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December 26, 2022

Company name: RIKEN TECHNOS CORPORATION
Representative: Kazuaki Tokiwa, Representative Director, President & CEO
(Securities code: 4220; Tokyo Prime Market)
Junji Irie, Representative Director and Senior Managing Executive Officer
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Notice Concerning a Merger Involving a Consolidated Subsidiary (Simplified Merger/Short-Form Merger)

RIKEN TECHNOS CORPORATION (the “Company”) hereby announces a decision reached at a meeting of the Board of Directors held today to the effect that the consolidated subsidiary RIKEN TECHNOS INTERNATIONAL CORPORATION is to be subject to an absorption-type merger as outlined below.

The merger will take the form of a simplified merger/short-form merger involving a consolidated subsidiary that is wholly owned by the Company. As such, certain disclosure items and details have been omitted.

Details

1. Purpose of the merger

By undertaking the merging and unification of RIKEN TECHNOS INTERNATIONAL CORPORATION and the Company, the Company aims to further improve upon the efficiency of group management and improve upon sales capabilities through the consolidation of management resources.

Through this merger, the Group will further strengthen its business and will go about continuing to provide new value and satisfaction to its customers.

2. Summary of the merger

(1) Merger schedule

Date of issuance of a resolution by the Board of Directors for the approval of the merger agreement:	December 26, 2022
Date of execution of the merger agreement:	December 26, 2022
Scheduled date of the merger (Effective date)	April 1, 2023 (Planned)

(Note) For the Company, this merger constitutes a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act. For RIKEN TECHNOS INTERNATIONAL CORPORATION, the merger constitutes a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act. Therefore, this merger will be carried out without having approval regarding the merger agreement provided at a General Meeting of Shareholders.

(2) Merger format

RIKEN TECHNOS INTERNATIONAL CORPORATION will be dissolved through an absorption-type merger wherein the Company will constitute the surviving company.

(3) Details on allotments pertaining to the merger

This is a merger involving a consolidated subsidiary that is wholly owned by the Company. As such, no allotment of shares, cash, or other such items will take place.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the absorbed company in association with the merger

RIKEN TECHNOS INTERNATIONAL CORPORATION has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Overview of the companies involved in the merger

	Surviving company	Absorbed company
(1) Name	RIKEN TECHNOS CORPORATION	RIKEN TECHNOS INTERNATIONAL CORPORATION
(2) Address	2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, Japan	2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, Japan
(3) Official position and name of representative	Kazuaki Tokiwa, Representative Director, President & CEO	Kazunari Arai, President and CEO
(4) Business description	Processing and sales of vinyl and other synthetic resins	Purchase and sale of processed synthetic resin products
(5) Capital stock	8,514 million yen	10 million yen
(6) Date of establishment	March 30, 1951	December 3, 1962
(7) Number of shares issued	64,113,819 shares	20,000 shares
(8) Fiscal year end	March 31	December 31
(9) Major shareholders and shareholding ratios (As of September 30, 2022) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account) 9.88% Shin-Etsu Chemical Co., Ltd. 5.15% Mizuho Bank, Ltd. 4.54% Resona Bank, Limited 4.53% Sompo Japan Insurance Inc. 3.90%	RIKEN TECHNOS CORPORATION 100%
(10) Financial status and operating results for the previous business year		
Fiscal year end	March 31, 2022 (Consolidated)	December 31, 2021 (Non-consolidated)
Net assets	65,448 million yen	65 million yen
Total assets	102,641 million yen	1,781 million yen
Net assets per share	914.83 yen	3,284.14 yen
Net sales	109,923 million yen	4,518 million yen
Operating profit	6,292 million yen	77 million yen
Ordinary profit	6,889 million yen	89 million yen
Current net profit	(Note 2) 3,941 million yen	57 million yen
Earnings per share	62.47 yen	2,862.48 yen

(Note 1) Shareholding ratios have been calculated in a manner which excludes treasury stock (301 shares).

(Note 2) Profit attributable to owners of parent.

4. Status after the merger

There will be no changes to the name, location, official position and name of the representative, business description, capital stock, or fiscal year end of the Company as a result of the merger.

5. Outlook for the future

This merger is an absorption-type merger involving a consolidated subsidiary that is wholly owned by the Company. Thus, impact of the merger on consolidated financial results will be negligible.

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