

Conclusion of Final Agreement Regarding the Consolidation through Establishment of a Joint Holding Company

May 23, 2023

RIKEN

Riken Corporation

President and Representative Director,
CEO & COO

Yasunori Maekawa

NPR

Nippon Piston Ring Co., Ltd.

President and Representative Director

Teruo Takahashi



Riken Corporation (RIKEN) and Nippon Piston Ring Co., Ltd. (NPR) will consolidate our operations to contribute to the achievement of a sustainable society. *

The Consolidation is planned to come into force on October 2, 2023, subject to approval at each company's Ordinary General Meeting of Shareholders to be held on June 23, 2023.

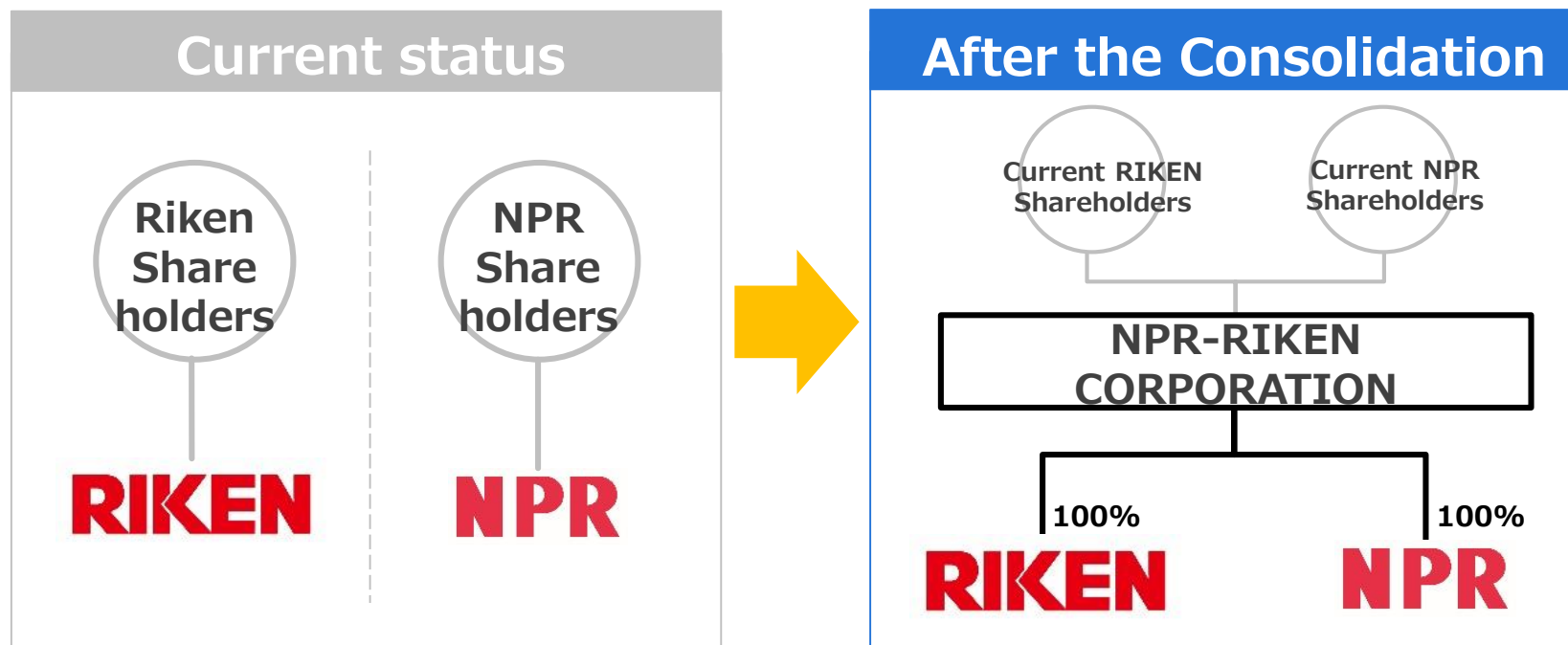
Contents

- I. | Consolidation Scheme, etc.**
- II. | Purposes of the Consolidation**
- III. | Synergies through the Consolidation**

I. Consolidation Scheme, etc.

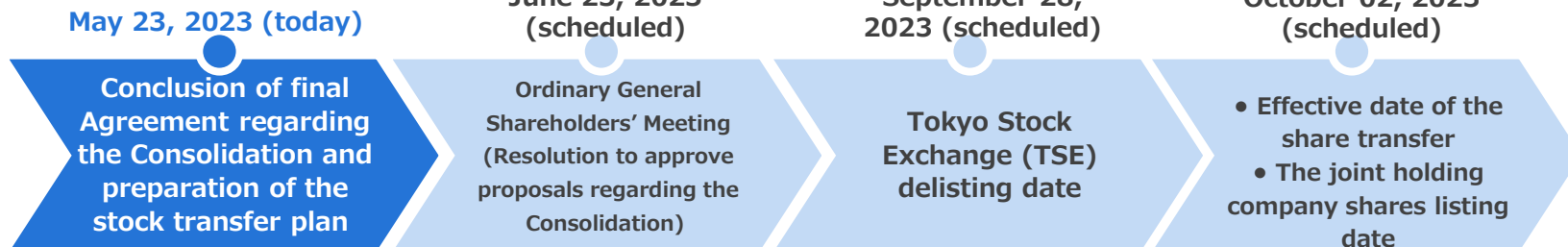
Summary of the Consolidation

NPR-RIKEN CORPORATION, a joint holding company, is formed by means of mutual stock transfer



▼ Assumed schedule (planned)

From October 2, 2023 (scheduled)



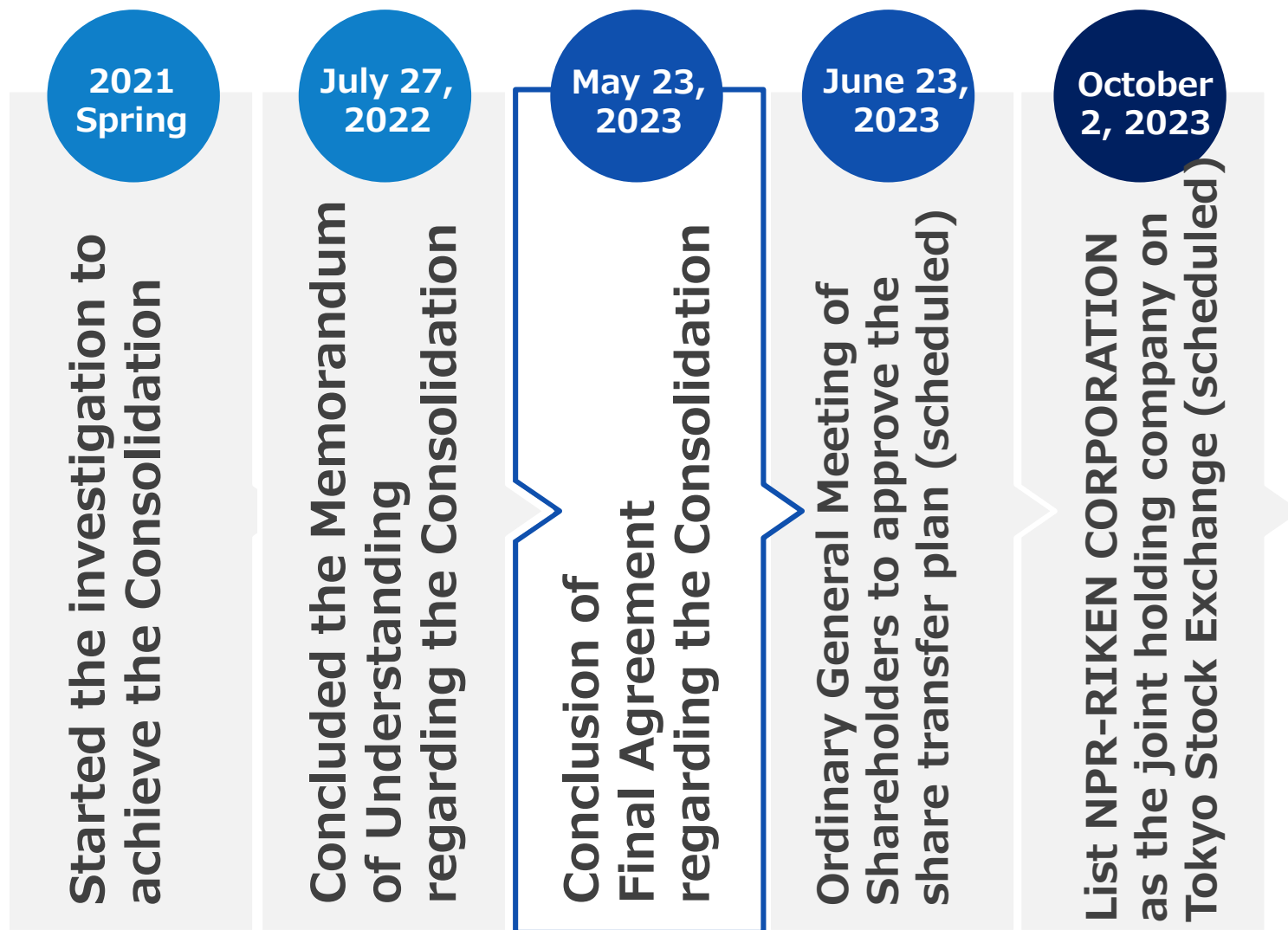
Summary of the Consolidation

Ratio of stock transfer

	Riken	Nippon Piston Ring
Common stock of NPR-RIKEN	2	1.02

- One share of RIKEN common stock will be transferred to 2 NPR-RIKEN common stock
- One share of NPR common stock will be transferred to 1.02 NPR-RIKEN common stock

Process of the Consolidation



Status after the Consolidation

Trade name	NPR-RIKEN CORPORATION														
Description of business	Manufacture and sale of automotive-related products; manufacture and sale of shipping-related and other products; etc.														
Head Office Address	8-1, Sanbancho, Chiyoda-ku, Tokyo														
Locations of main office functions	Tokyo Main Office : 8-1 Sanbancho, Chiyoda-ku, Tokyo Saitama Main Office : 5-12-10 Honmachi Higashi, Chuo-ku, Saitama City ,Saitama														
Organization structure and officers	<p>1. Structure : The company governed through an audit and supervisory committee</p> <p>2. Representative Directors :</p> <p>Chairman and Representative Director, CEO Yasunori Maekawa (To be selected)</p> <p>President and Representative Director, COO Teruo Takahashi (To be selected)</p> <p>3. Number of Directors : 13</p> <table> <tr> <td>Yasunori Maekawa</td><td>Teruo Takahashi</td></tr> <tr> <td>Kaoru Itoh</td><td>Yuji Sakamoto</td></tr> <tr> <td>Hidehiro Sakaba</td><td>Masaaki Fujita</td></tr> <tr> <td>Eiji Hirano</td><td>Masako Kurosawa</td></tr> <tr> <td>Kouei Watanabe</td><td>Hiroto Koeba</td></tr> <tr> <td>Osamu Honda</td><td>Hiroki Kimura</td></tr> <tr> <td>Tatsuya Sakuma</td><td></td></tr> </table>	Yasunori Maekawa	Teruo Takahashi	Kaoru Itoh	Yuji Sakamoto	Hidehiro Sakaba	Masaaki Fujita	Eiji Hirano	Masako Kurosawa	Kouei Watanabe	Hiroto Koeba	Osamu Honda	Hiroki Kimura	Tatsuya Sakuma	
Yasunori Maekawa	Teruo Takahashi														
Kaoru Itoh	Yuji Sakamoto														
Hidehiro Sakaba	Masaaki Fujita														
Eiji Hirano	Masako Kurosawa														
Kouei Watanabe	Hiroto Koeba														
Osamu Honda	Hiroki Kimura														
Tatsuya Sakuma															
Capital	5,000 million yen														
Stock Exchange Listing	Tokyo Stock Exchange Prime Market														

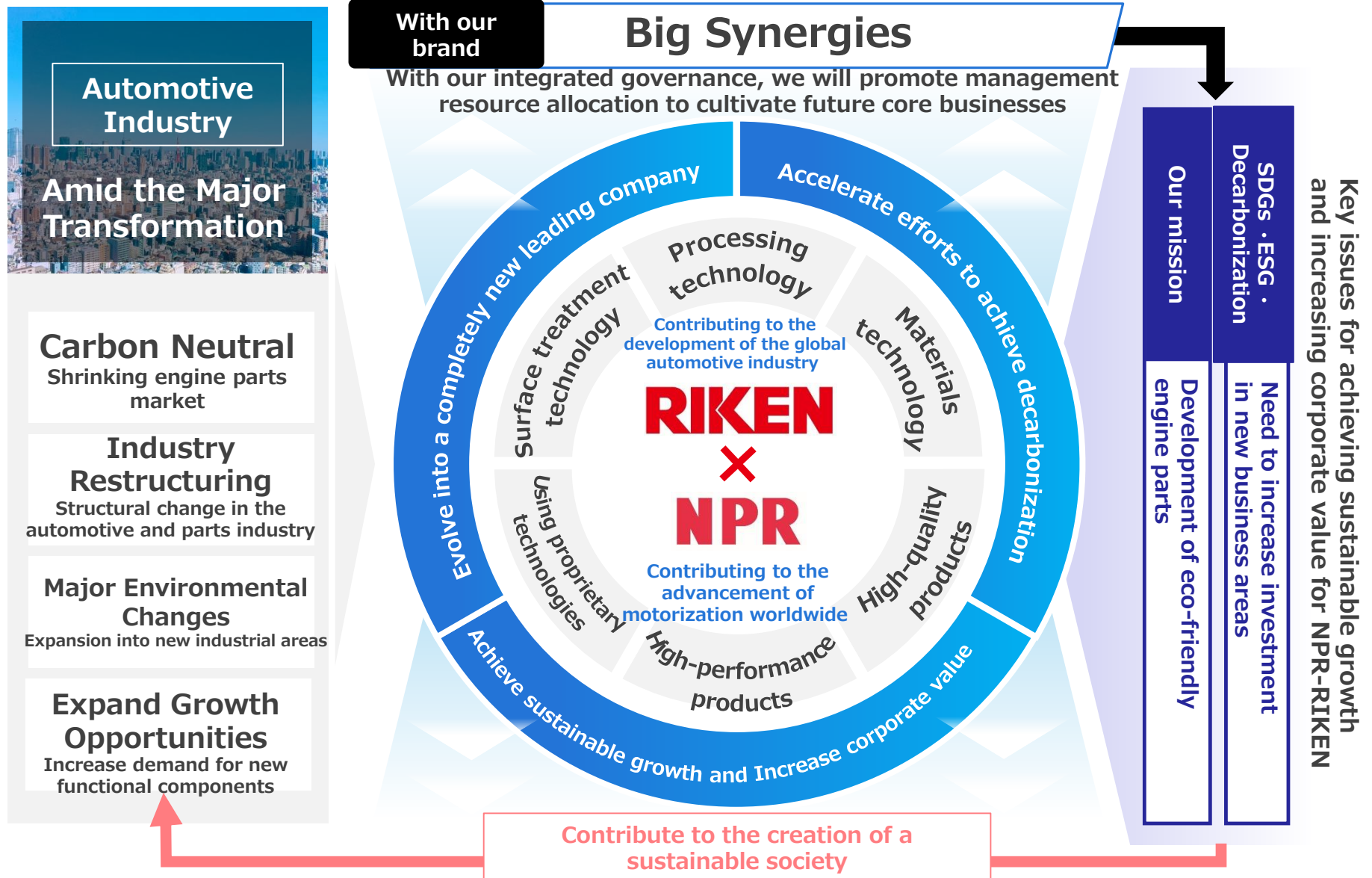
(Reference) Company Profile of RIKEN and NPR

Company profile of RIKEN and NPR (as of March 31, 2023)

Trade name	Riken Corporation	Nippon Piston Ring Co., Ltd.
Address	8-1, Sanbancho, Chiyoda-ku, Tokyo	5-12-10, Honmachi-Higashi, Chuo-ku, Saitama City, Saitama
Name and title of representative	President and Representative Director, CEO & COO Yasunori Maekawa	President and Representative Director Teruo Takahashi
Description of business	Manufacture and sale of automobile parts, other industrial parts, etc.	Manufacture and sale of automotive-related products; manufacture and sale of marine-related and other products; etc.
Capital	8,627 million yen	9,839 million yen
Established	December 1, 1949	December 20, 1934
Number of employees (including affiliated companies)	1,206 employees (4,153 employees)	586 employees (3,036 employees)

II. Purposes of the Consolidation

Background and Vision of the Consolidation



II. Purposes of the Consolidation

Significance of the Consolidation

	RIKEN	NPR	
Management philosophy	<ul style="list-style-type: none">We will be a leading corporate citizen that always operates with respect for the laws, environment, safety and the overall well-being of the global communities where we conduct our business.We will provide superior long-term economic value for our shareholders through effective use of their invested capital.We will offer products and services that continually exceed our customers' increasing expectations through constant innovation and continued advancements in knowledge and technology.We will continuously renew ourselves by encouraging initiative and entrepreneurship and by being constantly committed to change.	<ul style="list-style-type: none">We pursue every business operation on the principle of placing the No. 1 priority on customers.We respond with flexibility to changes in the environment and secure appropriate levels of profits to reflect our appreciation of our shareholders, suppliers, and business partners.In harmony with society, we contribute to the progress of human beings by securing the position of a global comprehensive parts manufacturer.We strive for the prosperity of the corporation and welfare of its employees through perpetual efforts for innovation and improvement in performance.	High affinity
Origins and present	<ul style="list-style-type: none">Established in 1927 in order to commercialize the research of RIKEN (the Institute of Physical and Chemical Research)Since our founding, we have continued to study surface treatment, processing, and materials technologies in our main piston ring business and other products, contributing to the development of the global automotive industry for more than 90 years	<ul style="list-style-type: none">Established in 1934 and succeeded in the mass production of piston rings made in JapanNPR has contributed to the development of motorization worldwide through the provision of high-performance, high-quality piston rings, valve seat inserts, camshafts, and other parts primarily for use in internal combustion engines, manufactured using its own original techniques and technologies.	Same industry and complementary

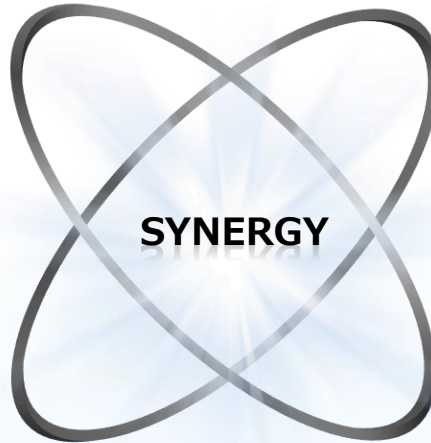
III. Synergies through the Consolidation

Expected Synergies

RIKEN × NPR

1

Strengthen existing businesses by reallocating management resources, and quick development of core products for future business



2

Strengthen the capabilities to respond to an increasingly decarbonized society

3

Reduce costs through shared use of infrastructure and other resources

4

Reduce manufacturing costs by improving production efficiency through shared product integration, and achieve proper fulfillment of supply responsibilities

5

Advance skills through personnel and technology exchanges

III. Synergies through the Consolidation

Strengthen existing businesses by reallocating management resources, and quick development of the future core products

- Adjust capital expenditure, wide-range product optimization, and focus on development targets
- Boldly allocate the management resources to the next core businesses and new product fields by improving the efficiency of existing businesses

RIKEN

Generate many seeds of next-generation core products

Thermal Engineering Business	EMC Business
Hydrogen and New Energy Business	Next Generation New Business (Non-ICE Business)



NPR

Develop and establish new product businesses

Medical Device Business
Electrification and Robotics Business
Motor Business

Accelerate Efforts to Achieve Decarbonization

Integrate and develop technologies and resources owned by both companies to manufacture carbon neutrality products

