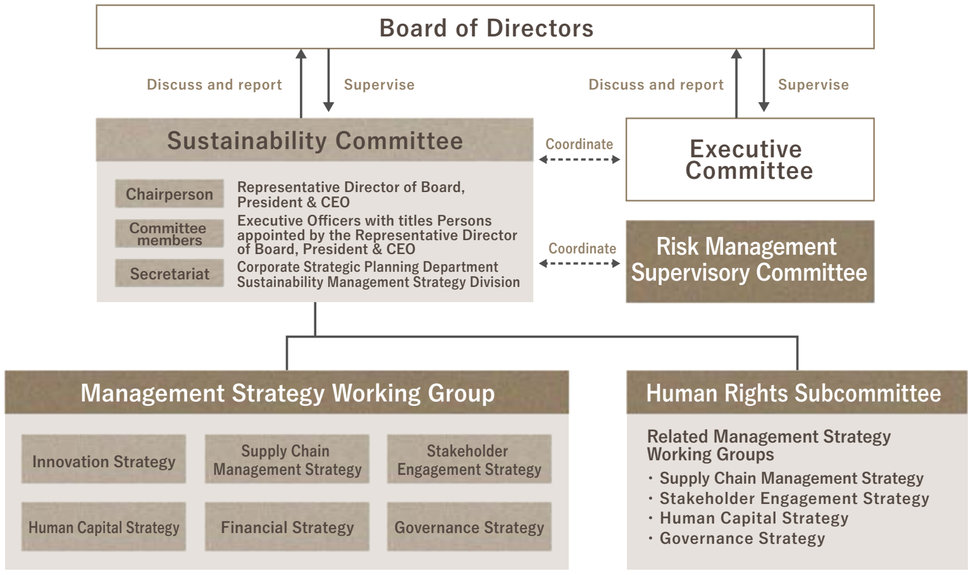
Placing sustainability at the core of management

In FYE2026, the RYODEN Group established its purpose as giving shape to "Waku-Waku (Excitement)" by connecting people and technology, and we are working to deepen sustainability management in order to realize a sustainable society. As a concrete approach, and with the aim of balancing social and economic value, we organized working groups linked to six management strategies—innovation, supply chain, stakeholder engagement, human capital, financial, and governance—to address the six Materiality (material issues) formulated in our medium- to long-term management plan. The working groups involve a diverse range of relevant parties—including the Sustainability Management Strategy Department, as well as business and administrative divisions—working together across the entire company to resolve issues. Furthermore, each working group sets clear KPIs (Key Performance Indicators) and thoroughly manages progress, thereby ensuring steady management while executing a highly effective PDCA cycle.

In addition to internal initiatives, we have also participated in dialogues with institutional investors regarding ESG (Environmental, Social, and Governance) issues as part of our IR activities. Through dialogues with these stakeholders, we are able to gain direct insight into their candid opinions and expectations regarding our sustainability activities, and we will ensure that the insights gained are firmly reflected in the refinement of our future management strategies and activities.

In this way, our medium- to long-term management plan treats non-financial targets—such as environment, society, and governance—on an equal footing with financial targets such as profits, and the plan can only be achieved through the resolution of Materiality. Advancement through this dual approach is the very essence of the RYODEN Group's sustainability management, and we will link this to the continuous enhancement of corporate value.

Sustainability Management Structure (from April 1, 2026 onwards)



Exploits and achievements in each strategic domain

Initiatives to address Materiality

As part of the initiatives for our six management strategies linked to Materiality, we established a new organization to accelerate the initiative for innovation for FYE2026. In addition to our mainstay business foundation, we will strengthen our capabilities in the system integration domain to further drive value co-creation and accelerate innovation. Additionally, to promote supply chain management, we have formulated and announced a new procurement policy. In FYE2027, we will vigorously promote activities across all working groups, with a steadfast focus on achieving tangible results.

Review of the sustainability management structure

As of FYE2027, the structure has been changed so that the Sustainability Committee directly submits proposals and reports to the Board of Directors. This will enable the Board of Directors, the highest decision-making body in management, to directly oversee the status of sustainability activities and make swift management decisions. Furthermore, sustainability agendas will be submitted and reported to the Board of Directors at least four times a year, and timely feedback regarding matters deliberated by the Sustainability Committee will be provided to management so that strategies can be revised and strengthened.

Climate change response and environmental management performance

The transition to a decarbonized society presents a significant risk to business continuity, yet it also offers an essential opportunity, viewed through the lens of "double materiality," to transform the environmental business into a pillar of growth. RYODEN positions the expansion of environmentally friendly products and services as a strategically important matter, and aims to achieve both environmental impact reduction and economic value creation.

Promoting internal awareness and education on sustainability management

For sustainability strategies to become the engine of a company's sustainable growth, it is essential for employees to take a personal interest and responsibility in them. To this end, we are implementing various activities to promote awareness within the company.

❶ Internal awareness activities

We conduct annual e-learning training for the entire company to promote understanding. The theme for FYE2026 was climate change. In addition, we conducted site visits to our Central Japan Executive Office and West Japan Executive Office, providing individual explanations to management employees to promote awareness of sustainability management on the frontlines. In FYE2027, we will invite external lecturers to conduct training for management to learn about the latest trends in human rights. This will strengthen the advancement of our strategy through leadership.

❷ Awareness survey and improvement cycle

We will conduct an internal survey on sustainability, continue to quantitatively assess employees' "level of understanding and practical application," and implement an improvement cycle towards our target for FYE2030 (100% understanding).

With "connecting people and technology" at its core, RYODEN is committed to diligently promoting sustainability management that balances the creation of social and economic value. Through highly transparent information disclosure and sincere dialogue, we are determined to meet the expectations of all stakeholders and continue to contribute to the realization of a sustainable society.

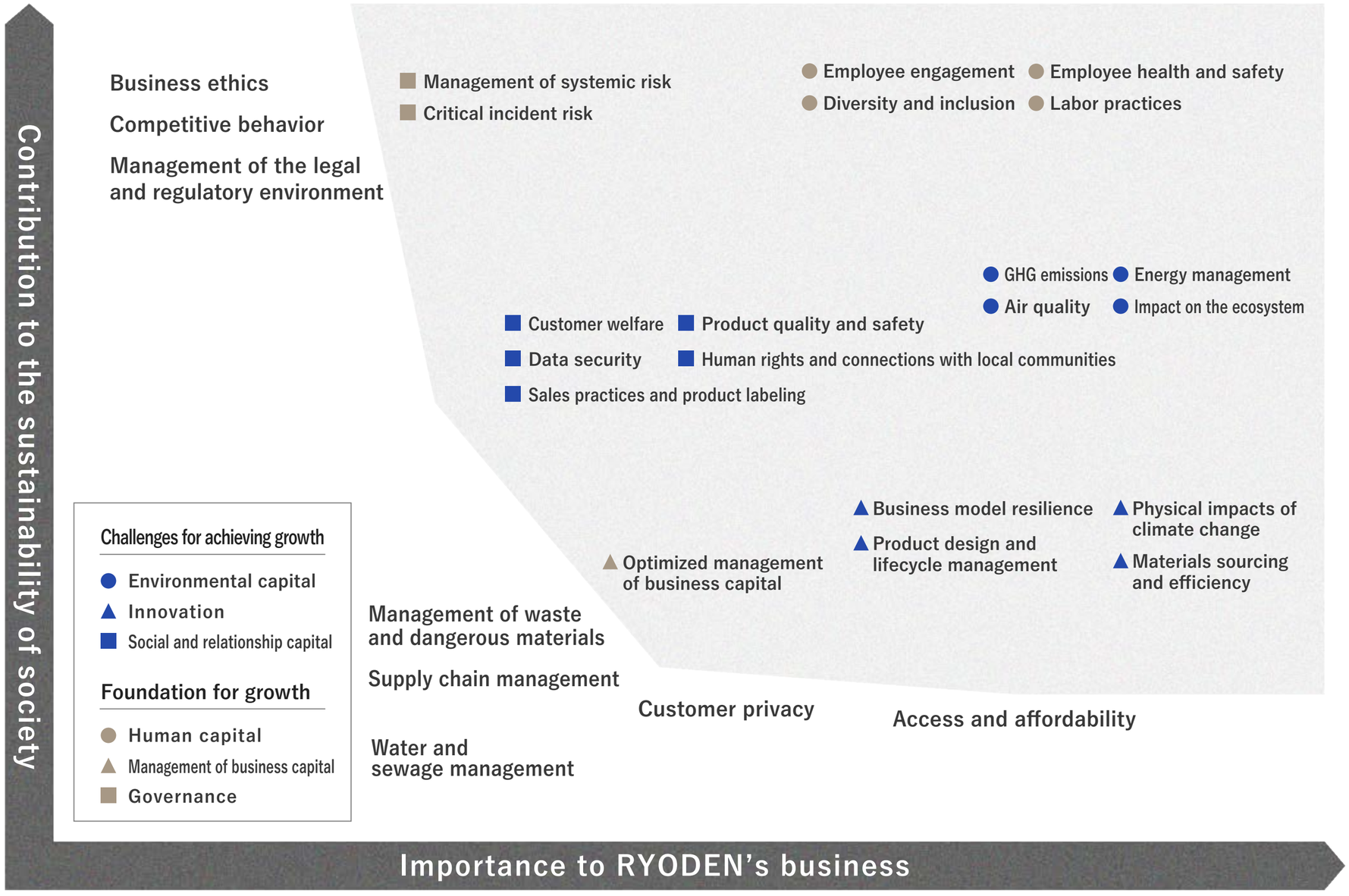
Towards becoming a 100-year company

We aim to become an excellent company that combines technological capabilities and creativity to turn unpredictable environmental changes into opportunities. This challenge—which includes social impact in its KPIs alongside short-term numerical targets—represents an investment aimed at solidifying the sustainable enhancement of corporate value. Going forward, the entire Group will continue to co-create a future in which we contribute to society through collaboration with all stakeholders.

Key topics in FYE2026 (and part of FYE2027)

Implementation period	Specific measures
July 2025	Greenhouse gas emission reduction targets obtained SBT certification
December 2025	Achieved a B score in the CDP assessment in two areas: "climate change" and "water security"
April 2026	Revised the regulations of the Sustainability Committee and strengthened its structure

Under the previous medium-term management plan, we focused on social sustainability, selecting the seven SDGs that are most crucial for the Group's business activities, establishing KPI targets to guide initiatives in each business, and pursuing activities aimed at achieving these targets. In our medium- to long-term management plan, we also focus on our sustainability as an economic actor, identifying six Materiality (material issues) for the Group to prioritize in its efforts to achieve its new vision.



STEP 1: Identification of issues

We highlighted issues based on the gap between the current situation and the value that RYODEN can potentially provide to stakeholders such as investors, customers, employees, suppliers, and local communities ("Waku-Waku/Excitement"). We organized these issues into 28 items with reference to international standards such as SASB and ISO 26000.

STEP 2: Importance evaluation

We evaluated each item along two axes: contribution to the sustainability of society and importance to RYODEN's business. We selected six potential items for RYODEN's Materiality with the participation of external experts, executives, and members of the ONE RYODEN Growth 2029 | 2034 medium- to long-term management plan project, which comprised young and mid-career employees expected to lead the future.

STEP 3: Identification (discussion and approval)

After discussion by the Sustainability Committee, the management team, including Outside Directors, exchanged their views on the items. Upon deliberation by the Executive Committee, RYODEN's Materiality (material issues) were approved by the Board of Directors.

Solving social issues through technology and innovation



We will bring together expertise from inside and outside the company and drive innovation to make our business unique. We will leverage our high-value-added products, services, and engineering prowess to provide solutions and create businesses that help solve customer and social challenges.

Creating a safe and secure society and way of life



We will fulfill our responsibility to provide a stable supply of high-quality, reliably safe products and services, while contributing to the realization of a safe, secure society and lifestyles through coexistence and co-creation with diverse stakeholders through our corporate activities.

Living in harmony with the Earth



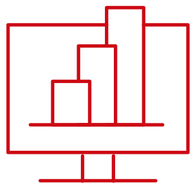
We will work to realize a circular economy while reducing our impact on the environment by providing products and services that contribute to decarbonization, as well as endeavoring to combat climate change, maintain biodiversity, and conserve natural capital.

Growing talent that embodies our purpose and building an environment that supports our growth and success



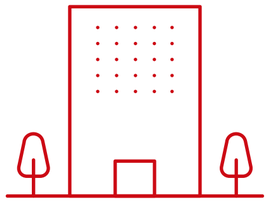
Based on the recognition that people are our greatest asset, we will promote the development of human capital: people who will be the driving force in co-creating the future. We will create environments where all individuals can make the most of diversity to maximize their abilities, embody RYODEN's purpose and values, and realize healthy and prosperous lives.

Building a sustainable circular economy through strategic capital optimization

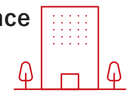


To achieve sustainable growth and development, we will drive a virtuous cycle of reinvestment to enhance corporate value and achieve further growth by making optimal investments in business capital and utilizing it efficiently.

Advancing corporate governance practices



We will promote advanced governance systems Group-wide to enhance management transparency and fairness, and to support agile and decisive decision-making.

Materiality	Management Strategy	Initiatives	Outcome Indicators / KPIs
Solving social issues through technology and innovation 	Innovation	● Solve social issues by promoting innovation ● Create new businesses from synergies and integrating business areas ● Provide solutions in W/W by proactively entering the global market ● Bolster our R&D structure	● Innovation sales: over ¥100 billion ● Operating profit margin: 5.0% or more ● Net sales in X-Tech/new businesses: ¥23.5 billion ● Sales from overseas associates: 124% compared with FYE2025 ● Improving value-added per employee (gross profit)
Creating a safe and secure society and way of life 	Supply chain	● Establish a supplier management system ● Build a quality assurance system for our brands ● Reform sales/operating processes to improve operational quality and productivity ● Environmental adaptation and risk reduction responding to demand changes ● Develop and leverage digital information infrastructure	● Improving labor productivity per employee (operating profit) ● Number of serious defects for which we are responsible: 0
	Stakeholder engagement	● Enhancing branding ● Promoting SR and IR activities ● Enhancing social contribution activities	● Improving the external reputation score for the brand ● Number of IR meetings: double that of FYE2025 ● Number of social contribution activities: maintain the number of activities
Living in harmony with the Earth 		● Reduce GHG emissions ● Offer environmentally friendly products and services ● Understand our dependency and impact on natural capital	● Reducing GHG emissions: 36% reduction in Scope 1 and 2 compared with FYE2024 and 21% reduction in Scope 3 compared with FYE2024 ● Increasing sales of environmentally friendly products and services: 200% compared with FYE2025 ● Understanding our dependency and impact on natural capital: concluding disclosures in line with the TNFD recommendations
Growing talent that embodies our purpose and building an environment that supports our growth and success 	Human capital	● Enhance employee engagement ● Actively invest in human capital that will drive co-creation of the future	● Engagement score (deviation): 52 points or higher ● Proportion of women in management positions: 10% or more ● Annual investment per employee in talent development: ¥200,000 or more
Building a sustainable circular economy through strategic capital optimization 	Financial	● Implement growth investments that contribute to the sustainable enhancement of corporate value ● Maintain a strong financial foundation ● Achieve a recurring growth cycle with an awareness of market valuation (≈ share price) through appropriate growth investments and shareholder returns	● PBR: 1.0 or above ● ROE: 10.0% or more ● Improvement of ROIC and development of a framework to optimize investments ● Investments in growth drivers: ¥25 billion to ¥35 billion (cumulative total for FYE2026 to FYE2030)
Advancing corporate governance practices 	Governance	● Improve governance ● Enforce compliance ● Evolve risk management framework ● Actively adopt data-driven approaches to advance governance	● Evaluation of the effectiveness of the Board of Directors and ongoing improvement on issues ● Proportion of female Directors: 30% or more ● Reduction/avoidance of risks in response to an ever-changing business environment ● Maintaining zero serious violations of laws and regulations

Environmental Policy

The RYODEN Group aims to coexist with the global environment in order to pass on a better environment to the next generation. Hence, we are committed to conducting environmentally friendly business activities with the intent of achieving a decarbonized and sound material-cycle society.

1.Compliance with Laws and Regulations

We shall comply with environmental laws, regulations, and other agreed-upon requirements.

2.Realization of a Decarbonized Society

We shall endeavor to reduce greenhouse gas emissions by developing and providing products and services that contribute to mitigating and adapting climate change, and by promoting the uptake of renewable energy.

3.Realization of a Sound Material-cycle Society

We shall contribute to realizing a sound material-cycle society by striving for the utilization of sustainable resources, energy conservation, and recycling.

4.Consideration to Biodiversity

We shall commit to conserving biodiversity by working with our business partners to construct an environmentally friendly value chain.

5.Reduction of Environmental Impact

We shall strive to prevent pollution by adopting the proper management of waste, chemical substances contained in products, and water usage.

6.Continuous Improvement

We shall endeavor to continuously improve our environmental management systems in order to enhance our environmental performance.

Metrics and Targets

We recognize the need to take responsibility for greenhouse gas (GHG) emissions and their reduction, and we established a new GHG emission reduction target in FYE2025.
We have obtained SBT certification from the Science Based Targets initiative (SBTi), an international initiative to set reduction targets consistent with the Paris Agreement, an international framework for addressing climate change, based on scientific evidence.
We will pursue initiatives for the reduction of GHG emissions based on this target.

Reduction in GHG emissions

	FYE2026 Results	FYE2030 Targets	2030 SBT Targets
Scopes 1 and 2 (compared to 2023)	+1.8%	-36% or more	-42%
Scope3 (compared to 2023)	-17.5%	-21% or more	-25%

*The scope of entities for calculating GHG emissions includes RYODEN CORPORATION (non-consolidated basis), domestic consolidated companies, and overseas consolidated companies.

Contribution to addressing social issues

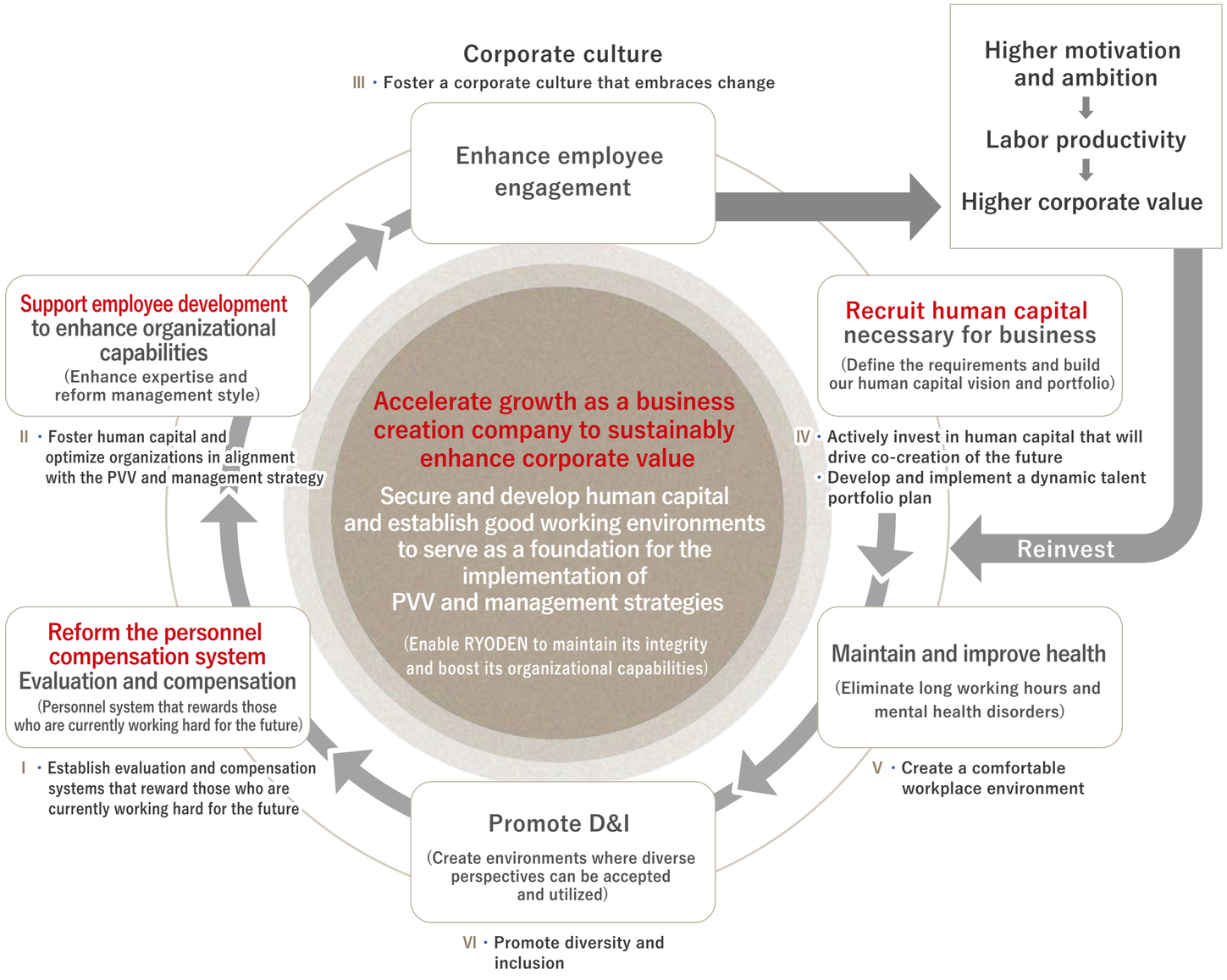
FA Systems	● Adapt to labor shortage and rising labor costs (productivity improvement and automation) ● Drive global factory revolution Address energy saving and labor-saving needs ● Improve efficiency through high-precision and high-speed technology
Cooling & Heating and Building Systems	● Offer energy-saving products to realize a sustainable society ● Focus on the net-zero market to accelerate towards a decarbonized society ● Meet the demand for stable energy supply Support safe and comfortable environments
Electronics	● Highly information-oriented society ● Address food supply issue and create new business ● Achieve energy saving and smart security ● Improve industrial efficiency and safety ● Overcome healthcare challenges and improve the management ● Solve social and customer issues and support decarbonization
X-Tech	● Contribute to environmental conservation on Earth (energy saving, sustainable products) ● Meet green procurement requirements ● Assist in preventing global warming and reducing environmental impact Support a highly information-oriented society ● Build a sustainable supply chain

RYODEN's Human Capital Management

Our basic policy for human capital management is to develop systems for securing, developing, and creating good environments for human capital, to serve as a foundation for the steady implementation of the Group's purpose, vision, and values (PVV) and management strategies. This will lead to the enhancement of corporate value (contributing to the return of profits to stakeholders) by raising the level of overall organizational capabilities.

Human Capital Management KPIs	FYE2026 Results	FYE2030 Targets
Engagement score (deviation)	49.7	52 or more
D&I Proportion of women in management positions	5%	10% or more
Annual investment per employee in talent development	¥74,000	¥200,000 or more

Align management strategy and human capital strategy





Koichi Imaishi

Executive Officer
General Manager of Human Capital

Under our medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034," we are aiming to achieve our vision of becoming "an excellent company co-creating the future," and we are embarking on a path of significant transformation to become a business creation company that transcends the boundaries of an agency and trading company, and that continuously creates new value. I believe that the greatest foundation for ensuring the successful execution of this management strategy and enhancing corporate value through the elevation of the entire organization is the strength of each and every employee.

With the power of human capital, we will become a business creation company. RYODEN's new growth stage

Formulating a dynamic talent portfolio and linking it with acquisition and development

To evolve into a business creation company, we are moving forward with the implementation of measures to maximize the value of our limited human capital. One of these measures is the formulation of a dynamic talent portfolio that anticipates changes in the business portfolio. To ensure the successful execution of management and business strategies, we will specifically identify and visualize the types of skills and expertise required, as well as the timing and number of personnel needed. Based on this clear talent profile and personnel plan, we will strengthen new graduate and mid-career recruitment, implement strategic, medium- to long-term job rotations, and implement training programs designed to enhance skill acquisition rates. Through these measures, we will reliably secure and develop the diverse talent pool necessary to drive our business forward.

Transforming the system to reward those who are currently working hard for the future

To date, the Company's personnel system has retained elements of a seniority-based approach, meaning that it has not fully fostered a spirit of taking on new challenges among employees.

To that end, we are working to establish evaluation and compensation systems that reward those who are currently working hard for the future, with the aim of implementing them in FYE2028. Specifically, we will transition from an ability-based grade system to a new system that incorporates job-based elements, creating a revamped framework that fairly evaluates and compensates employees based primarily on their current roles, performance, and achievements, regardless of age. Furthermore, we will create a corporate culture that fully supports and rewards employees who take on challenges in uncharted territory without fear of failure.

Growth dialogues that support autonomous growth and organizational optimization

I believe that the driving force behind the Company's growth and transformation is autonomous human capital who can think and act for themselves. To support the career visions of each employee, we are promoting the development of an integrated human capital development system, the implementation of a talent management system, and the creation of an environment that facilitates internal job postings.

Equally important is the transformation of dialogue and management between supervisors and subordinates. We foster a culture of mutual growth by drawing out subordinates' thinking and willingness to take on challenges through daily "growth dialogues (1-on-1s)" and feedback between supervisors and their subordinates.

Promoting D&I and health and productivity management to turn diversity into strength

To continuously create new value, diversity and inclusion (D&I), which leverages diverse perspectives and strengths that transcend differences in gender, age, nationality, and career, is essential. We are building a workplace environment where everyone can work flexibly, forge their own career paths, and demonstrate their abilities, such as by increasing the proportion of women in management positions and the rate of men taking paternity leave. At the foundation of all of this is the health of our employees. We are actively investing in health promotion initiatives, such as the prevention of mental health issues, the reduction of excessive workloads, and the prevention of lifestyle-related diseases, to strengthen the foundation that enables employees and the company to work together and thrive, both mentally and physically.

Embracing change and pioneering a new era for RYODEN

Fostering a corporate culture that embraces change, which serves as the foundation for executing our human capital strategy, lies at the core of our efforts to shape the future. We are creating an environment that fosters a virtuous cycle in which each individual takes ownership of the purpose and management strategy, and takes on challenges with passion.

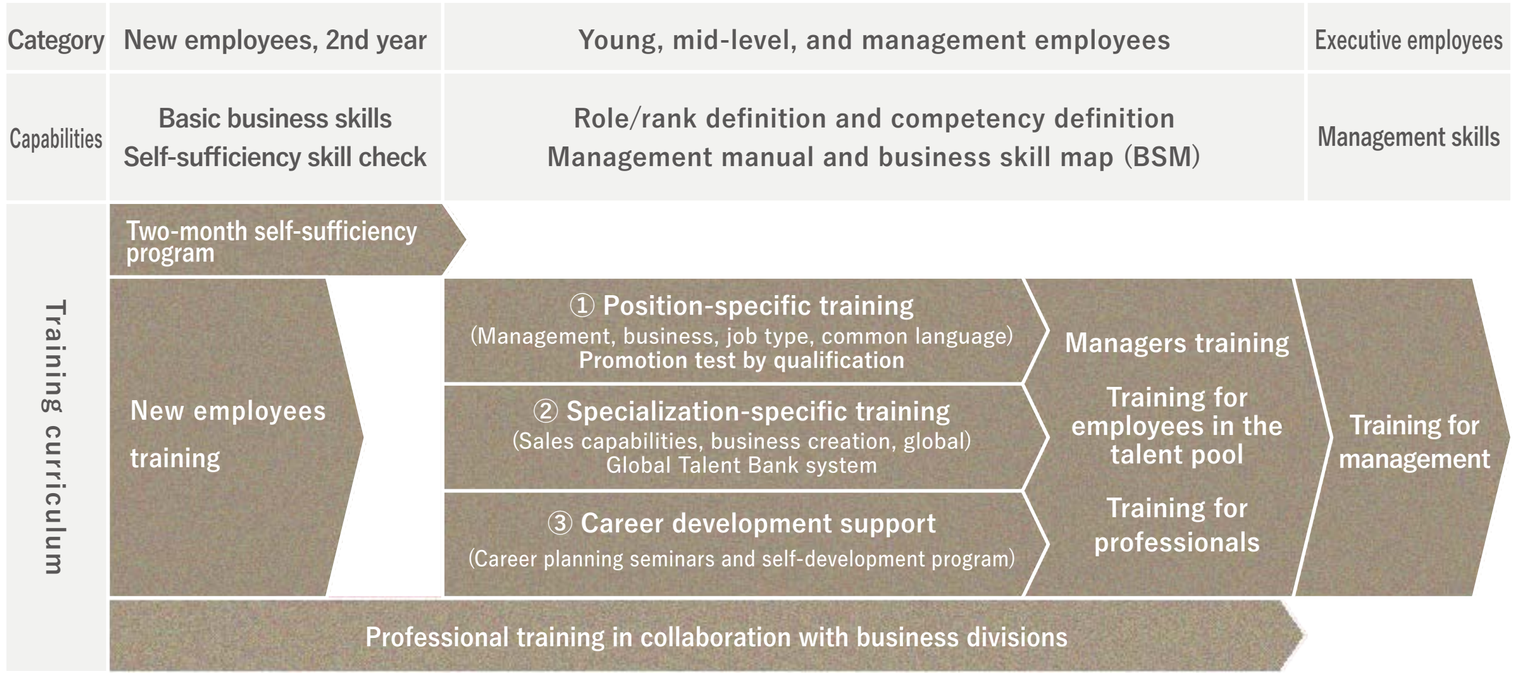
We will continue to devote our full efforts to proactive investment in human capital and the improvement of the working environment.

RYODEN's Human Capital Development

The Company's human capital development system is built as an integrated framework linked to our personnel system and talent portfolio, aiming to realize our PVV (Purpose, Vision, Values) and management strategy. To visualize common and specialized skills and improve their acquisition rate, we are working to codify sales knowledge through sales enablement initiatives targeting business divisions, as well as to review and redefine our position-specific training and self-development programs.

We are promoting the introduction of a talent management system that accumulates training attendance history and skill profiles, and building a foundation for "visualizing" individual skills and strategically allocating the right people to the right positions based on objective data. We are also working on selecting and defining requirements for next-generation executive and management candidates using character assessments, as well as designing succession plans (such as management learning programs), aiming to ensure management continuity and the sustainable enhancement of organizational capabilities.

Overview of the human capital development



Three pillars of human capital development

❶ Position-specific training

<Overview/Purpose>

This program aims to help employees, from new recruits to young and mid-career employees, managers, and executives, acquire management skills and common business skills tailored to their roles and positions.

<Features>

We have abolished the "two-year self-sufficiency program" for new employees and started a two-month self-sufficiency program. This program is not a cramming type training, but designed to allow trainees to practice what they learnt in the training repeatedly in their daily operation after going back to their workplace, so that they can reliably retain desired skills. Furthermore, we are working to standardize skills in accordance with business skill maps and management manuals.

❷ Specialization-specific training

<Overview/Purpose>

This training program aims to visualize the specialized skills necessary to create business and strengthen competitiveness in each business division and job type, and to improve the rate at which these skills are acquired.

<Features>

This program works to codify the sales knowledge of high-performing employees through the practice of "sales enablement," which is being promoted in divisions such as the FA division, and to strengthen business creation and DX skills. The Global Talent Bank system has also been introduced to support both employees who want to take on challenges and recommended individuals to gain the skills and experience, such as language proficiency and overseas on-the-job training, necessary to be successful in global business.

❸ Career development support

<Overview/Purpose>

This initiative supports an environment where employees can autonomously design their careers without relying on the organization, and proactively engage in their work while experiencing personal growth.

<Features>

At key age milestones (25, 30, 40, 50, 56, etc.), we conduct career planning seminars to provide employees with an opportunity to take stock of their strengths, experience, and knowledge, and to envision their future career paths. At the same time, we have established self-development programs and on-demand learning environments to support voluntary learning and growth.

Health and productivity management

Physical health

- Ensure that employees with a high risk of lifestyle diseases receive guidance from industrial physicians
- Increase the amount of grants for preventive medicine including health screening, etc.
- Provide measures to ensure health of employees who work long hours

Mental health

- Establish a counseling system for employees with a high risk of mental health
- Implement organizational diagnosis surveys to visualize the sources of stress for employees in the workplace and to improve the work environment

Supporting development of the next generation and supporting childcare

Supporting employees balancing work and childcare

- Introduce a shortened working hours system for employees caring for children up to the start of grade 4
- Introduce flex-time working
- Introduce a work-from-home system

Financial support

- Offer paid maternity and paternity leave and pay bonuses of approximately 50% even during childcare leave
- Provide a higher family allowance for children and grants for day care for children or infertility treatment

Promote the appointment and recruitment of diverse talent

Promote the appointment and recruitment of management employees

- 50 of the 79 management employees of overseas associates were hired locally (as of the end of FYE2026)
- 8 foreign nationals were serving in domestic or overseas assignments (as of the end of FYE2026)
- 31 people with disabilities were employed (as of the end of FYE2026)

Initiatives to increase the proportion of women in management positions

Promote diversity and inclusion (D&I)

- FYE2030: To achieve a 10% proportion of women in management positions, we are promoting multifaceted support for their active participation by holding dialogue events between Outside Directors and female employees (details on page 52), publishing an unconscious bias awareness guide, and reviewing our personnel system, among other initiatives.

Referral hiring, boomerang hiring

Secure core personnel and ready-to-work talent

- We are promoting referral hiring, which leverages internal networks, and boomerang hiring, which welcomes former employees back into the company. We aim to acquire ready-to-work talent with whom there is no mismatch, leveraging referrals from existing employees and established relationships of trust.

Mentorship program

Support system for the retention and growth of young employees

- We are promoting a mentorship program aimed at supporting the retention and growth of young employees (those in their first or second year of employment), as well as identifying workplace concerns as soon as possible and preventing mental health issues. In FYE2026, we revamped our traditional mentoring program into a "Brother & Sister Program," changing the program to reduce the burden on mentors while lowering the psychological hurdles for mentees (participants). We have established a system for regular individual interviews and support for employees in their first and second year of employment. In addition, we are working to foster an organizational culture in which employees can take on challenges autonomously and with peace of mind by expanding the environment for helplines through measures such as clarifying the helpline for special employees and establishing and spreading awareness of external reporting hotlines for various types of harassment.

Side job system

Side job system that expands career options

- We have introduced a side job system for all employees (limited to non-employment arrangements only). Through side jobs, employees can learn new skills and business methods, expand opportunities for new business ideas, operational improvements, and external collaborations, and contribute to the growth and competitiveness of the Company.

Details of other initiatives
▶ https://sustainability.ryoden.co.jp/en/social/humanresource

Initiatives to enhance engagement

Report on discussions between Outside Directors and female employees ~Aiming to be a company where everyone wants to continue working and where it is rewarding to work~

At the Company, we are implementing various measures to create a workplace where everyone can work with enthusiasm, regardless of gender. However, these measures inevitably tend to reflect the perspective of the head office. Therefore, the Board of Directors' secretariat (General Affairs Department) has been organizing discussions between Outside Directors and female employees since FYE2025, with the aim of identifying issues concerning the promotion of active participation by women in the workplace from a frontline perspective and proposing measures based on these issues to management.
In FYE2025, as part of these measures, we conducted activities such as the elimination of "strange rules" and unconscious bias training to improve corporate culture.
Similar discussions were held for FYE2026, with lively exchanges of opinions on topics such as the efforts of excellent supervisors who show meticulous consideration, candid concerns faced in sales activities, and future career plans. Female managers who participated as observers spoke passionately about the challenges and rewards of being in a management position. The participants' honest opinions are reported to the Board of Directors and Executive Committee, challenges are shared, and that information is used to guide the implementation of measures.
Female employees who participated commented that "it allowed them to make horizontal connections with other female sales staff" and "it was a very meaningful opportunity to hear about the concerns and experiences of senior colleagues." We will continue our activities towards becoming a company where everyone wants to continue working and where it is rewarding to work.







PVV Awards

Starting in FYE2026, in order to promote sustainable organizational growth, we introduced a new system to recognize actions that embody our PVV (Purpose, Vision, and Values) and lead to the transformation of our organizational culture. In addition to traditional performance awards, we will recognize proactive initiatives that go beyond job responsibilities and "give shape to someone's Waku-Waku (Excitement)," targeting all job categories, including sales support, back office, and technical divisions. Furthermore, by determining award recipients through nominations and voting by all employees, we will spread a chain of appreciation throughout the company. We aim to create a company that continues to grow and earns trust both inside and outside the organization by valuing and supporting the challenges undertaken by each individual employee.

PVV Award Recipients



Device Division B, Device Systems Headquarters

Hatsumi Kobayashi

Comments

I am very happy that light has been shed on our behind-the-scenes efforts. I want to cherish the circle of people who offer their cooperation and embrace change.



Group 1, Corporate Business Management Center

Shiho Ariga

Comments

I believe that a small spark is all it takes to change the culture. I will continue to share excitement in a way that stays true to who I am!

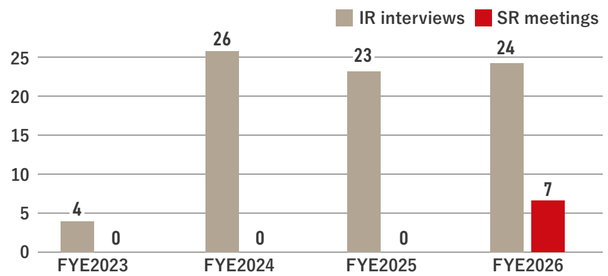
Dialogue with Shareholders and Investors

Main IR activities

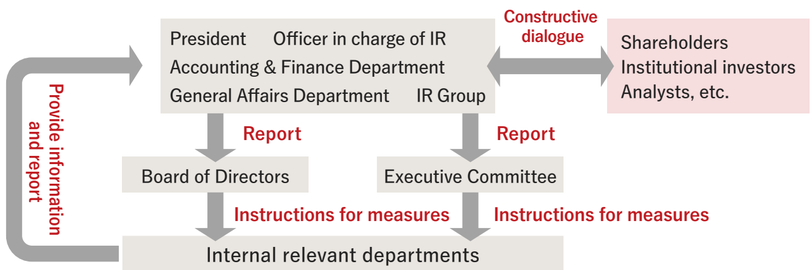
*Positions in FYE2026

IR activities	Number of times held	Details	Speaker/representative
Financial results briefings for institutional investors, analysts, and financial institutions (2Q, 4Q)	2	・Promoted understanding through explanations to institutional investors on financial results and the new medium- to long-term management plan ・Increased awareness of investment	Representative Director of Board, President & CEO Director of Board, Senior Executive Officer, General Manager of Accounting (Supervisor of Accounting and Finance Divisions)
Individual meetings with institutional investors	24	・Current status of business performance and the industry ・Progress of the medium- to long-term management plan ・Financial results and progress ・Individual interviews regarding ESG initiatives, etc.	Director of Board, Senior Executive Officer, General Manager of Accounting (Supervisor of Accounting and Finance Divisions) General Manager of General Affairs Department IR Group Leader
SR meetings	7	・Exercise of voting rights ・Shareholder returns ・Corporate governance ・Topics related to human capital ・Matters concerning gender and other aspects of diversity ・Matters concerning the growth strategy ・Matters concerning the financial strategy, etc.	Director of Board, Senior Executive Officer, General Manager of Accounting (Supervisor of Accounting and Finance Divisions) IR Group Leader Manager of General Affairs

Trends in the number of IR interviews IR Group newly established in August 2023



Feedback on IR activities to management and within the company



・IR activities report (once a year)
The General Manager of the General Affairs Department reports IR activities and other results at the Board of Directors meeting

・Sharing of important information
(as needed)
Executive Committee members are informed as needed, depending on the content

Key themes in dialogue with shareholders and investors and our initiatives based on those dialogues

Key theme	Our response
Management that is conscious of ROIC	Introduced ROIC management indicators in each business division
Capital policy	Implemented treasury share acquisitions (February 2025, June 2026) Promoted the sale of cross-shareholdings
Balance sheet optimization and cash allocation	Promoted financial strategy in the medium- to long-term management plan Promoted M&A Enhanced shareholder returns Strengthened investments in human capital ERP package implementation planned for FYE2027
Appropriate information provision before the general meeting of shareholders	Disclosure of annual securities report prior to the general meeting of shareholders since FYE2025
Evaluation of the effectiveness of corporate governance	External evaluation of the effectiveness of the Board of Directors
Director skill matrix items	Revised the skill items
Enhancing the specificity of the content of the medium- to long-term management plan	Addressed in the financial results briefing materials for May 2026
ESG-related	Achieved a B score in the CDP assessment in two areas: "climate change" and "water security" Obtained SBT certification consistent with the Paris Agreement's 1.5°C target

External awards for IR and sustainability website

Our website was selected as an All Markets Ranking A Website in the Fiscal 2025 All Listed Company Website Quality Rankings published by Nikko Investor Relations for the third consecutive year.
We will continue to strive to provide timely and appropriate information to all stakeholders through our website and integrated reports.



Ranked as an All Markets Ranking A Website for 2025 by Nikko Investor Relations (2025)
https://www.nikkoir.co.jp/english/

Disclosure materials selected as a JPX case study in December 2025

Our disclosure materials regarding initiatives to realize management that is conscious of the cost of capital and stock price were selected as a JPX case study published in December 2025.

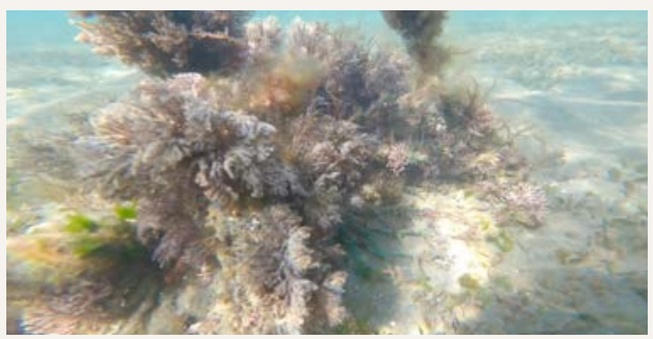
Social Contribution Activities

J-Blue Credit

We are supporting the "Omura Bay SDGs Project" promoted by Omura City, Nagasaki Prefecture, through the Corporate Version of Hometown Tax. In FYE2026, we led the certification process for J-Blue Credit (*) and secured approval for the issuance of the city's first J-Blue Credit.
This initiative demonstrates that local environmental conservation activities can be quantitatively evaluated as environmental value and visualized as having economic value.
Leveraging the expertise gained from these activities—namely the ability to identify, quantify, and visualize hidden environmental value—we aim to build a business model that provides new value to all stakeholders by balancing local contribution with economic value.

*J-Blue Credit: Voluntary carbon credits that are certified and issued by the Japan Blue Economy Association after deliberation by an independent third-party committee, and which continue to be managed by the Association thereafter.

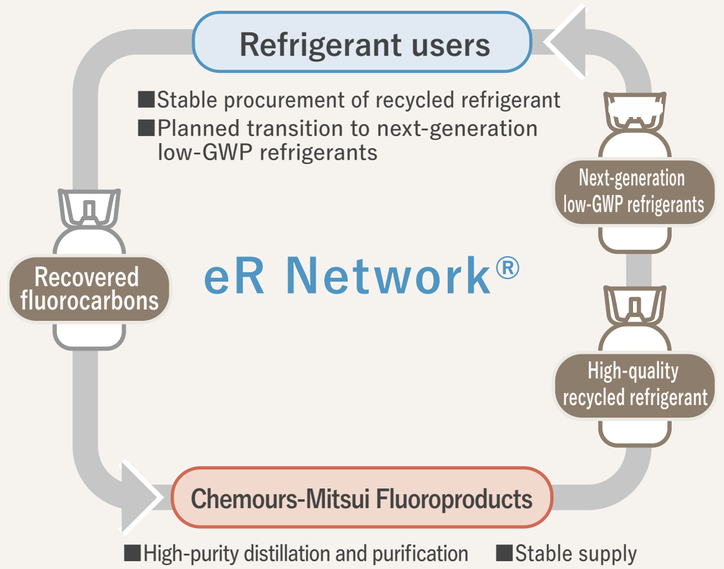
Please see here for details.
(https://www.ryoden.co.jp/news/corporate/20260227_01
(only available in Japanese))



Recycled refrigerant

We are participating in eR Network®, a resource circulation scheme provided by Chemours-Mitsui Fluoroproducts Co., Ltd., in order to reduce supply risks for HFC refrigerants (*) and promote decarbonization.
By utilizing refrigerants that have been recycled to a level equivalent to new refrigerants through advanced distillation and purification, we ensure the stable operation (BCP) of existing equipment. Furthermore, by avoiding destruction through incineration, CO_2 emissions are significantly reduced, and this contributes to the transition of fluorocarbons to a circular economy.
We will continue to strive toward the realization of a sustainable society through a shift from destruction to regeneration.

*HFC: Hydrofluorocarbon
*Refrigerant: A substance that circulates inside equipment such as air conditioners and transports heat by utilizing the heat of vaporization and condensation.



Paralym Art

We support the activities of Paralym Art, which aims to support the independence of disabled people.
Through the use of art, we aim to support the social participation of disabled people and contribute to the realization of a society that respects diversity.

Community cleanup

To achieve our Materiality of "creating a safe and secure society and way of life," we participate in a wide range of social contribution activities, including cleanup activities and the protection of rural landscapes. In FYE2026, we conducted a total of 22 community cleanup activities: 12 domestically and 10 overseas.

RYODEN MANAGEMENT TEAM


Katsuyuki Tomizawa


Kazumoto Yogosawa


Yasuhiro Shibata

Outside Directors


Hideki Matsuo


Yuka Ogasawara


Yuji Kageyama

Audit and Supervisory Committee Members


Yasumaru Tokiwa


Noriko Sekiguchi


Thomas Witty

The Company will aim to implement six management strategies and reinforce three strengths, based on the medium- to long-term management plan formulated in the previous fiscal year.
We have also formulated a new vision in conjunction with the formulation of the plan and aim to create new value together with all of our stakeholders.
The Board of Directors of the Company had repeated discussions on the skills that the Board of Directors should possess in order to achieve the new medium- to long-term management plan and achieve our vision, and identified the following eight skills. The skills identified and the relevance of the reasons for their selection are as shown in the figure on the right.
Regarding skills of each candidate for Director of Board, among the skills possessed by each candidate for Director of Board, only up to three skills particularly expected by the Company are listed in the skill matrix. The skill matrix does not represent all expertise and knowledge possessed by members of the Board of Directors, including the candidates. The Company will also use the skill matrix for a succession plan for members of the Board of Directors.

Identified skills and reason for selection

Need to properly grasp the drastically changing environment and make decisions decisively from a global perspective (decisiveness and strong will) to drive the Company

Strong leadership to win through a period of change

Related skills: Corporate management, International mindedness

Need to maintain mainstay core businesses (secure stable revenues and raise profit margins) and enhance earning capacity by venturing into new areas

Maintain and expand mainstay core businesses and strengthen new business areas through value creation

Related skills: Industry experience, New business strategy



Related skills: Sustainability, Legal affairs/risk management

Prepare for risks and achieve sustainable management

Need to appropriately respond to various risks and supervise sound business operations for the sustainable development of society and the Company

Related skills: Human capital management, Finance

Strengthen corporate culture and control risks for the future

Need to manage human capital and financial resources, managerial resources of the Company, at a high level to build a foundation for a resilient corporate culture

In order to ensure the Board of Directors make decisions and fulfill supervisory functions quickly and decisively in a transparent and fair manner to a maximum degree, achieve the RYODEN Group's sustainable growth, and increase its corporate value over a medium to long term, we select Directors to ensure that the Board is formed in a way that allows it to achieve the overall right balance between knowledge, experience and skills, and achieve diversity in gender and international mindedness and an optimum size. Furthermore, we strive to ensure Independent Outside Directors represent more than 40% of the Board.

Corporate management

Skills and experience to show company-wide and long-term vision for the transformation of the entire Group and demonstrate strong leadership to lead the Group, and to oversee its execution

International mindedness

A wealth of experience, expertise and insight on global business

Industry experience

Skills and experience to formulate and implement strategies to maintain and expand mainstay core businesses that support the Company's growth foundation, and to oversee their execution

New business strategy

Skills and experience to formulate and implement strategies to create new businesses and expand their scale (including M&A strategies), and to oversee their execution

Human capital management

Skills and experience to promote human capital management including the formulation of human capital strategy, promotion of D&I, and improvement of engagement, and to oversee its execution

Finance

Skills and experience to formulate and implement financial strategies that promote optimal investments for growth while ensuring financial soundness, and to oversee their execution

Legal affairs/risk management

Skills and experience to oversee the execution of the establishment and maintenance of a management system for all risks that may arise in the overall corporate activities

Sustainability

Skills and experience to promote sustainability management in order to enhance the resilience and sustainability of management as well as solve social issues for the contribution to realizing a sustainable society, and to oversee its execution

		Corporate management	International mindedness	Industry experience	New business strategy	Human capital management	Finance	Legal affairs/ risk management	Sustainability
Representative Director of Board, President & CEO	Katsuyuki Tomizawa	●			●				●
Director of Board, Senior Vice President	Kazumoto Yogosawa		●			●			●
Director of Board, Senior Executive Officer	Yasuhiro Shibata			●			●	●	
Outside Director (Independent)	Hideki Matsuo	●			●	●			
Outside Director (Independent)	Yuka Ogasawara		●			●			●
Outside Director	Yuji Kageyama	●		●				●	
Director of Board, Audit and Supervisory Committee Member	Yasumaru Tokiwa			●				●	
Outside Director (Independent), Audit and Supervisory Committee Member	Noriko Sekiguchi						●	●	●
Outside Director (Independent), Audit and Supervisory Committee Member	Thomas Witty		●					●	●

Roundtable Discussion with Outside Directors

From defensive governance to "offensive governance" Supporting the execution of the medium- to long-term management plan through the underlying processes

The medium- to long-term management plan "ONE RYODEN Growth 2029 | 2034" has concluded its first year and entered its second. We are shifting from the initial phase of sowing seeds through upfront investment to FYE2027, when we will reap the rewards. Subsequently, we will move toward improving our operating profit margin over the final three-year period. In this challenging period of transformation, the roles required of the Board of Directors are also changing.
Against the backdrop of revisions to the Corporate Governance Code, three Outside Directors engaged in a frank discussion on how they perceive the Board of Directors' effectiveness and on the current and future state of the Board as it strives for improvement.

*Yuji Kageyama was appointed as an Outside Director at the 86th Ordinary General Meeting of Shareholders held in June 2026.



Over the past year, the Board of Directors has steadily shifted from a forum for "resolutions" to one for "deliberation."

Matsuo: As Mr. Kageyama has only recently assumed his position, let us take a moment to look back at the Board of Directors over the past year. The most significant change has been the shift in the Board of Director's role from a forum for "passing resolutions" on agenda items to a forum for "deliberating on key issues." In line with the purpose of transitioning to a company with an Audit and Supervisory Committee—namely, delegating authority for execution while focusing discussions on major strategy—the Board of Directors has become more focused on deliberation. Furthermore, thanks to Ms. Ogasawara's efforts, the Company has begun to listen to the voices of female employees and discuss on-the-ground issues at Board of Directors meetings, and this is another achievement that should not be overlooked.

Ogasawara: In FYE2026, we deliberated on the medium- to long-term management plan through the lens of each strategy, and this led to discussions from perspectives that had not previously been considered. That said, I believe our performance in the first year of the medium- to long-term management plan was challenging. While market conditions were cited as a reason for falling short of the plan, the question remains: what will the Company do if it does not have the tailwind of favorable market conditions? As an Outside Director, I must continue to press the executive team on this point. It was also an encouraging year, as the executive team took seriously the reports I compiled through discussions with female employees on the frontlines.



Kageyama: I have only attended two Board of Directors meetings, but I have been greatly inspired by the open atmosphere and the lively discussions held amongst members, who each share their expertise. Furthermore, I strongly sense a commitment within the Board to pursue continuous improvement.

From retrospective ratification of outcomes to continuous monitoring of the decision-making process.

Matsuo: The Company is currently working to transform into a "value creation company" that provides solutions to issues. As our business portfolio shifts in tandem with this transformation, the nature of our risks also changes. Our traditional defensive approach to governance is no longer sufficient. The challenge lies in how to shift toward "offensive governance" that encourages challenges toward growth while managing risk. This requires a change in the scope and frequency of supervision.

First, instead of merely ratifying outcomes, the decision-making process itself must be continuously monitored. Second, discussions should be held at intermediate stages, as it may be too late if we wait for an annual report. Based on these discussions, advice should be provided regarding execution. I believe that effective supervision functions only when these three elements are in place.

Ogasawara: When I reconsidered what the effectiveness of the Board of Directors means and what the role of Outside Directors is, I came to the conclusion that our role is not to discuss the details of strategies at Board of Directors meetings, but rather to increase the probability of success by questioning the executive team on whether the quality of strategies is being enhanced and whether a system is in place to ensure that strategies are executed. While explanations of the numbers are necessary, what is more important is understanding why things happened the way they did and what the future holds. Going forward, I intend to take a more proactive approach by pressing the executive team to further articulate the "why" behind their actions in order to increase the probability of success.

Kageyama: As both of you mentioned, regarding the effectiveness of the Board of Directors, I also believe that simply receiving reports and approving proposals is insufficient. For example, we need to look at what measures are being taken to address management issues, and whether or not their progress is being monitored. If targets are not met, the Board of Directors should discuss and deepen their understanding of the root causes, potential recovery plans—assessing their viability, risks, and returns—and whether the initiatives generate added value exceeding the WACC. I believe that improving the quality of decision-making is important.

We are committed to advancing M&A activities while balancing growth investment with profit maximization.



Matsuo: The Company has not made significant investments to date. However, I believe that M&A activities are essential for growing our sales and earnings going forward. M&A activities can take two forms: one involves acquiring technologies or functions that a company lacks, and the other involves investing in companies capable of spreading superior technologies and creating new markets. The Company's M&A activities fall into the latter category. To achieve success, the other party must understand our objectives and work together with us. The key is how well we can understand and work with the other party. Success or failure depends on this, and there is still room for improvement.

Ogasawara: I also believe that M&A activities represent the right strategic direction for the Company. On the other hand, the number of deals that are essentially new territory for us is increasing—and indeed, such deals are already emerging. To maximize synergy effects, we need to ask ourselves why we chose this particular deal and what the PMI structure will be, and at the same time, we need to invest resources generously to ensure success. Furthermore, a system for regularly reporting on the status of post-M&A PMI is also necessary. What do you think, Mr. Kageyama, given your experience with M&A?



Kageyama: Let me share a little about my own experience. At Mitsubishi Electric Corporation, I was involved in businesses such as domestic and international FA systems and plant engineering-related businesses. I also gained experience in management planning, business strategy, new business development, M&A, and marketing. I hope to leverage this experience as an Outside Director of the Company. The Company currently has a growth investment budget of ¥25.0 to ¥35.0 billion over the next five years. I want to carefully oversee how M&A will be utilized within the overall strategy, what areas will be complemented and strengthened through M&A, and the rationale for why M&A is necessary in order to execute the strategy. I will also carefully assess whether the return on investment exceeds the cost of capital, whether it generates added value, and whether it contributes to our target of an ROE of 10.0% or more.

Proactively designing a succession plan for leaders who will drive future growth.

Matsuo: As previously mentioned, Ms. Ogasawara has made significant contributions to the corporate culture. I feel that the executive team's sensitivity to challenges has changed significantly. Furthermore, while succession planning for a president worthy of entrusting with change has begun to take shape recently, presidents need a wide range of abilities and skills, including a strong personality. However, acquiring these in a short period of time is very difficult, so the creation of a system to develop candidates from the general manager and manager levels is urgently needed. Of course, including women among these candidates should be a given.

Ogasawara: What matters is the framework—specifically, which department is responsible for the selection and development process, the timeline involved, and the criteria used. At the Company, many employees remain in the same department for extended periods, often resulting in a lack of cross-functional experience. While some companies centralize the development of executive candidates within the president's office, I believe that integrating a structured approach—specifying which department oversees this process—into our broader personnel system will undoubtedly contribute to the Company's future.

Kageyama: As you say, it would be very difficult for someone who has only ever worked in a single line of business to suddenly become president and manage the entire company. In that regard, it is effective to designate candidates at an early stage, have them gain experience in multiple businesses, and give them "tough assignments" that put them in challenging businesses and roles. I would like to for the Board of Directors to support these initiatives.

Matsuo: To achieve that, a mechanism is needed where management-level personnel gather to discuss development plans. Since supervisors are naturally reluctant to let go of talented personnel, senior management needs to establish rules that prevent individual departments from hoarding them.

Aiming to be a Board of Directors that earns the trust and confidence of all stakeholders.

Matsuo: A skill matrix for the Board of Directors is essential for improving the quality of decision-making. Although we revised it in conjunction with the formulation of the medium- to long-term management plan, we must continuously redefine and update necessary skills as the environment and our business strategies change. I would like to see us steadfastly achieve our targets of having 30% or more female Directors and 50% or more Independent Outside Directors.

That said, I believe our current Board of Directors is well-balanced, consisting of members with a diverse range of experience and knowledge. This past June, Mr. Kageyama, who is well-versed in our business and possesses experience in global business and M&A, joined the Board of Directors.

Ogasawara: To offer a different perspective, while the skill matrix is certainly important, the qualities of our team are also significant; the members of our Board of Directors respect one another and are genuinely good people, even when their opinions differ. President Tomizawa, who chairs the Board of Directors, is also open to listening to a wide range of perspectives and views. While these aspects may be difficult to convey to external investors, I have recently come to believe that they are, in fact, fundamentally very important.

Kageyama: To scale up a new business, I believe the key lies in strengthening the team with individuals who possess experience and knowledge in business creation, global business, and marketing.

Ogasawara: When considering what will be important for the Company going forward, I believe that skills in areas such as dialogue with the market, human capital management, and new business development will be necessary.

Matsuo: Regarding the ideal state of the Board of Directors, ensuring independence while taking into account the relationship with our major shareholder, Mitsubishi Electric, is also important. At the same time, the Board requires a diverse range of insights and expertise, and Mr. Kageyama, who recently assumed his position, brings a wealth of knowledge and experience regarding the industry in which the Company operates—expertise that we, as Independent Outside Directors, do not possess. I hope you will make full use of such experience, Mr. Kageyama. Neither he nor his predecessor, Mr. Fujiwara, ever spoke up at Board meetings on behalf of a major shareholder. I hope investors can rest assured on that point. If, by chance, Mr. Kageyama were to make a statement that considered the interests of a major shareholder, we, the Independent Outside Directors, would be there to check him. I hope to enhance our corporate value by leveraging Mr. Kageyama's capabilities and working with him collaboratively.

Ogasawara: It is a fact that stakeholders view our relationship with major shareholders critically. Precisely for this reason, we must not turn a blind eye; the Board of Directors needs to discuss head-on how we intend to proceed as a company, and we must also provide a careful explanation to stakeholders.

Kageyama: While we handle businesses and products related to Mitsubishi Electric, we also provide value to customers through a diverse range of partner products and system integration. The implementation of this strategy will strengthen our business and increase corporate value, which should have a positive impact and create a virtuous cycle for Mitsubishi Electric as well. Although I am an employee of Mitsubishi Electric, as an Outside Director of the Company, I intend to contribute to the Company with the perspective and sense of responsibility of an independent Outside Director, based on the criterion of whether or not my actions serve the interests of all stakeholders.

Supporting proactive challenges while sharing the aspirations of our stakeholders.

Matsuo: Taking advantage of its medium- to long-term management plan, the Company is promoting transformation into a "business creation company" that goes beyond the realm of product sales, focusing on both enhanced profitability and increased added value. The Board of Directors will support proactive challenges while appropriately controlling those risks. We will also deepen communication with employees and boost company-wide motivation to achieve our targets, and we hope you look forward to what lies ahead.

Ogasawara: First, I would like to convey to our shareholders that we, as Outside Directors, have been entrusted with the mandate of maximizing shareholder value. While there are areas where short-term economic gains overlap with medium- to long-term social and environmental contributions, the key to success ultimately lies in "people." We are fully committed to the advancement of human capital management.

Kageyama: Since assuming the role of Outside Director, I have gained a renewed appreciation for the Company's strengths—such as the relationships we build with customers through a wide range of domestic and international products and technologies, and our problem-solving capabilities that go beyond those of a typical trading company. In the medium- to long-term management plan, we will further develop these strengths while striving to become an excellent company co-creating the future. We would appreciate your continued support.

Basic Approach

The Company strives to strengthen corporate governance to sustainably enhance shareholder value and fulfill its responsibilities to diverse stakeholders. Specifically, in addition to "ensuring transparency," "increasing the speed of decision-making," "enhancing ethics and legal compliance," and "strengthening internal control," we are working to further advance corporate governance by strengthening initiatives for "information disclosure" and "accountability."

Principles of the Corporate Governance Code and RYODEN's Initiatives
▶ https://sustainability.ryoden.co.jp/en/governance/basic/

Corporate governance system

Overview of the corporate governance system

Organizational form	Company with an Audit and Supervisory Committee
Number of Directors (of which, Outside Directors)	9 (5)
Term of office of Directors	1 year (2 years for Directors who are Audit and Supervisory Committee Members)
Independent Outside Directors	4
Number of Audit and Supervisory Committee Members (of which, Outside Directors)	3 (2)
Adoption of an Executive Officer system	Yes
Establishment of voluntary committees	Yes (Nomination & Compensation Advisory Committee)
Compensation system	①Fixed compensation ②Performance-linked compensation ③Restricted stock-based compensation

Composition of each body

◎ : Chair or Chairperson ○: Attending member

		❶ Board of Directors	❷ Nomination & Compensation Advisory Committee	❸ Executive Committee	❹ Audit and Supervisory Committee
Representative Director of Board, President & CEO	Katsuyuki Tomizawa	◎		◎	
Director of Board, Senior Vice President	Kazumoto Yogosawa	○	○	○	
Director of Board, Senior Executive Officer	Yasuhiro Shibata	○		○	
Outside Director (Independent)	Hideki Matsuo	○	◎		
Outside Director (Independent)	Yuka Ogasawara	○	○		
Outside Director	Yuji Kageyama	○	○		
Director of Board, Audit and Supervisory Committee Member	Yasumaru Tokiwa	○		○	◎
Outside Director (Independent), Audit and Supervisory Committee Member	Noriko Sekiguchi	○	○		○
Outside Director (Independent), Audit and Supervisory Committee Member	Thomas Witty	○	○		○

Meetings of the Board of Directors attended in FYE2026

	Meetings Attended
Katsuyuki Tomizawa	100%(14/14)
Kazumoto Yogosawa	100%(14/14)
Yasuhiro Shibata	100%(9/9)
Hideki Matsuo	100%(14/14)
Yuka Ogasawara	100%(14/14)
Yuji Kageyama	-
Noriko Sekiguchi	100%(14/14)
Thomas Witty	86%(12/14)

Mr. Yuji Kageyama was newly elected at the 86th Ordinary General Meeting of Shareholders held on June 25, 2026.

Evaluation of Effectiveness

Improve the effectiveness of the Board of Directors

To further enhance corporate governance and improve the effectiveness of the Board of Directors, the Company conducts an annual evaluation of the effectiveness of the Board of Directors, including the Nomination & Compensation Advisory Committee, with participation from all board members, and analyzes and reviews the results at the Board of Directors.

Implementation and Evaluation Methods for FYE2026

Participants	All 10 directors
Implementation and evaluation methods	● A questionnaire based on an external consultant's review is conducted for all directors. Based on the results, the external consultant conducts interviews with the Chair of the Board of Directors and Outside Directors. ● The external consultant analyzes the questionnaire and interview results, which are compiled by the Board Secretariat. ● The results are analyzed and evaluated at the Board of Directors meeting.
Question items	① Size and composition of the Board of Directors ② Operation of the Board of Directors and Secretariat ③ Board of Directors' functions and monitoring ④Self-Evaluation of individual Directors ⑤Communication with investors and shareholders ⑥Nomination & Compensation Advisory Committee

Summary of Evaluation Results, Issues, and Measures

Based on the analysis of the questionnaire and interview results, the Board of Directors discussed the findings and confirmed that the effectiveness of the Board of Directors, including the Nomination & Compensation Advisory Committee, continues to be ensured, and that the Company is steadily strengthening its corporate governance. We will continue to work toward further improving effectiveness.

Item	Evaluation and recognized issues	Measures
Size and composition of the Board of Directors	● No major issues were identified with the current size and composition of the Board. ● Increasing the number of independent Outside Directors and further ensuring diversity remain future challenges.	The Nomination & Compensation Advisory Committee will continue discussions on the appropriate size, composition, and required skills of the Board.
Operation of the Board of Directors and Secretariat	● Agenda-setting enables discussion of important medium- to long-term themes; however, there is room for improvement in theme selection. ● The structure and functions of the Secretariat are appropriate at present. ● There remains room for improvement in the timing, quality, and volume of materials distributed to the Board.	● The agenda will be set, taking into account the opinions of Outside Directors regarding what, when, and to what extent matters should be discussed at the Board, to ensure that discussions contribute to strategic decision-making and judgement. ● The executive side will deepen its understanding of the Board's functions, clarify discussion points, simplify materials, and provide prior explanations for important matters. ● Enhance opportunities for dialogue between Outside Directors and on-site employees. ● The Secretariat will further strengthen its role as a bridge between oversight and execution.
Board of Directors' functions and monitoring	● Transitioning to a company with an Audit and Supervisory Committee has strengthened oversight functions and enabled faster decision-making. ● Further deepening of discussions on key themes, such as progress on the medium- to long-term plan, business portfolio, governance, and risk management, is required.	
Communication with investors and shareholders	Active IR and SR activities have significantly improved communication with investors and shareholders; however, there is still room for further enhancement.	By further improving IR/SR materials (including the Integrated Report) and having Outside Directors participate in SR meetings, the Company aims to deepen stakeholders' understanding of its strategy.
Nomination & Compensation Advisory Committee	No issues have been identified regarding formal aspects such as the chair or committee members; however, further improvement in effectiveness is desirable.	By setting an annual agenda, conducting regular meetings with executive officers and other measures, the committee will enhance discussions on matters such as improvement of the director nomination process, periodical review of the remuneration structure and levels, and succession planning for Outside Directors

Compensation for Directors

Basic Policy on Compensation for Directors

- Increases medium- to long-term corporate value in line with the Company's Management Principle
- Endeavors to share interests in common with shareholders
- Is explainable to stakeholders and determined through a transparent process

Policy for determining compensation for Directors

The details and amount of individual compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) are determined through consultation with the Nomination & Compensation Advisory Committee based on the basic policy. The details and amount of individual compensation for Directors who are Audit and Supervisory Committee Members are determined by discussion among Directors who are Audit and Supervisory Committee Members. The details of and policy for determining compensation, etc. for Directors are presented on RYODEN's website.

Policy for determining compensation for Directors
▶ https://sustainability.ryoden.co.jp/en/governance/basic/

Percentage of each type of compensation

President & CEO

Fixed compensation	Performance-linked compensation (bonuses)	Stock-based compensation
50%	25%	25%

Executive Directors other than the President & CEO

Fixed compensation	Performance-linked compensation (bonuses)	Stock-based compensation
50%	30%	20%

Compensation amounts for Directors (FYE2026)

Class of Officer	Total amount of compensation (millions of yen)	Amount of each type of compensation (millions of yen)			Number of eligible Officers (persons)
		Fixed compensation	Performance-linked compensation	Restricted stock-based compensation	
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	176	99	35	41	4
Audit and Supervisory Committee Members (excluding Outside Audit and Supervisory Committee Members)	18	18	–	–	1
Outside Officers	40	40	–	–	4

Details of each committee

Nomination & Compensation Advisory Committee (Meetings in FYE2026: 5)

The Company has established the Nomination & Compensation Advisory Committee, in order to ensure the fairness, transparency, and objectivity of the processes regarding the nomination and compensation of Directors and senior management and to improve its corporate governance. The Nomination & Compensation Advisory Committee, upon consultation from the Board of Directors, deliberates and provides advice on matters regarding the nomination and compensation of Directors to the Board of Directors. A majority of the members are Independent Outside Directors, and the Committee is chaired by an Outside Director.

Executive Committee (Meetings in FYE2026: 27)

The Company has established the Executive Committee to deliberate the agenda to be submitted to the Board of Directors as well as important matters regarding RYODEN CORPORATION's business execution. At present, the Executive Committee is composed of the President & CEO, 11 Executive Officers with titles, and one Executive Officer. Audit and Supervisory Committee Members also attend the meetings.

Audit and Supervisory Committee (Number of meetings held in FYE2026: 7)

The Company transitioned to a company with an Audit and Supervisory Committee pursuant to a resolution to amend the Articles of Incorporation to reflect the Company's transition to a company with an Audit and Supervisory Committee passed at the Ordinary General Meeting of Shareholders held on June 25, 2024. The Company's Audit and Supervisory Committee is composed of three Directors, of which a majority of two are Outside Directors. The Audit and Supervisory Committee makes decisions regarding audit policies, plans, and methods as well as other important matters relating to audit. The Audit and Supervisory Committee audits the execution of duties by the Directors according to the audit standards prescribed by the Audit and Supervisory Committee. One substitute Audit and Supervisory Committee Member (Mr. Masato Denawa) has been appointed in preparation for an event where the number of Audit and Supervisory Committee Members falls below the minimum number required under laws and regulations.

Risk Management Supervisory Committee (Meetings in FYE2026: 1)

As an oversight body, the Company established the Risk Management Supervisory Committee, chaired by the President & CEO and made up of the Executive Officers with titles, to discuss basic policies on the internal controls of the Group and verify the activities of other committees.

Business Risk Committee (Meetings in FYE2026: 2)

To ensure the continuity and stable development of its business, the Company established the Business Risk Committee chaired by the Executive Officer. The Committee conducts group-wide risk analysis, and in order to mitigate the risks identified therein, draws up countermeasures considering the probability of occurrence of risks and the level of impact, etc., and further monitors the implementation status. The Business Risk Committee reports on the implementation status of these to the Risk Management Supervisory Committee, and carries out multifaceted risk management for the Company and the Group.

Committee for Assessment of Internal Control in accordance with the Financial Instruments and Exchange Act (Meetings in FYE2026: 4)

For the purpose of complying with the internal control reporting system stipulated by the Financial Instruments and Exchange Act and ensuring the credibility of its financial reporting, the Company established the Committee for Assessment of Internal Control in accordance with the Financial Instruments and Exchange Act chaired by the Executive Officer. The Committee evaluates our internal control system based on the results of internal audits that the Internal Audit Division and Information System Division perform in accordance with each assessment criterion with respect to the implementation status and operating results in the Company.

Ethics and Legal Compliance Committee (Meetings in FYE2026: 2)

Recognizing compliance as a key managerial priority, the Company established the Ethics and Legal Compliance Committee chaired by the Executive Officer and have a Compliance Manager to take regular action to ensure compliance with laws and regulations, fairness, and morality in our activities.

SECTION 05

Fact Data

66 Financial and Non-financial Highlights
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SECTION 05

Financial Data Over Past Decade

(Millions of yen) (Thousands of U.S. dollars)

		77th term (FYE2017)	78th term (FYE2018)	79th term (FYE2019)	80th term (FYE2020)	81st term (FYE2021)	82nd term (FYE2022)	83rd term (FYE2023)	84th term (FYE2024)	85th term (FYE2025)	86th term (FYE2026)	86th term (FYE2026)
Results summary	Net sales	219,225	236,494	240,312	230,087	196,841	229,126	260,303	259,008	215,790	212,772	1,329,825.00
	Overseas sales	48,919	50,111	45,826	42,645	34,259	43,897	47,281	47,382	47,854	50,158	313,487.50
	Ratio of overseas sales (%)	22.3	21.2	19.1	18.5	17.4	19.2	18.2	18.3	22.2	23.6	23.6
	Operating profit	2,730	5,078	5,624	5,559	3,415	7,062	9,380	8,326	5,483	5,244	32,775.00
	Ordinary profit	2,442	5,055	5,648	5,758	3,653	7,285	9,077	8,236	6,010	5,767	36,043.75
	Profit attributable to owners of parent	1,388	3,588	3,731	3,860	2,343	5,004	5,366	5,736	4,700	5,275	32,968.75
Balance sheets summary	Total assets	122,763	133,710	132,729	128,304	125,529	140,970	151,049	156,027	141,995	154,303	964,393.75
	Net assets	60,975	64,057	65,716	67,557	69,919	74,766	79,898	87,083	89,213	94,533	590,831.25
	Short-term loans	1,849	1,909	2,428	1,221	1,438	1,633	4,265	4,057	3,431	3,117	19,481.25
Cash flow summary	Cash flows from operating activities	4,601	(4,833)	4,479	5,938	1,939	(7,623)	(199)	9,942	18,453	6,067	37,918.75
	Cash flows from investing activities	474	674	(686)	(518)	183	(1,326)	(1,251)	(710)	(15)	(2,985)	(18,656.25)
	Cash flows from financing activities	(2,227)	(942)	(563)	(2,281)	(1,052)	(883)	(115)	(2,283)	(4,202)	(3,003)	(18,768.75)
												(U.S. dollars)
Financial indicators, etc.	Profit per share (¥)	64.04	165.44	171.98	177.77	107.79	229.99	245.93	262.43	214.80	244.84	1.53
	Net assets per share (¥)	2,809.01	2,948.86	3,022.78	3,104.00	3,208.01	3,427.24	3,652.29	3,976.49	4,141.24	4,380.05	27.38
	Cash dividends per share (¥)	44	48	56	56	56	58	74	106	106	138	0.86
	Operating profit to net sales (%)	1.2	2.1	2.3	2.4	1.7	3.1	3.6	3.2	2.5	2.5	2.5
	ROE (%)	2.3	5.8	5.8	5.8	3.4	6.9	7.0	6.9	5.3	5.7	5.7
	ROA (%)	2.0	3.9	4.2	4.4	2.9	5.5	6.2	5.4	4.0	3.9	3.9
	Equity ratio (%)	49.6	47.8	49.4	52.5	55.6	52.9	52.8	55.7	62.7	61.2	61.2
	Payout ratio (%)	68.7	29.0	32.6	31.5	52.0	25.2	30.1	40.4	49.3	56.4	56.4

*A share consolidation (consolidation of two shares of common stock into one share) was conducted with the effective date of October 1, 2017. The amounts shown for profit per share, net assets per share and cash dividends per share reflect the number of shares after consolidation.
*"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 issued on February 16, 2018), have been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, the key financial indicators for the fiscal year ended March 31, 2018 are those after retrospectively applying the standard.

*Cash dividends per share for the fiscal years ended March 31, 2018 and 2022 include commemorative cash dividends of ¥2 per share each.
*Amounts shown in U.S. dollars have been converted from yen, for convenience only, at the rate of ¥160 = U.S. $1, the approximate rate of exchange prevailing on March 31, 2026 rounded to the nearest whole dollar.

For more information, see: ▶ https://ir.ryoden.co.jp/en/results/highlight/

Environment

Item	Scope	Unit	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026
GHG emissions (Scope 1)	Consolidated	t-CO_2	404	454	441	506	503
GHG emissions (Scope 2)*1	Consolidated	t-CO_2	649	388	3,806	4,547	3,821
GHG emissions (Scope 3)	Consolidated	t-CO_2	6,800,279	6,962,251	45,095,343	37,834,605	37,192,504
Amount of energy consumed	Consolidated	GJ	21,339	26,032	102,054	96,477	113,205
Power consumption	Consolidated	kWh	2,088,283	2,032,552	11,877,666	10,100,667	12,098,409
Clean electricity consumption*2	Consolidated	kWh	540,179	1,067,692	3,240,602	3,283,244	3,400,393
Solar power generation*3	Consolidated	kWh	2,363,712	2,343,796	3,842,641	3,768,902	3,805,201
Amount of water consumed (water drawn and discharged)	Japan*4	'000㎥	7	7	69	64	65
Amount of waste discharged*5	Japan*6	t	107	126	137	126	630
Amount of waste for final disposal	Japan*6	t	1	1	1	1	- *5
Recycling rate	Japan*6	%	99	99	99	99	- *5

Calculation period: 12 months from April to March of the following year
*For overseas subsidiaries with fiscal year different from that of the Company, and for BlockFARM, Inc. and Farmship, Inc. through FYE2024, data are calculated on a January-December (12-month) basis.

*1 Market-based method
*2 Total consumption of renewable energy (self-consumption of solar power generation + non-fossil certificate purchases + green power certificates)
3 Solar power generation (including both electricity sales and self-consumption) at Kurihara Solar Power Plant, Hamamatsu, Kyoto, Maebashi, and BlockFARM *Consolidated subsidiary from FYE2024
*4 Calculation scope: RYODEN (non-consolidated) (with some exceptions: tenant offices for which it is difficult to determine water supply and sewerage volumes) and Techno Fort Co., Ltd.
*5 Regarding waste discharge volume, construction-related industrial waste was added to the calculation scope from FYE2026. As the calculation method for the final disposal amount of construction-related industrial waste has not yet been established, the final disposal amount of waste and the recycling rate have not been calculated.
*6 Calculation scope: FYE2024-FYE2025: RYODEN (non-consolidated) + Techno Fort Co., Ltd., FYE2026: RYODEN (non-consolidated) + domestic consolidated companies

For more information, see: ▶ https://sustainability.ryoden.co.jp/en/data/#environment

Social

Item	Scope	Unit	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026
Number of employees	Consolidated	persons	1,214	1,242	1,360	1,451	1,555
Number of new graduates recruited	Non-consolidated	persons	29	53	38	44	49
Number of new mid-career recruits	Non-consolidated	persons	9	18	31	90	75
Number of employees re-employed after retirement	Non-consolidated	persons	36	30	14	17	16
Number of employees with disabilities *1	Non-consolidated	persons	23	20	23	26	31
Turnover rate of employees who have been with the company less than 3 years	Non-consolidated	%	16	10	10	17	17
Childcare leave utilization rate	Non-consolidated	%	36	49	66	62	82
Childcare leave utilization rate (male employees)	Non-consolidated	%	15	26	46	38	69
Childcare leave utilization rate (female employees)	Non-consolidated	%	100	100	100	100	100
Average monthly overtime hours per employee	Non-consolidated	hours	18	16	13	18	24
Annual paid leave utilization rate	Non-consolidated	%	66	79	80	74	67
Annual training hours per person *2	Non-consolidated	hours	-	-	12	11	21
Proportion of women in management positions	Non-consolidated	%	2	1	1	3	5

*1 The number of employees calculated based on the Act to Facilitate the Employment of Persons with Disabilities.
*2 The figures for FYE2022 and FYE2023 have not been calculated.

Governance

Item	Unit	Unit	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026
Number of Directors	Non-consolidated	persons	7	7	8	9	10
Proportion of Outside Directors	Non-consolidated	%	57	57	56	56	50
Proportion of female Directors	Non-consolidated	%	18	18	22	22	20
Proportion of Independent Directors	Non-consolidated	%	43	43	44	44	40
Hotline calls	Non-consolidated	cases	3	6	7	4	12
IR meetings held	Non-consolidated	Number of meetings	0	4	26	23	24
Board of Directors meetings held	Non-consolidated	Number of meetings	14	15	15	15	14
Nomination & Compensation Advisory Committee meetings held	Non-consolidated	Number of meetings	9	5	6	4	5
Executive Committee meetings held	Non-consolidated	Number of meetings	28	27	25	25	27
Audit and Supervisory Committee meetings held *1	Non-consolidated	Number of meetings	5	5	7	5	7
Risk Management Supervisory Committee meetings held	Non-consolidated	Number of meetings	1	1	1	1	1
Sustainability Committee meetings held *2	Non-consolidated	Number of meetings	-	1	2	2	2

*1 The number of meetings of the Audit and Supervisory Committee for fiscal years up to FYE2024 refers to the number of meetings of the Audit and Supervisory Board.
*2 Established in FYE2023

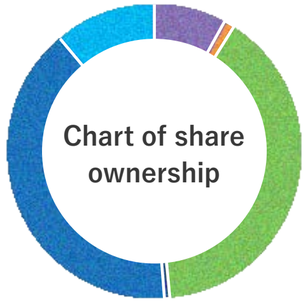
Corporate Data (As of March 31, 2026)

Trade name	RYODEN CORPORATION
Establishment	April 22, 1947
Capital	¥10,334,298,875
Number of employees	Consolidated: 1,555 (Non-consolidated: 1,154)

Stock Information※ (As of March 31, 2026)

Total number of shares authorized	56,550,000 shares
Total number of shares issued	21,612,037 (incl. 55,063 shares of treasury stock)
Number of shareholders	37,629

*A stock split will be implemented with an effective date of October 1, 2026.
After the stock split, the total number of authorized shares will be 113,100,000 shares, and the total number of issued shares will be 43,224,074 shares.



Financial institutions	8.16%	Treasury shares	0.25%
Securities companies	0.86%	Individuals and others	40.17%
Other corporations	39.69%	Foreign corporations, etc.	11.12%

Major shareholders (top 10)

Name of shareholders	Shareholding ratio (%)
Mitsubishi Electric Corporation	35.97
The Master Trust Bank of Japan, Ltd. (trust account)	6.67
RYODEN Employee Stock Ownership Plan	2.14
Citizen Watch Co., Ltd.	1.92
BBH BOSTON FOR NOMURA JAPAN SMALLER CAPITALIZATION FUND 620065	1.85
Hikari Tsushin KK Investment Limited Partnership, General Partner: HIKARI TSUSHIN, INC.	1.67
DFA INTL SMALL CAP VALUE PORTFOLIO	1.46
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	0.99
BNYMSANV RE BNYMIL RE WS MORANT WRIGHT NIPPON YIELD FUND	0.99
JP MORGAN CHASE BANK 385781	0.84

* The shareholding ratio is the ratio of the number of shares owned to the total number of issued shares (excluding treasury stock).

Independent Evaluations

Achieved a B score in the CDP assessment (2025)

Ranked as an All Markets Ranking A Website for 2024 by Nikko Investor Relations (2025)
https://www.nikkoir.co.jp/english/

IR Group Activity Report



IR Group, General Affairs Department

Thank you for reading RYODEN REPORT 2026. The theme of this year's Integrated Report is "Harvesting Results and Reaping Rewards." This theme reflects our strong determination and vision to firmly reap the benefits of the strategic investments we have made to date, achieve a V-shaped recovery in business performance, and realize sustained growth going forward. Although the business environment surrounding RYODEN is undergoing significant changes, we will continue to create value for our customers through various innovations, growing beyond the traditional role of an agent and trading company to become a company that creates new businesses.

We will continue to make stakeholder dialogue our highest priority as we implement fair and timely disclosure to raise RYODEN's corporate value and achieve sustainable growth.

RYODEN
REPORT 2026



About the cover page

[Artwork] With　　[Artist] Yamazaki

Paralym Art® is a social contribution enterprise that enables the continuous support of disabled people by becoming a team with disabled artists and cooperating on an ongoing basis with private enterprises and individuals, rather than relying on social security funds. RYODEN is a supporter of Paralym Art.

RYODEN

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