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October 31, 2024

Listed company name: Shinko Shoji Co., Ltd.
Representative: Tatsuya Ogawa,
President and Representative Director
(Code No.: 8141, Tokyo Stock
Exchange Prime Market)
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Notice Concerning Capital and Business Alliance with Restar Corporation

Shinko Shoji Co., Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to conclude on this date a capital and business alliance agreement (the “Alliance Agreement”) with Restar Corporation (Head office: Minato-ku, Tokyo; Representative Director Chairman and President: Kunihiro Konno; “Restar”) listed on the Tokyo Stock Exchange Prime Market, as described below.

1. Objectives and reasons for the Alliance Agreement

Throughout the history of over 70 years since its foundation, the Company has built up a robust customer base in a wide range of fields, primarily industrial products and automotive electronic products, but also including OA products and amusement products, through the sale of semiconductors and electronic devices, as well as the provision of diverse solutions, including the EMS coordination business, system LSI design support, and contracted design development of ASICs and micro-computers.

Restar is engaged in a diverse range of business activities, including the sale and solution proposal of semiconductors and electronic components, as well as the handling of audio-visual and communications equipment for broadcasting and the public sector, the development, manufacture, and sale of payment and access control systems that integrate near field communication (NFC) technology, the planning and operation of renewable energy business such as solar and wind power generation plants, and the management of plant factories, creating and providing new services in the course of its diverse business operations.

As previously announced, the Company's distribution agreement with Renesas Electronics Corporation terminated on September 30, 2024. To take advantage of the experience, knowledge, and resources concerning semiconductor products that it has built up over many years, the Company is exploring the handling of new semiconductor products and is proceeding with discussions with multiple suppliers. The conclusion of a distributorship agreement with Taiwan-based Faraday Technology Corporation and of an exclusive sales agency agreement in Japan with US-based SiMa Technologies, Inc., both of which have been announced in press releases, are part of these efforts.

Amid these developments, the Company began talks with Restar, which has outstanding account assets, primarily in the manufacturing industry, and an extensive range of products and services, about strengthening the relationship between the two companies through a business alliance. The Company proceeded to discuss with Restar the expansion of sales of semiconductors, electronic components, and electronic and other devices and the provision of added value to the Company's customers in a wide range of areas, including industrial equipment and automotive electronic products, through the provision of Restar's extensive products and services. The two companies also discussed technological collaboration in software development and other areas, and cooperation in the EMS business. As the Company and Restar are in a complementary relationship with no overlap, and we have been able to confirm the probability of the creation of synergies through collaborative measures, we entered into formal discussions concerning a business alliance in early October 2024. We also discussed holding each other's shares as a way of building a cooperative framework and giving added certainty to the business alliance. These discussions led to the decision to conclude the Alliance Agreement.

2. Details of business alliance

The Company and Restar will build a strategic partnership through the business alliance set forth in the Alliance Agreement. We will make organic use of our respective management resources and expertise in our efforts to improve the business efficiency of the corporate group that includes the Company and Restar and our respective subsidiaries, affiliates, and associated companies. With the objective of the mutual expansion of profits, we will conduct a business alliance in the businesses concerning the sale of semiconductors, electronic components and electronic equipment, the contracted development of software, EMS coordination and solution services.

3. Details of capital alliance

The Company plans to acquire 550,000 common shares of Restar (1.83% of Restar's total issued shares, with a total value of approximately 1.5 billion yen, as of September 30, 2024) through Restar's disposal of treasury shares effected by a private allocation of shares to the Company.

Restar plans to acquire 1,550,000 common shares of the Company (4.08% of the Company's total issued shares, with a total value of approximately 1.5 billion yen, as of September 30, 2024) from the Company's existing shareholders.

4. Overview of the counterparty to the Alliance Agreement

Name	Restar Corporation		
Address	Restar Building, 2-10-9, Konan, Minato-ku, Tokyo		
Name and title of representative	Kunihiro Konno Representative Director Chairman and President		
Description of business	<ul style="list-style-type: none"> • Sales and technical support of semiconductors and electronic components, LSI design and development, contracted reliability testing services • Solutions, design, construction, and maintenance engineering for video, audio, communications, and measurement • Operation and management for the introduction and diffusion of renewable energy through solar power generation 		
Share capital	4,383 million yen (as of September 30, 2024)		
Date of establishment	October 1, 2009		
Major shareholders and shareholding ratios (percentage of total issued shares [excluding treasury shares]) (as of September 30, 2024)	KMF Corporation		21.20%
	S-Grant. CO., LTD.		8.27%
	The Master Trust Bank of Japan, Ltd. (trust account)		7.46%
	Retirement Benefit Trust (Sony Group 003) of Mizuho Trust & Banking Co., Ltd. Re trustee: Custody Bank of Japan, Ltd.		7.43%
	SBI Holdings, Inc.		3.32%
	MUFG Bank, Ltd.		2.72%
	Retirement Benefit Trust (Sony Group 008) of Mizuho Trust & Banking Co., Ltd. Re trustee: Custody Bank of Japan, Ltd.		2.38%
	Mizuho Bank, Ltd.		2.30%
	Restar Holdings Corporation Employee Stock Ownership Association		2.20%
	Custody Bank of Japan, Ltd. (trust account)		2.07%
Relationship between the Company and said company	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	Sales relationship	
	Related party relationship	None	
Consolidated operating results and consolidated financial positions of said company for the last three years (millions of yen, unless otherwise stated)			
As of/Fiscal year ended	March 31, 2022	March 31, 2023	March 31, 2024
Consolidated net assets	81,657	85,095	91,024
Consolidated total assets	241,958	269,427	291,704
Consolidated net sales	399,590	487,129	512,484
Consolidated operating profit	7,588	14,423	15,931
Consolidated ordinary profit	6,711	12,043	9,690
Profit attributable to owners of parent	5,957	7,085	7,004
Consolidated basic earnings per share (Yen)	198.12	235.64	232.95
Consolidated net assets per share (Yen)	2,580.33	2,686.31	2,800.38
Dividend per share (Yen) [of which, interim dividend per share] (Yen)	100.00 [45.00]	115.00 [40.00]	115.00 [55.00]

5. Timetable

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| (1) Date of conclusion of the Alliance Agreement | October 31, 2024 |
| (2) Date of commencement of business alliance under the Alliance Agreement | November 1, 2024 (scheduled) |

6. Effect on business performance

While the effect of this alliance on the Company's business performances for the full fiscal year ending March 31, 2025 is expected to be immaterial, any matters arising that require public announcement will be disclosed promptly.