

Regarding the Acquisition of shares in SHINWA VANES CO., LTD.

December 25, 2023

NPR-RIKEN CORPORATION

Overview of the Transaction



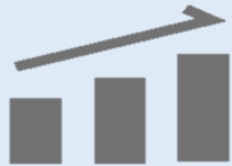
At its board meeting on 25 December 2023, NPR-RIKEN resolved to acquire shares of SHINWA VANES through its subsidiary Riken

Target Company	SHINWA VANES CO., LTD.
Transaction	Acquisition of 90% shares of SHINWA VANES from Endeavour United II Investment Business Limited Partnership
Post-transaction Shareholder Composition	<ul style="list-style-type: none">■ Riken Corporation : 90.0%■ Other individual shareholders : 10.0%
Strategic Rationale	<ul style="list-style-type: none">■ Expand and strengthen NPR-RIKEN's next core businesses in non-ICE fields■ Expand our business portfolio based on mutually complementary product lineup■ Mutually fortify development technologies and sales capabilities■ Allocate management resources to the thermal engineering business and support carbon neutral initiatives
Estimated Schedule	<ul style="list-style-type: none">■ Share transfer scheduled for mid-February 2024■ Impact on the consolidated financial result forecasts for FYE March 31, 2024 is currently under review

Positioning of this Transaction

This transaction will serve to expand and strengthen NPR-RIKEN's next core businesses in non-ICE fields, as part of its Midterm Plan (2024-2026) to transform its business portfolio. We expect this to also contribute to our carbon neutral initiatives

Transforming NPR-RIKEN's Business Portfolio



Next Core Business

Expand this business through aggressive investment

Existing businesses in growth areas,
new products businesses

- Allocate management resources to **next core/new products businesses to increase sales and profits in the mid-and-long-term.**
- In the areas of piston rings and fundamental businesses, we aim to expand stable sources of income through integration as NPR-RIKEN.

Strengthen sustainability

Strengthen **carbon neutral** initiatives

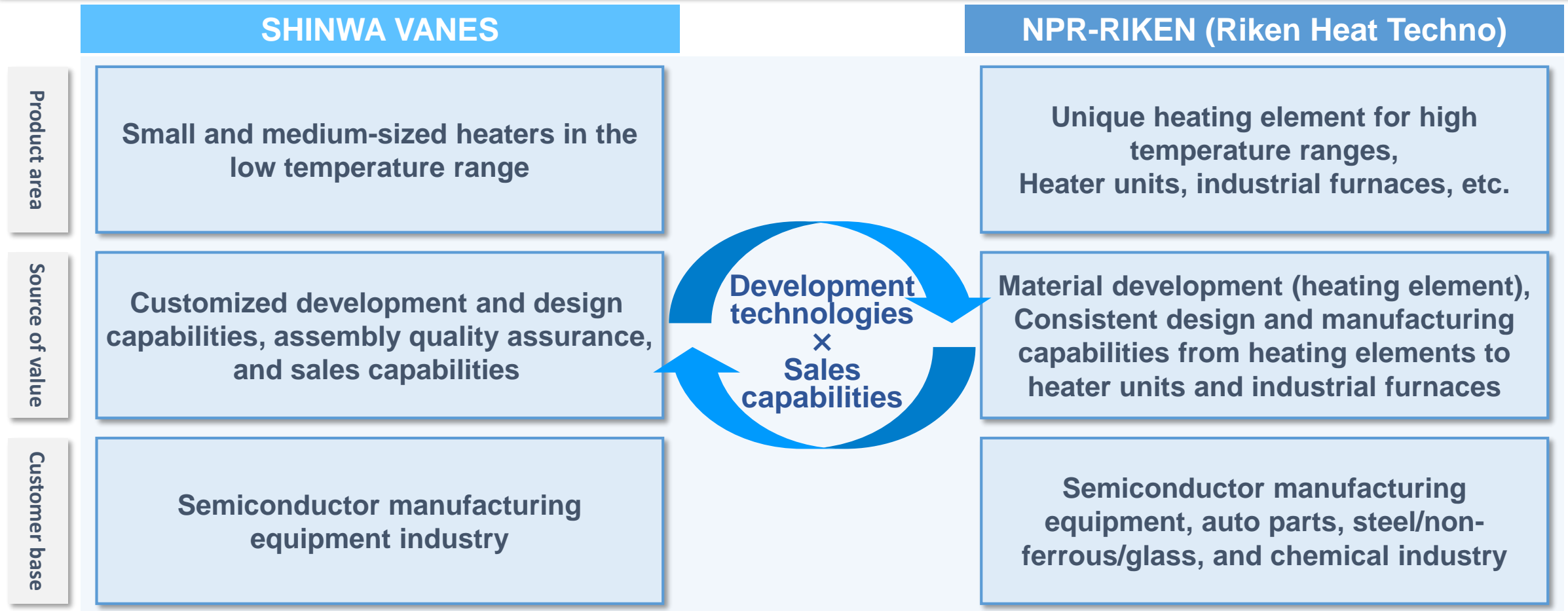
- In view of the trend towards carbon neutrality, a major change is occurring in the heating process of various industries to replace combustion heating that use fossil fuels with electrical resistance heating using heating elements.

Through this transaction, we will expand the thermal engineering business, one of our next core businesses, as an important initiative to transform our business portfolio

Synergies with NPR-RIKEN Group



- Both companies will bring together development technologies and sales capabilities to jointly develop successful new products and expand business areas
- Become a leader in the semiconductor market which has significant growth potential due to digitalization, ultimately paving the way to becoming carbon neutral



Overview of SHINWA VANES



- SHINWA VANES is a fables maker that designs, develops, and manufactures heater parts for semiconductor manufacturing equipment
- Sells small and medium-sized heaters in the low temperature range to major manufacturers with top shares in the global semiconductor manufacturing equipment market

Company Name		SHINWA VANES CO., LTD.		
Representative		Noboru Arai, President		
Business Profile		Design, development, and manufacturing of heating equipment and industrial heater parts related to semiconductors, FPD, and solar cell manufacturing		
Capital		30 million yen		
Date of Establishment		October 18, 1978		
Consolidated Results	FYE	August, 2021	August, 2022	August, 2023
	Sales	6,321 million yen	7,787 million yen	6,783 million yen
	Operating Income	687 million yen	1,114 million yen	943 million yen

Product Portfolio of SHINWA VANES

SHINWA VANES produces a wide range of heater products for the semiconductor manufacturing equipment market



Mica heater

The heater ideal for large panels, high temperatures, and uniform temperature distribution



Cartridge heater

Heater that can make high power density production possible



Jacket heater

Fibrous heater that matches various shapes



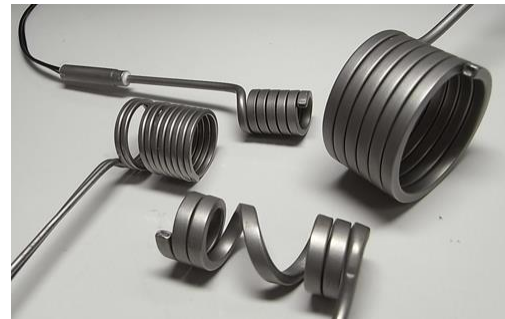
Clean Ribbon Heater

A belt-shaped heater with high cleanliness that uses PTFE fiber as the covering material



Silicon Rubber Heater

Flexible thin sheet heater using silicon rubber sheet



Cable heater

Heater with improved thermal efficiency by surface contact



Thermocouple / RTD

Temperature sensor which is most widely used for temperature measurement



Insulation material

Highly applicable material which can be manufactured into complex shapes

Overview of Riken Heat Techno



Basic Information

Company Name	Riken Heat Techno Co.,LTD
Representative	President Satoshi Ohashi
Capital	30 million yen
Date of Establishment	July 2, 2018
Number of Employees	61 people (as of October 1, 2023)
Products Handled	Heating elements, heater units, and industrial furnaces
Management Certification	ISO9001、ISO14001

Overview of Key Products

Heating elements



PYROMAX™
Unique metal heating element with higher durability



PYROMAX™ - PMD
Metal-heating element with high-temperature deformation resistance



PYROMAX SUPER™
Ceramic heating element that achieves a maximum atmospheric heating temperature of 1800°C

Heater units



Heater units
Various heater units that maximize the characteristics of unique heating elements



Radiant tube heater
Ideal for heat treatment in special atmospheres such as carburizing gas atmospheres

Industrial furnaces



PYRORIK™
Energy efficient industrial furnace compatible with everything from experimental to mass production equipment