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October 31, 2024

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(Code: 3156 Tokyo Stock Exchange Prime Market)
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**Notice Concerning Capital and Business Alliance and Disposal of Treasury Stock
through Third-Party Allotment**

Restar Corporation (hereinafter, the “Company”) hereby announces as below that the meeting of its Board of Directors held on October 31, 2024 resolved to enter into a capital and business alliance (hereinafter referred to as the "Capital and Business Alliance") with Shinko Shoji Co., Ltd. (hereinafter referred to as the "Prospective Allottee" or "Shinko Shoji"), to dispose of the Company’s treasury stock through third-party allotment to Shinko Shoji (hereinafter referred to as the "Third-Party Allotment"), and to enter into an agreement with Shinko Shoji setting out this capital and business alliance (hereinafter referred to as the "Capital and Business Alliance Agreement").

I. Overview of the Capital and Business Alliance

1. Purpose and reason for the Capital and Business Alliance, etc.

(1) Purpose and reason for the Capital and Business Alliance

Under our management vision of “Global (in view and scale) / Social Contribution / Collaboration and Innovation,” the Company aims to be “the Electronics Value Platformer” that accommodates all manner of stakeholder needs through a wide range of business activities, including the sale and provision of solutions for semiconductors and electronic components, the handling of video, audio, and communications equipment for broadcasters and the public, the development, manufacture, and sale of settlement and access management systems integrating NFC (Near Field Communication) technology, the planning and operation of solar and wind power plants and other renewable energy, and the operation of vegetable factories. We are also striving to create and provide new services by transforming the information we possess into value through our diverse business operations, creating group synergies, and co-creation with various partner companies to address the social issue of regional revitalization.

As a result of the reorganization of the Group’s business on April 1, 2024, the Company has restructured its business segments, which previously consisted of four segments, namely, Semiconductor

and Electronic Component Business, the Procurement Business, the Electronic Equipment Business, and the Environmental Energy Business, into the following segments as of today: (i) the Devices Business Unit (hereinafter referred to as the "Devices BU") and (ii) the System Solution Business Unit (hereinafter referred to as the "System BU"). In addition, under the medium-term management plan dated May 28, 2024, with the fiscal year ending March 31, 2027 as its final year (hereinafter referred to as the "Medium-Term Management Plan"), the Company established two new business units, (iii) IT & Sler Business Unit (hereinafter referred to as the "IT & Sler BU") and (iv) the Engineering Business Unit (hereinafter referred to as the "Engineering BU"), and are working to expand our business.

The Devices BU, which is responsible for the Company's core business, sells semiconductors, electronic components and related materials from Japan and overseas, proposes systems and modules that combine the products it handles, such as sensors and liquid crystal displays, mainly for imaging systems, and semiconductors and electronic components, rather than selling them as individual products. It also offers solutions with high value added using AI, provides technical support and engineering services mainly for liquid crystal displays and products from overseas suppliers, and proposes optimal supply chain management through global procurement trading related to electronics and contract services for related operations. As a result, we have secured a large number of accounts, mainly in the manufacturing industry. In addition, the Company has been working to deepen relationships with existing customers while also developing new ones by acquiring new products, services, and functions through M&A and capital and business alliances.

Shinko Shoji, which is also in the semiconductor business, was founded more than 70 years ago. In addition to selling semiconductors and electronic components, it offers a variety of solutions, including coordination of electronics manufacturing services (hereinafter referred to as "EMS"), support for system LSI design, and contracted design and development of ASICs including FPGAs/CPLDs and microcomputers. As a result, the company has built a solid customer base in a wide range of fields, primarily in the areas of industrial equipment and automotive electrical equipment, as well as office automation equipment and entertainment equipment.

In the semiconductor trading industry, to which both companies belong, it has become important to respond to new and emerging technologies such as 5G, IoT, and AI, as well as to strengthen measures against geopolitical risks, intensifying global competition, strengthening environmental regulations, and the shift toward direct sales by manufacturers. In addition, business partners are expecting trading companies to play increasingly sophisticated roles going beyond their traditional functions which include procurement, logistics, finance, and insurance, to the creation of new businesses and expansion into untapped markets.

In such an environment, under the Medium-Term Management Plan, the Company is strengthening account planning to provide optimal services by understanding the market environment, management strategies, and key issues of customers and suppliers as a key measure for the Devices BU. On the other hand, Shinko Shoji terminated its distributor contracts with major business partners on September 30, 2024 as described in "Notice on Termination of Distribution Agreement with Major Business Partners" dated April 11, 2024. Under these circumstances, along with the implementation of structural reforms, Shinko Shoji has been seeking to acquire new commercial products while making maximum use of the strong sales channels it has cultivated over many years to domestic customers in the fields of automotive equipment, industrial equipment, office automation equipment, and amusement. Moreover, under the long tail strategy that the Company is pursuing, we have determined that we will be able to further cultivate the mass market and strengthen our technical and proposal capabilities by sharing each other's management resources, such as scale, financial strength, commercial products, personnel resources, and technical capabilities. The two companies have concluded that collaboration to promote measures that will contribute to the growth of both companies will make it possible to create the following synergies.

■ Collaboration measures and synergies between the two companies

1. Expansion of customer base and sales network:

By leveraging our extensive customer base of over 7,000 companies, mainly in the manufacturing industry, and Shinko Shoji's network of quality business partners throughout Japan, we will strengthen the sales capabilities of both companies, thereby further expanding our market and providing added value to our customers.

2. Expansion of product portfolio:

The two companies will deepen their existing businesses by cross-selling their diverse product lines, including highly competitive sensors, electronic components, and materials, to each other's strong customer bases.

3. Technical collaboration and system reinforcement:

We will develop comprehensive engineering services that cover everything from LSI design to embedded software and system proposals, based on the semiconductor design and reliability testing businesses in the Company's Devices BU, IT & Sier BU and Engineering BU, complemented by the human resources and technologies of the automotive-related business at Shinko Shoji's Design Center, and enhance the quality and quantity of technical resources to strengthen FAEs (Note), thereby improving support for devices.

4. Strengthening of proposal capabilities for manufacturing-related solutions through promotion of EMS coordination:

Leveraging Shinko Shoji's extensive track record in EMS coordination, we will utilize our procurement capabilities and diverse product lineup to strengthen our ability to propose one-stop solutions, including EMS solutions, all the way up to manufacturing for a wide range of customers, primarily in the manufacturing industry, and provide comprehensive support for our customers' product development and manufacturing processes.

The Company believes promoting these collaborative initiatives through the Capital and Business Alliance will improve stakeholder satisfaction and further enhance corporate value, while contributing to the sustainable growth of both companies.

Note: FAE is an acronym of Field Application Engineer, also known as a technical sales representative.

(2) Background of the Capital and Business Alliance

As described in "(1) Purpose and reason for the Capital and Business Alliance" above, in the Devices BU, the Company has been maximizing the use of its high-quality account assets, mainly in the manufacturing industry, to deepen its analysis of its customers' market environments, management strategies, and key issues, while at the same time acquiring new commercial products, services, and functions through M&A and capital and business alliances in order to strengthen its proposal capabilities. In sales to the manufacturing industry, such as automotive and industrial equipment, which are highly competitive both domestically and globally, there are many excellent manufacturers throughout Japan, so the Company has been working to strengthen its sales system not only by utilizing the Group's resources, but also through alliances with local partner companies.

Under such circumstances, in June 2024, the Company began an exchange of opinions with Shinko Shoji, a company that has also been engaged in the wholesale of semiconductors for a long time in the automotive and industrial equipment markets, on strengthening the relationship between the two companies through a business alliance. The Company and Shinko Shoji have discussed the development of the mass market, technical collaboration in areas such as FAEs and semiconductor design and development, and collaboration

in the EMS business, leveraging the Company’s extensive line cards and Shinko Shoji's wide domestic sales network and strong connections with customers. Having confirmed the likelihood of creating synergies through collaborative measures between the two companies, the two companies have been in more concrete discussions regarding a business alliance since early October 2024. In addition, in order to proceed with the business alliance, the two companies discussed holding each other’s shares in order to establish a cooperative framework and make the business alliance more solid, and decided to implement the Capital and Business Alliance.

2. Details of the Capital and Business Alliance

(1) Details of the business alliance

The Company and Shinko Shoji will establish a strategic partnership through the business alliance stipulated in the Capital and Business Alliance Agreement. With the purpose of utilizing their respective management resources and know-how in a coordinated manner to improve the business efficiency of the corporate group, including the two companies and their subsidiaries, affiliates and related companies, and to increase each other’s profits, the two companies will enter into a business alliance in the areas of sales and deployment of devices, including semiconductors, electronic components, electronic equipment and automotive electrical equipment, as well as contracted software development, EMS coordination and solution services. Please refer to “(1) Purpose and reason for the Capital and Business Alliance” above for more details on the specific collaborative measures.

(2) Details of the capital alliance

The Company will allot 550,000 shares of its common stock (number of voting rights: 5,500; 1.83% of the total number of issued shares of the Company as of September 30, 2024; 1.83% of the total voting rights; total amount of approximately 1.5 billion yen) to Shinko Shoji through the Third-Party Allotment.

In addition, the Company will acquire 1,550,000 shares of Shinko Shoji’s common stock (number of voting rights: 15,500; 4.08% of the total number of issued shares of Shinko Shoji as of September 30, 2024; 4.52% of the total voting rights; total amount of approximately 1.5 billion yen). The funds required for the acquisition of Shinko Shoji’s common stock will be substantially provided by the funds raised through the Third-Party Allotment, as described below in "II. Disposal of Treasury Stock through Third Party Allotment - 3. Amount, Use and Planned Timing of Expenditure of Funds to be Raised - (2) Specific use of funds to be raised."

For more details about the capital alliance, please see "II. Disposal of Treasury Stock through Third-Party Allotment” below.

3. Overview of the Capital and Business Alliance Counterparty

(1)	Name	Shinko Shoji Co., Ltd.
(2)	Location	1-2-2 Osaki, Shinagawa-ku, Tokyo
(3)	Name and job title of representative	Tatsuya Ogawa, President and CEO
(4)	Description of	Electronic components business, assembly business, other business

	business			
(5)	Share capital	9,501 million yen (as of September 30, 2024)		
(6)	Date of establishment	November 25, 1953		
(7)	Number of issued shares	38,010,566 shares (as of September 30, 2024)		
(8)	Fiscal years ended	March 31		
(9)	Number of employees	656 (on a consolidated basis as of March 31, 2024)		
(10)	Main business partner	NEC Corporation		
(11)	Main bank	The Bank of Yokohama, Ltd.		
(12)	Major shareholders and ownership ratios (Ratio of shares owned to the total number of issued shares (excluding treasury shares)) (As of September 30, 2024)	KITAI&CO	14.29%	
		The Master Trust Bank of Japan, Ltd. (trust account)	9.22%	
		NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT (Standing proxy: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch.	8.05%	
		Aya Nomura (Standing proxy: Mita Securities Co., Ltd.)	5.75%	
		Custody Bank of Japan, Ltd. (trust account E)	3.43%	
		The Bank of Yokohama, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	3.34%	
		Sumitomo Mitsui Banking Corporation	2.98%	
		Akio Kitai	2.82%	
		Custody Bank of Japan (Sumitomo Mitsui Trust Bank, Limited re-entrusted portion; TDK Corporation retirement benefit trust)	2.04%	
		KAGA ELECTRONICS CO.,LTD.	1.50%	
(13)	Relationship between the parties			
	Capital	Not applicable		
	Personnel	Not applicable		
	Business transaction	The two parties have a business relationship involving sales.		
	Applicability of related parties	Not applicable		
(14)	Consolidated operating results and consolidated financial position for the past three years (Note 2)			
	Fiscal years ended	March 31, 2022	March 31, 2023	March 31, 2024
	Consolidated net assets	51,945	52,560	56,119
	Consolidated total assets	88,951	98,827	99,813
	Consolidated net sales	135,205	179,076	175,847
	Consolidated operating profit	4,163	7,128	4,878

Consolidated ordinary profit	4,103	6,841	4,768
Profit attributable to owners of parent	2,821	4,706	3,194
Consolidated basic earnings per share (Yen)	76.11	137.77	96.53
Consolidated net assets per share (Yen)	1,409.01	1,567.87	1,671.25
Dividend per share (including interim dividend per share) (Yen)	59.50 (23.0)	69.00 (29.0)	48.50 (26.5)

(millions of yen unless otherwise indicated)

(Notes) 1. As of today unless otherwise indicated.

2. Shinko Shoji, the Prospective Allottee, is listed on the Prime Market of Tokyo Stock Exchange, Inc. (hereinafter referred to as “the TSE”). In the Corporate Governance Report dated June 25, 2024 submitted to the TSE by Shinko Shoji, the basic principles for the elimination of antisocial forces and the status of their implementation are described in "IV. Matters Concerning Internal Control Systems, etc. 2. Basic principles for the elimination of antisocial forces and the status of their implementation." The Company has reviewed the content and basic policy and determined that Shinko Shoji and its officers have no relationship whatsoever with anti-social forces.

4. Schedule

(1) Date of resolution by the Board of Directors on the Capital and Business Alliance and the Third-Party Allotment: October 31, 2024

(2) Date of conclusion of the Capital and Business Alliance and the Third-Party Allotment:
October 31, 2024

(3) Date of commencement of the business alliance under the Capital and Business Alliance Agreement:
November 1, 2024 (scheduled)

(3) Payment date for the Third-Party Allotment:
November 20, 2024 (scheduled)

II. Disposal of Treasury Stock through Third-Party Allotment

1. Overview of Disposal

(1) Disposal date	November 20, 2024
(2) Number of shares to be disposed	Common stock 550,000 shares
(3) Disposal price	2,652 yen per share
(4) Amount of funds to be raised	1,458,600,000 yen
(5) Method of disposal (Prospective)	All shares will be allotted to Shinko Shoji Co., Ltd. by way of a Third-party allotment.

Allottee)	
(6) Other	The above items are subject to the effectuation of notifications in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

Please refer to “I. Overview of the Capital and Business Alliance 1. Purpose and reason for the Capital and Business Alliance, etc.” above for the details.

3. Amount of funds to be raised, use of funds, and scheduled date of expenditure

(1) Amount of funds to be raised

1)	Total paid-in amount	1,458,600,000 yen
2)	Estimated cost of issuance	7,000,000 yen
3)	Estimated net proceeds	1,451,600,000 yen

(Notes) 1. The estimated cost of issuance does not include consumption tax, etc.

2. The estimated cost of issuance consists of expenses for preparing a securities registration statement and other documents (lawyer's fees, etc.).

(2) Specific use of funds to be raised

Specific use	Amount	Scheduled date of expenditure
Funds for the acquisition of common stock of Shinko Shoji Co., Ltd.	1,451 million yen	November 20, 2024

As described in “I. Overview of the Capital and Business Alliance 1. Purpose and reason for the Capital and Business Alliance, etc.” above, in proceeding with the business alliance between the Company and Shinko Shoji, the Prospective Allottee, it has been determined that acquiring each other’s shares will build a cooperative structure between the two companies and create a more solid business alliance. It was thus decided to establish a new capital relationship. Therefore, the entire amount of the estimated net proceeds of 1,451 million yen to be raised through the Third-Party Allotment will be used to fund the acquisition of Shinko Shoji's common stock through off-auction trading on the TSE (ToSTNet-1), which is scheduled to be executed on November 1, 2024, pursuant to the Capital and Business Alliance Agreement. Prior to the payment for the Third-Party Allotment, the Company plans to pay approximately 1,500 million yen from its own funds to the sellers by November 6, 2024 as consideration for the acquisition of Shinko Shoji's common stock. Thereafter, when the Company disposes of its treasury shares through the Third-Party Allotment, Shinko Shoji will pay the Company 1,451 million yen, approximately the same amount as the total paid-in amount, to replenish its own funds on November 20, 2024, which is the payment date. Accordingly, the Third-Party Allotment will, in effect, be conducted as payment of the consideration for the acquisition of Shinko Shoji’s common stock.

4. View on rationality of use of funds

As described in “I. Overview of the Capital and Business Alliance 1. Purpose and reason for the Capital

and Business Alliance, etc.” above, the Third-Party Allotment will be implemented in conjunction with the business alliance with Shinko Shoji to create a more solid business alliance between the two companies. The Company believes that the use of the funds to be raised through the Third-Party Allotment for this purpose will contribute to the enhancement of the Company’s corporate value over the medium to long term and has determined that the use of the funds from the Third-Party Allotment is rational.

5. Rationality of the disposal conditions, etc.

(1) Basis of calculation for the paid-in amount and its specific details

Following discussions with Shinko Shoji, the Prospective Allottee, the amount to be paid in for the shares has been set at 2,652 yen, which is the closing price of the Company’s common stock on the TSE on the business day immediately preceding the date of the Board of Directors’ resolution regarding the Third-Party Allotment (October 30, 2024).

The amount to be paid in has been set at the closing price on the business day immediately preceding the date of the Board of Directors’ resolution based on the market price of the Company’s common stock because this is considered to be the most reasonable reflection of the Company’s corporate value. The Japan Securities Dealers Association’s Rules Concerning Handling of Allotment of New Shares to Third Party, etc., stipulate that the payment amount for a Third-party allotment should, in principle, be equal to or greater than the share price on the business day immediately preceding the date of the Board of Directors’ resolution multiplied by 0.9. Therefore, we believe that this payment amount is rational.

The amount to be paid in represents a 1.60% discount on the average closing price of 2,695 yen (rounded to the nearest yen; the same applies below to the calculation of the average closing price) for the one-month period up to the business day immediately preceding the date of the Board of Directors’ resolution, a 3.11% discount on the average closing price of 2,737 yen for the three-month period up to the business day immediately preceding the date of the Board of Directors’ resolution, and a 8.30% discount on the average closing price of 2,892 yen for the six-month period up to the business day immediately preceding the date of the Board of Directors’ resolution.

In addition, in determining the amount to be paid in for the shares, the Company’s Audit and Supervisory Committee has provided the opinion that the calculation basis for the amount to be paid in is rational for the same reasons as described above, that it complies with the Japan Securities Dealers Association’s Rules Concerning Handling of Allotment of New Shares to Third Party, etc., and that the amount to be paid in is not particularly favorable to the Prospective Allottee and is lawful.

(2) Basis for determining that the number of shares to be disposed of and the scale of share dilution is rational

The number of shares to be disposed of in the Third-Party Allotment (550,000 shares (5,500 voting rights)) represents 1.83% (1.83% of the total voting rights) of the total number of issued shares of the Company as of September 30, 2024 (30,072,643 shares (total number of voting rights: 300,312)) (rounded to the second decimal place). However, the Company believes that using the funds raised through the Third Party Allotment for the above-mentioned purposes is expected to contribute to enhancement of the Company’s corporate value in the future and will also contribute to the interests of existing shareholders. Based on the above, the Company has determined that the number of shares to be disposed of and the scale of dilution of the shares are rational in order to achieve these purposes.

6. Reason for selecting the Prospective Allottee, etc.

(1) Overview of the Prospective Allottee

As described in “I. Overview of the Capital and Business Alliance 3. Overview of the Capital and Business Alliance Counterparty” above.

(2) Reason for selecting the Prospective Allottee

The Company selected Shinko Shoji as the Prospective Allottee for the reasons described in “I. Overview of the Capital and Business Alliance 1. Purpose and reason for the Capital and Business Alliance, etc.” above.

Please also refer to “I. Overview of the Capital and Business Alliance 2. Details of the Capital and Business Alliance” above for the main details of the Capital and Business Alliance with Shinko Shoji.

(3) Prospective Allottee’s holding policy

The Prospective Allottee has verbally confirmed that, at present, it intends to hold the Company's common shares acquired through the Third-Party Allotment from a medium to long-term perspective.

In addition, the Company plans to obtain a written assurance from the Prospective Allottee that if the Prospective Allottee transfers all or part of the shares to be disposed through the Third-Party Allotment within two years from the payment date, the Prospective Allottee agrees that it will report the details of such transfer to the Company in writing, that the Company will report the details of such transfer to the TSE, and that the details of such a report will be made available for public inspection.

(4) Details of confirmation regarding the existence of assets related to payment by the Prospective Allottee

The Company has received a report from Shinko Shoji, the Prospective Allottee, to the effect that the funds necessary to make the payment for the Third-Party Allotment have been secured. Furthermore, the Company has reviewed the consolidated balance sheet set out in the 71st Securities Report (from April 1, 2023 to March 31, 2024) submitted by Shinko Shoji, the Prospective Allottee, to the Director-General of the Kanto Regional Financial Bureau on June 25, 2024, and confirmed that the company has sufficient cash and deposits and other liquid assets necessary to make the payment for the Third-Party Allotment. The Company has therefore determined that there are no problems with the status of the funds, etc. necessary to make the payment for the Third-Party Allotment.

7. Major shareholders and ownership ratios after the disposal

Before the disposal (as of September 30, 2024)		After the disposal	
KMF Corporation	23.13%	KMF Corporation	22.68%
S-GRANT CO., LTD.	9.02%	S-GRANT CO., LTD.	8.85%
The Master Trust Bank of Japan, Ltd. (trust account)	8.14%	The Master Trust Bank of Japan, Ltd. (trust account)	7.98%
Retirement Benefit Trust (Sony Group 003) of Mizuho Trust & Banking Co., Ltd. Retrustee: Custody Bank of Japan, Ltd.	8.11%	Retirement Benefit Trust (Sony Group 003) of Mizuho Trust & Banking Co., Ltd. Retrustee: Custody Bank of Japan, Ltd.	7.95%
SBI Holdings, Inc.	3.63%	SBI Holdings, Inc.	3.56%
MUFG Bank, Ltd.	2.97%	MUFG Bank, Ltd.	2.91%
Retirement Benefit Trust (Sony Group 008) of Mizuho	2.60%	Retirement Benefit Trust (Sony Group 008) of Mizuho Trust &	2.55%

Trust & Banking Co., Ltd. Retrustee: Custody Bank of Japan, Ltd.		Banking Co., Ltd. Retrustee: Custody Bank of Japan, Ltd.	
Mizuho Bank, Ltd.	2.51%	Mizuho Bank, Ltd.	2.46%
Restar Employee Stock Ownership Association	2.40%	Restar Employee Stock Ownership Association	2.35%
Custody Bank of Japan, Ltd. (trust account)	2.26%	Custody Bank of Japan, Ltd. (trust account)	2.21%

(Notes) 1. The ownership ratio before the disposal is the ratio of the number of shares held to the total number of issued shares (excluding treasury shares, 2,504,680 shares) based on the shareholder register as of September 30, 2024.

2. Ownership ratios are rounded to two decimal places.
3. The major shareholders and ownership ratios after the disposal are calculated by adding the number of shares from the treasury stock disposal to the major shareholders and their ownership ratios before the disposal and calculating the ownership ratios by deeming the total number of issued shares to be 28,117,963 shares, which is the sum of the number of shares from the treasury stock disposal (550,000 shares) and the total number of issued shares excluding treasury stock as of September 30, 2023 (27,567,943 shares).
4. A notification has been received from Mizuho Trust & Banking Co., Ltd. to the effect that Sony Group Corporation will exercise voting rights in accordance with the securities entrustment agreement with respect to the 2,234,820 thousand shares (22,348 voting rights owned by Retirement Benefit Trust (Sony Group 003) of Mizuho Trust & Banking Co., Ltd. Restruttee: Custody Bank of Japan, Ltd.
5. A notification has been received from Mizuho Trust & Banking Co., Ltd. to the effect that Sony Group Corporation will exercise voting rights in accordance with the securities entrustment agreement with respect to the 717,000 thousand shares (7,170 voting rights owned by Retirement Benefit Trust (Sony Group 008) of Mizuho Trust & Banking Co., Ltd. Restruttee: Custody Bank of Japan, Ltd.
6. In the amendment report for a large volume holding report which was made available for public inspection on October 4, 2024, it was stated that S-GRANT CO., LTD. and its co-holder, CITY INDEX ELEVENTH CO.,Ltd., held the following shares as of September 29, 2024. However, since the Company is unable to confirm the actual number of shares held as of September 30, 2024, they are not included in the status of major shareholders above.

Name	Number of share certificates held (shares)	Ownership ratio of shares (%)
S-GRANT CO., LTD.	53,400	0.18
CITY INDEX ELEVENTH CO.,Ltd.	0	0
Total	53,400	0.18

8. Future Outlook

The impact of the Capital and Business Alliance and the Third-Party Allotment on the Company's business performance for the fiscal year ending March 31, 2025 is under scrutiny. If any matter arise that should be disclosed in the future, they will be announced as soon as they become known.

9. Matters concerning procedures under the Code of Corporate Conduct

As (i) the dilution ratio is less than 25% and (ii) a change in a controlling shareholder is not involved, the Third-Party Allotment does not require an opinion to be obtained from an independent entity or the confirmation of shareholder intent procedures stipulated in Rule 432 of the TSE's Securities Listing Regulations.

10. Business performance and equity financing for the past three years

(1) Business performance for the past three years

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	399,590 million yen	487,129 million yen	512,484 million yen
Operating profit	7,588 million yen	14,423 million yen	15,931 million yen
Ordinary profit	6,711 million yen	12,043 million yen	9,690 million yen
Profit attributable to owners of parent	5,957 million yen	7,085 million yen	7,004 million yen
Basic earnings per share	198.12 yen	235.64 yen	232.95 yen
Dividend per share (including interim dividend per share)	100.00 yen (45.00 yen)	115.00 yen (40.00 yen)	115.00 yen (55.00 yen)
Consolidated net assets per share	2,580.33 yen	2,686.31 yen	2,800.38 yen

(2) Current number of issued shares and number of potential shares (as of September 30, 2024)

	Number of shares	Percentage of issued shares
Number of issued shares	30,072,643 shares	100%
Number of potential shares at current conversion price (exercise price)	-shares	-%
Number of potential shares at the minimum conversion price (exercise price)	-shares	-%
Number of potential shares at the maximum conversion price (exercise price)	-shares	-%

(3) Recent stock price situation

(i) Situation for the past three years

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Opening price	2,035 yen	1,954 yen	2,181 yen

High	2,099 yen	2,456 yen	3,250 yen
Low	1,800 yen	1,852 yen	2,058 yen
Closing price	1,977 yen	2,164 yen	3,035 yen

(ii) Situation for the past six months

	2024 May	June	July	August	September	October
Opening price	2,980 yen	3,050 yen	3,195 yen	2,964 yen	2,912 yen	2,706 yen
High	3,055 yen	3,260 yen	3,270 yen	2,982 yen	2,929 yen	2,788 yen
Low	2,858 yen	2,970 yen	2,892 yen	2,270 yen	2,566 yen	2,563 yen
Closing price	3,000 yen	3,195 yen	2,964 yen	2,874 yen	2,710 yen	2,652 yen

(Note) Share prices for October 2024 are shown as of October 30, 2024.

(iii) Share price on the business day preceding the date of the resolution on the disposal

	October 30, 2024
Opening price	2,634 yen
High	2,666 yen
Low	2,622 yen
Closing price	2,652 yen

(4) Equity financing for the past three years

Not applicable.

11. Details of the disposal

(1) Number of shares to be disposed	Common stock 550,000 shares
(2) Disposal price	2,652 yen per share
(3) Total disposal price	1,458,600,000 yen
(4) Disposal date	November 20, 2024
(5) Method of disposal (Prospective Allottee)	All shares will be allotted to Shinko Shoji by way of a Third-party allotment.
(6) Number of treasury shares after the disposal	1,954,680 shares
(7) Other	The above items are subject to the effectuation of notifications in accordance with the Financial Instruments and Exchange Act.