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July 31, 2025

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Factory Reorganization and Non-Current Asset Transfer Aimed at Achieving a Value-Creating Balance Sheet and Improving Asset Efficiency

RIKEN TECHNOS CORPORATION hereby announces that at a meeting of the Board of Directors held on July 31, 2025, the Company resolved to adopt an expansion plan for its Mie Factory (Kameyama City, Mie Prefecture) and transfer non-current assets (land and solar power generation facilities) of its Gunma Factory (Ota City, Gunma Prefecture) as per the details given below.

The RIKEN TECHNOS GROUP is working to achieve a value-creating balance sheet—one of the growth strategies in the new three-year medium-term business plan "One Vision, New Stage 2027" that started in April 2025—and to improve asset efficiency.

1. Mie Factory Expansion Plan

RIKEN TECHNOS Mie Factory is a key compound manufacturing site of the Group within Japan. We have decided to acquire adjacent land and expand the factory to enhance its production capacity and improve its efficiency toward the future.

■ Overview of Expansion Plan

Planned construction site	Land adjacent to RIKEN TECHNOS Mie Factory (Anodacho, Kameyama City, Mie Prefecture)
Facilities to be constructed	Factory and warehouse
Area of land to be acquired	Approximately 30,000 m^2
Key products	Resin compounds
Scale of investment	Approximately 9 billion yen (in the planning stage and subject to change)
Start of construction (planned)	October 2026
Completion of construction (planned)	September 2029

The above is in the planning stage and details are subject to change. It also assumes the attainment of various permits and approvals from government agencies, such as development permits.

We will increase the competitiveness of our compound business and contribute to the development of the regional economy through this factory expansion. We will also agilely consider investment necessary for future business growth.

2. Non-Current Asset Transfer

We have decided to transfer a portion of the non-current assets of RIKEN TECHNOS Gunma Factory to effectively use management resources and improve asset efficiency

■ Overview of Assets Being Transferred

Location	Kamitajimacho, Ota City, Gunma Prefecture
Land (including solar power generation facilities)	57,000 m^2
Current state	Factory land (part of Gunma Factory)
Transfer price	Approximately 1.89 billion yen
Capital gain	Approximately 450 million yen*
Date of contract signing	August 27, 2025 (planned)
Date of asset handover	As above

* The capital gain is an estimate calculated by deducting the book value, estimated expenses related to the transfer, etc. from the transfer price.

The transferee is a business corporation in Japan, which we are refraining from disclosing at the request of the transferee. There are no capital relationships, personal relationships, or noteworthy business relationships between the transferee and RIKEN TECHNOS. It is also not considered a related party of RIKEN TECHNOS.

We plan to record the gain on sale of these non-current assets as extraordinary income in the second quarter (semi-annual) of the fiscal year ending March 31, 2026. Regarding the consolidated and unconsolidated financial forecasts for the fiscal year ending March 31, 2026, we are currently examining them in detail, including other factors, and will promptly disclose any necessary revisions to the forecasts should they become required.

The RIKEN TECHNOS GROUP will strive to achieve optimal allocation of management resources for enhancement of corporate value.