

NEWS RELEASE
February 27, 2024



Company name: ALCONIX CORPORATION
Representative: Hiroshi Teshirogi, Representative Director,
President and COO
Listing: Tokyo Stock Exchange, Prime Market
Stock code: 3036
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Notice of Acquisition of Sakamoto Electric MFG

Note: The original announcement in Japanese was released on February 27, 2024.

The Board of Directors of ALCONIX CORPORATION approved a resolution on February 27, 2024 to purchase the stock of Sakamoto Electric MFG. Co., Ltd. to make this company a consolidated subsidiary.

1. Objectives of the acquisition

Sakamoto Electric MFG Co., Ltd. (SEM) is a manufacturer of precision machined metal parts, industrial control devices, electronic measuring instruments and other products. The company is based in the city of Fukuoka. Most of SEM's products are used by large companies in Japan involved with the production of semiconductor manufacturing equipment. SEM has a reputation among its customers for outstanding processing technologies and quality management. Aluminum, titanium and other metal components requiring precision cutting technologies are key parts of semiconductor manufacturing equipment. SEM's precision digital levels are used by customers to measure the positioning of manufacturing and other machinery during installation to ensure precise leveling. These instruments are essential for achieving a high level of process precision and are capable of measuring positioning of objects of many shapes. The instruments consist of two separate units, a tiny monitor and a sensor. Demand for the products of SEM, which incorporate many exclusive technologies, is expected to increase as capital expenditures in the semiconductor industry grow.

After acquiring SEM, ALCONIX plans to use joint activities with other manufacturing subsidiaries of the ALCONIX Group to develop new products and sell SEM's products in more market sectors. SEM's manufacturing bases in Kyushu are well positioned to play an important role during the expected rapid growth of the semiconductor industry in Kyushu as semiconductor companies concentrate operations in certain regions of the world. In addition, SEM will be a base for acquiring information about the semiconductor and other industries. The entire ALCONIX Group is expected to benefit from SEM's operations for the growth of business activities in the semiconductor sector, which is one of the three market sectors targeted for growth by the ALCONIX Group.

ALCONIX believes that the acquisition of SEM will make it possible to move even faster to accomplish the medium-term management plan vision of becoming an integrated company that combines trading and manufacturing capabilities. ALCONIX also expects to benefit from even more synergies among group companies. As a result, ALCONIX believes that this acquisition will contribute to the growth of corporate value on a consolidated basis as measures continue for creating a new corporate group.

2. Acquisition method

The shareholders of SEM are the seller and other members of the family that founded the company. The seller has made arrangements with the other shareholders for the sale of all 60,000 shares of SEM stock to ALCONIX. Following this sale, SEM will be a consolidated subsidiary of ALCONIX.

3. Profile of Sakamoto Electric MFG (as of January 20, 2024)

- (1) Name Sakamoto Electric MFG. Co., Ltd.
 (2) Representative Tsunetoshi Sakamoto, President
 (3) Location 3-27-55 Wajiro, Higashi-ku, Fukuoka City, Fukuoka
 (4) Establishment August 1951
 (5) Business Manufacture of precision machined metal parts, industrial control devices, electronic measuring instruments and other products
 (6) Fiscal year end January 20
 (7) Main office Fukuoka City, Fukuoka (Head office and factory)
 Fukutsu City, Fukuoka (Factory)
 (8) Capital 30 million yen
 (9) Major shareholders Tsunetoshi Sakamoto: 17.4%, Founding family members: 82.6%

(10) Relationships between ALCONIX and Sakamoto Electric MFG	Capital	There is no significant capital relationship between ALCONIX and Sakamoto Electric MFG, and there are no significant capital relationships between individuals or companies affiliated with ALCONIX, and individuals or companies affiliated with Sakamoto Electric MFG.
	Personnel	There is no significant personnel relationship between ALCONIX and Sakamoto Electric MFG, and there are no significant personnel relationships between individuals or companies affiliated with ALCONIX, and individuals or companies affiliated with Sakamoto Electric MFG.
	Business	There is no significant business relationship between ALCONIX and Sakamoto Electric MFG, and there are no significant business relationships between individuals or companies affiliated with ALCONIX, and individuals or companies affiliated with Sakamoto Electric MFG.

Note: After this acquisition, ALCONIX plans to send non-executive directors and part-time corporate auditors to this company.

(11) Results of operations and financial condition for the last three years (Millions of yen)

Years ended	January 2021	January 2022	January 2023
Net sales	1,346	1,739	1,793
Ordinary profit	90	218	175
Profit	40	97	97
Total assets	965	1,075	1,199
Net assets	593	687	781
Net assets per share	9,883 yen	11,458 yen	13,029 yen

4. Profile of the sellers (as of January 20, 2024)

(1) Names	Tsunetoshi Sakamoto
(2) Address	Fukuoka City, Fukuoka
(3) Relationships between ALCONIX and Mr. Sakamoto	There are no significant capital, personnel or business relationships between ALCONIX and Mr. Sakamoto (including his immediate family and any companies, etc. and their subsidiaries that are majority-owned by Mr. Sakamoto and his immediate family). In addition, there are no significant capital, personnel or business relationships between individuals or companies affiliated with ALCONIX, Mr. Sakamoto, and individuals or companies affiliated with Mr. Sakamoto.

Note: Tsunetoshi Sakamoto, the seller, has made arrangements with other shareholders for the sale of all 60,000 shares of stock at once to ALCONIX.

5. Number of shares of Sakamoto Electric MFG stock to be acquired by ALCONIX, acquisition cost and share ownership before and after the acquisition

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|-------------------------------------|---|
| (1) Ownership before acquisition | 0 shares (Percentage of voting rights: 0%) |
| (2) Number of shares to be acquired | 60,000 shares (Percentage of voting rights: 100.0%) |
| (3) Ownership after acquisition | 60,000 shares (Percentage of voting rights: 100.0%) |
| (4) Acquisition cost | (See note) |

Note: The acquisition cost is not disclosed as requested by the seller.

6. Schedule

February 27, 2024 (today)	Resolution of the Board of Directors (Acquisition of Sakamoto Electric MFG stock) Conclusion of agreement for acquiring the stock
April 19, 2024 (tentative)	Acquisition of Sakamoto Electric MFG stock by ALCONIX, making it a consolidated subsidiary

7. Effect on the earnings forecast for the current fiscal year

ALCONIX will purchase Sakamoto Electric MFG stock and make this company a consolidated subsidiary in April 2024. Sakamoto Electric MFG will be included in the consolidated financial statements starting in the first quarter (April–June 2024) of the fiscal year ending March 31, 2025. The effect of this acquisition is currently being reviewed. An announcement will be made promptly if this review results in any information that requires disclosure.