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December 25, 2023

Company: NPR-RIKEN CORPORATION  
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**Notice Regarding the Acquisition of shares in SHINWA VANES CO., LTD. by a subsidiary, Riken Corporation  
(acquisition of a sub-subsiary company)**

We are pleased to announce that at the meeting of the Board of Directors held today, NPR-RIKEN CORPORATION (the "Company") resolved that Riken Corporation (the "Riken"), a subsidiary of the Company, will acquire the shares of SHINWA VANES CO., LTD. (the "SHINWA VANES") (the "Share Acquisition") and make it a subsidiary of Riken as follows.

1. Reasons for the acquisition

Under the Company's Midterm Corporate Strategy (2024-2026), NPR-RIKEN group (the "Group") is working to transform its business portfolio by expanding and strengthening its "next core businesses"\* in non-ICE fields. In the thermal engineering business, one of the core businesses, we developed the Fe-Cr-Al metallic heating element PYROMAX™ in 1956. For more than 67 years, the Group has engaged in everything from melting heating elements to wire rod processing as well as consistently manufacturing heater units and industrial furnaces that utilize them. In addition to metal heating elements, we also developed PYROMAX SUPER™, a ceramic heating element, to meet the needs of customers in the automotive and semiconductor equipment industries as well as those who require heaters in high-temperature ranges.

In recent years, research and development has been active in various industries to replace combustion heating that use fossil fuels with electrical resistance heating using heating elements, as part of the trend toward carbon neutrality. As demand for more efficient and environmentally friendly heating elements and units increase, there is an urgent need to cater to a wide range of customers through the advancement of new technologies. The Group is also accelerating research and development and prototype delivery in response to global carbon neutral requirements.

Since its establishment in 1978, SHINWA VANES has accumulated unique development capabilities and know-how in the design, development, and manufacturing of industrial heaters, electric heating equipment, and parts, and has met the ever-changing needs of various industries that require heating. As a technical manufacturing consultant specialist, SHINWA VANES provides innovative heaters tailor-made to meet these demands, and has earned a high reputation and built a strong relationship of trust with its customers in Japan and overseas. Among these, SHINWA VANES specializes in manufacturing small and medium-sized heaters in the low temperature range for semiconductor manufacturing equipment that support important industries such as information and telecommunications, automobile, and electrical machinery. SHINWA VANES is proud of its high market share for semiconductor manufacturing equipment for cleaning, film formation, and edging processes, far ahead of its competitors. Advanced performance such as excellent heat transfer, precise temperature control,

\*Existing businesses in growth areas and new product businesses

and even heat distribution is indispensable for the future advancement of semiconductor manufacturing equipment (advancement of miniaturization technology). We believe that the development and custom-made capabilities that SHINWA VANES has built up over the years will be further fortified in the heater market for semiconductor manufacturing equipment. Demand for semiconductor manufacturing equipment will continue to expand as the growth of the semiconductor market over the medium-to-long term is expected with the development of AI, IoT, and 5G, the spread of electric vehicles, active investments in data centers, advanced robotics, etc. We anticipate SHINWA VANES to establish a unique and solid position with its steady business growth in line with this trend.

Through this Share Acquisition, SHINWA VANES and the Group will be able to bring together their respective development technology and sales capabilities, jointly develop attractive new products, and expand our businesses, thereby achieving significant growth in the midst of the carbon neutral trend. It will also enable us to lead the electric resistance heater market. In addition, we believe that this acquisition will contribute to achieving carbon neutrality, as well as enhancing our corporate values through the improvement in our mid-to-long term ROE and capital efficiency for the Group, including SHINWA VANES.



## 2. Transfer of shares

Riken plans to acquire 28,440 shares from the existing shareholder of 31,600 issued shares of SHINWA VANES. As a result, Riken will hold 90.0% of the outstanding shares of SHINWA VANES, and SHINWA VANES will become a consolidated subsidiary of Riken. This transaction is subject to the application to the relevant authorities and other necessary approvals.

## 3. Outline of the target company

(1)	Name	SHINWA VANES CO., LTD.	
(2)	Address	Nishigotanda 7choume Bldg., 7-25-5 Nishigotanda, Shinagawa-ku, Tokyo	
(3)	Name and Title of Representative	Noboru Arai President	
(4)	Description of business	Design, development, and manufacturing of heating equipment and parts of Industrial heater related to semiconductor, FPD, and solar cell manufacturing.	
(5)	Capital	30 million yen	
(6)	Date of establishment	October 18, 1978	
(7)	Major shareholders and equity share	Endeavour United II Investment Business Limited Partnership (90.0%), Other individual shareholders (10.0%)	
(8)	Relationship between the Company and the target company	Capital ties	There is no capital relationship that should be stated between the Company and the relevant company. In addition, there are no notable capital ties between related parties and affiliated companies of the Company and related parties and affiliated companies of the relevant company.
		Personal Relationship	There is no personnel relationship that should be stated between the Company and the relevant company. In addition, there are no noteworthy personnel relationships between related parties and affiliated companies of the Company and related parties and affiliated companies of the relevant company.
		Business Relationship	There is no business relationship that should be stated between the Company and the relevant company. In addition, there are no noteworthy business relationships between related parties and affiliated companies of the Company and related parties and affiliated companies of the relevant company.

(9)	Consolidated operating results and consolidated financial position of the target company for the last three years (Units: 1 million yen unless otherwise specified.)		
Fiscal year end	Year ended August, 2021	Year ended August, 2022	Year ended August, 2023
Consolidated sales	6,321	7,787	6,783
Consolidated operating income	687	1,114	943
Consolidated ordinary profit	701	1,127	980
Consolidated net Income	448	675	666
Consolidated net assets	1,790	2,343	3,026
Consolidated total assets	3,220	4,168	4,123

#### 4. Overview of the counterparty of the share acquisition

(1)	Name	Endeavour United II Investment Business Limited Partnership	
(2)	Address	6F, Marunouchi 2-chome Building, 2-5-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Purpose of funding	Acquisition of securities, etc.	
(4)	Date of funding	September 2018	
(5)	Overview of the Unlimited liability partner	Name	Endeavour United Co.,Ltd.
		Address	6F, Marunouchi 2-chome Building, 2-5-1 Marunouchi Chiyoda-ku, Tokyo
		Representative	Tomohiko Mimura CEO
		Description of business	Management of investment funds

#### 5. Number of acquired shares, acquisition price, and status of owned shares before and after acquisition

(1)	Number of shares owned before the change	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2)	Number of shares acquired	28,440 shares (Number of voting rights: 28,440)
(3)	Acquisition cost	Undisclosed due to the confidentiality obligation with the counterparty.
(4)	Number of shares owned after the change	28,440 shares (Number of voting rights: 28,440) (Voting rights ownership ratio: 90.0%)

(Note) The acquisition price was determined after repeated discussions with the counterparty based on the results of due diligence and share valuation by third parties, and the Board of Directors of the Company resolved it as a reasonable price.

#### 6. Expected schedule

(1)	Board resolution	December 25, 2023
(2)	Signing of the Agreement	December 25, 2023
(3)	Share transfer	2024 mid-February (Scheduled)

\*The date of the share transfer is subject to change based on application to the relevant authorities and other necessary approvals.

#### 7. Future outlook

We are currently examining the impact of the Share Acquisition on our consolidated results for the fiscal year ending March 2024, and will promptly disclose any matters that should be disclosed.