



MEMBERSHIP

April 23, 2024

Company name: **RISO KAGAKU CORPORATION**
Listing: Tokyo Stock Exchange Prime Market
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(Progress of and Changes in Disclosure Matters) Notice Regarding the Absorption-Type Company Split Agreement with Toshiba Tec Corporation and Tec Precision Co., Ltd.

RISO KAGAKU CORPORATION (the “Company”) issued an announcement titled the “Notice Regarding Acquisition of the Inkjet Head Business of Toshiba Tec Corporation and Tec Precision Co., Ltd. by the Subsidiary to be Established by the Company through a Company Split (an Absorption-Type Company Split)” dated December 22, 2023, which was partially updated in the “(Progress of the Disclosed Matters) Notice Regarding Acquisition of the Inkjet Head Business by the Subsidiary to be Established by the Company through a Company Split” dated January 30, 2024 (“Previous Timely Disclosure”). The first abovementioned announcement stated that RISO Technologies Corporation, which was established by the Company as its wholly-owned subsidiary on April 1, 2024, (the “New Subsidiary”) concluded an agreement with Toshiba Tec Corporation (“Toshiba Tec”) and Tec Precision Co., Ltd. (“TPI”) which is a wholly-owned subsidiary of Toshiba Tec, to acquire the inkjet head business conducted by Toshiba Tec and TPI, through a company split (a absorption-type company split) (the “Absorption-Type Company Split”).

In order to implement the Absorption-Type Company Split, the New Subsidiary, the succeeding company, resolved at its meeting of shareholders held today, to conclude an absorption-type company split agreement between Toshiba Tec and TPI, and concluded the absorption-type company split agreement effective the date of this release. As a result, the Company hereby announces that the items that remained undecided in the Previous Timely Disclosure have been decided and that changes have been made to certain items as described below.

The section numbers in this document are aligned with those in the Previous Timely Disclosure, and each term used but not otherwise defined herein shall have the meaning provided in the Previous Timely Disclosure. In the following, the items newly decided that remained undecided in the Previous Timely Disclosure and the items to which changes have been made are underlined, and the items with no changes are omitted.

I. Items Newly Decided and that were Left Undecided in the Previous Timely Disclosure

2. Summary of the Absorption-Type Company Split

(1) Schedule of the Absorption-Type Company Split

Decision on establishment of subsidiary	December 22, 2023
Decision on execution of the Definitive Agreement	December 22, 2023
Execution of the Definitive Agreement	December 22, 2023
Establishment of the New Subsidiary as succeeding company	April 1, 2024
Execution of the Absorption-Type Company Split Agreements	<u>April 23, 2024</u>
Effectuation of the Absorption-Type Company Split	July 1, 2024 (scheduled)

(Omitted)

7. Overview of Accounting Treatment

The Absorption-Type Company Split is expected to be classified as an “acquisition” under the Accounting Standards for Business Combination. The amount of goodwill associated with the accounting procedures in the said Standards will be approximately JPY 4,061 million and the amortization period will be 5 years.

The allocation of the acquisition costs is currently being examined in detail. We will disclose the allocation as soon as the details are finalized.

II. Items with Changes Since the Previous Timely Disclosure

As a result of discussions held between the Company and Toshiba Tec after the Previous Timely Disclosure, the Company and Toshiba Tec reached an agreement to alter the scope of rights and obligations to be transferred from Toshiba Tec and TPI to the New Subsidiary, as the succeeding company, and in conjunction with such alternation, to change the amount of consideration that New Subsidiary will pay to Toshiba Tec and TPI. As described above, the New Subsidiary, as the succeeding company, has concluded an absorption-type company split agreement, which reflects these changes with Toshiba Tec and TPI as of the date of this release. Therefore, some items in the Previous Timely Disclosure, will be changed as follows:

2. Summary of the Absorption-Type Company Split

(3) Details of allotment pertaining to the Absorption-Type Company Split

(Before changes)

As the consideration for the Absorption-Type Company Split, the New Subsidiary as the succeeding company will transfer money in the amount of JPY 7,120 million to Toshiba Tec and TPI.

Since the amount of money to be transferred to Toshiba Tec and TPI respectively will be fixed pursuant to the Absorption-Type Company Split Agreements, which will be executed at a later date, such amount will be disclosed at the time of such execution.

(After changes)

As the consideration for the Absorption-Type Company Split, the New Subsidiary as the succeeding company will transfer money in the amount of JPY 6,436 million to Toshiba Tec and TPI.

The amount of money to be transferred to Toshiba Tec and TPI respectively will be JPY 6,114 million and JPY 322 million.

5. Overview of the Business to be Succeeded to by the New Subsidiary

(3) Asset and liability accounts to be succeeded to by the New Subsidiary and the book values thereof (as of June 30, 2023)

(Before changes)

(i) Toshiba Tec

Assets		Liabilities	
Current Assets	JPY <u>2,261</u> million	Current Liabilities	JPY <u>1,488</u> million
Non-current Assets	JPY <u>859</u> million	Non-current Liabilities	JPY 507 million
Total	JPY <u>3,121</u> million	Total	JPY <u>1,995</u> million

(ii) TPI

Assets		Liabilities	
Current Assets	JPY <u>786</u> million	Current Liabilities	JPY <u>581</u> million
Non-current Assets	JPY 101 million	Non-current Liabilities	-
Total	JPY <u>887</u> million	Total	JPY <u>581</u> million

(Omitted)

(After changes)

(i) Toshiba Tec

Assets		Liabilities	
Current Assets	JPY <u>252</u> million	Current Liabilities	-

Non-current Assets	JPY <u>895</u> million	Non-current Liabilities	JPY 507 million
Total	JPY <u>1,147</u> million	Total	JPY <u>507</u> million

(ii) TPI

Assets		Liabilities	
Current Assets	JPY <u>39</u> million	Current Liabilities	-
Non-current Assets	JPY 101 million	Non-current Liabilities	-
Total	JPY <u>140</u> million	Total	-

(Omitted)

End