

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy between this English translation and the original notice in Japanese, the original notice in Japanese shall prevail.)

July 20, 2021

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Representative: Toshiro Suzuki (Representative Director, COO)

(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

## **Notice Regarding the Results of Tender Offer of Treasury Stock and Completion of Acquisition, and Changes to the Largest (Principal) Shareholder and Other Related Companies**

At the Board of Directors meeting of Sanshin Electronics Co., Ltd. (the “Company”) held on May 12, 2021, the Company decided to acquire treasury stock based on Paragraph 1 of Article 156 of the Companies Act (Act No. 86 of 2005, including subsequent amendments) which applies *mutatis mutandis* pursuant to Paragraph 3 of Article 165 of the same Act and the Company’s Articles of Incorporation. The Company started a tender offer of treasury stock (the “Tender Offer”) from June 22, 2021, per the resolution made at the Company’s Board of Directors meeting held on June 21, 2021. The Tender Offer ended on July 19, 2021 as described below.

Upon the end of the Tender Offer, acquisition of treasury stock based on the resolution at the Board of Directors meeting held on May 12, 2021 was completed.

The Tender Offer also resulted in changes to the largest (principal) shareholder and other related companies as of August 13, 2021.

### Details

#### I. Results of the Tender Offer

##### 1. Tender Offer Outline

###### (1) Name and Address of Tender Offerer

Sanshin Electronics Co., Ltd. 4-4-12, Shiba, Minato-ku, Tokyo

###### (2) Type of Listed Share Certificates Purchased in the Tender Offer

Ordinary stock

(3) Period Relating to the Tender Offer

1) Period Relating to the Tender Offer (the “Tender Offer Period”)

From June 22, 2021 (Tuesday) to July 19, 2021 (Monday) (20 business days)

2) Publication Date for Commencing the Tender Offer

June 22, 2021 (Tuesday)

(4) Tender Offer Price

2,249 yen per share (ordinary stock)

(5) Settlement Method

1) Names and Locations of the Head Office of Financial Instrument Business Operators/Banks That Conduct Settlement of the Tender Offer

TOB Agent:

Mita Securities Co., Ltd. 3-11, Nihonbashi-kabutocho, Chuo-ku, Tokyo

2) Settlement Start Date

August 13, 2021 (Friday)

3) Settlement Method

When the Tender Offer Period ends, a written notice for purchase through the Tender Offer will be sent to the addresses of those who agree to apply for the purchase of share certificates concerning the Tender Offer or to those who apply for sales, etc. (hereinafter, referred to as “Tendering Shareholders”) (standing proxies in the case that shareholders reside overseas (including corporate shareholders; hereinafter, referred to as “Non-Japanese Shareholders”)) by mail without delay. The purchase will be made in cash. The amount after deducting the applicable withholding tax (see following paragraph) from the purchase amount will be sent to the locations designated by Tendering Shareholders (standing proxies in the case of Non-Japanese Shareholders) by TOB Agent without delay after the commencement date of settlement or paid at the account of the Tendering Shareholders of TOB Agents that accept applications.

Taxation Relations for Shares Purchased in the Tender Offer

Taxation relations for shares purchased in the Tender Offer are as follows. For specific questions regarding taxation, please consult with specialists such as certified tax accountants. Shareholders are requested to make their own decisions.

i. In the Case Tendering Shareholders Are Individuals Who Are Japanese Residents or Non-Japanese Residents Who Own Permanent Establishments in Japan

When the proceeds received through the application for the Tender Offer exceed the amount of the portion

of the Company's capital (or consolidated individual stated capital in the case of a consolidated corporation) attributable to the shares that are the basis for the payment, the excess portion shall be considered and taxed as income from dividends. For such income from dividends, in principle, the amount equivalent to 20.315% (income tax and the Special Income Tax for Reconstruction 15.315%, and inhabitant tax 5%) will be withheld. However, in the case that Tendering Shareholders correspond to major shareholders (hereinafter, referred to as "Major Shareholders") set forth in Paragraph 12 of Article 4-6-2 in the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957; including the amendments made later on), the amount equivalent to 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld.

With respect to the proceeds received other than the above, the difference with acquisition costs, etc. will be the application of separate self-assessment taxation, in principle, as the income earned from the transfer of shares.

ii. In the Case Tendering Shareholders Are Individuals Who Are Non-Japanese Residents Who Do Not Own Permanent Establishments in Japan

For the amount considered as income from dividends, the amount equivalent to 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld, in principle. In the case that Tendering Shareholders correspond to Major Shareholders, the amount equivalent to 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld.

iii. In the Case Tendering Shareholders Are Corporate Shareholders

When the proceeds received through the application for the Tender Offer exceed the amount of the portion of the Company's capital (or consolidated individual stated capital in the case of a consolidated corporation) attributable to the shares that are the basis for the payment, the excess portion shall be considered as dividends, and the amount equivalent to 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld, in principle.

If Non-Japanese Shareholders wish to request a reduction or exemption of income tax and Special Income Tax for Reconstruction for such deemed dividends according to applicable tax conventions, the Shareholders are asked to submit an Application Form for Income Tax Convention to the TOB Agent by Monday, July 19, 2021.

## 2. Results of the Tender Offer

### (1) Number of Share Certificates Purchased

Type of Share Certificates	Number of Share Certificates Planned for Purchase	Number of Planned Excess Amount of Shares	Number of Tendered Share Certificates	Number of Share Certificates Purchased
Ordinary stock	7,000,000 shares	— shares	7,486,162 shares	7,000,000 shares

### (2) Calculation for Purchasing Using the Pro Rata Method

The total number of share certificates (7,486,162 shares) for which application for sales was submitted pertaining to the Tender Offer (the “Tendered Share Certificates”) exceeded the number of share certificates planned for purchase (7,000,000 shares). Therefore, as stated in the Publication for Commencing the Tender Offer and the Tender Offer Statement, the Company will not purchase all or some of the surplus and the Company will conduct delivery related to the purchase of share certificates and other settlements according to the pro rata method stipulated in Paragraph 5 of Article 27-13 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including the amendments made later on; the “Act”) which is applied *mutatis mutandis* pursuant to Paragraph 2 of Article 27-22-2 of the Act and Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, including the amendments made later on, the “Ordinance”). (If the number of each case of Tendered Share Certificates has a portion less than one unit (100 shares), the number of purchased share certificates calculated using the pro rata method will be limited to the number of each case of Tendered Share Certificates.)

The total number of share certificates purchased from Tendering Shareholders calculated by rounding off the number of share certificates less than one unit resulting from calculation using the pro rata method exceeded the number of share certificates planned for purchase. Therefore, we decided to reduce the number of purchased share certificates for each Tendering Shareholder by one unit (if the number of purchased share certificates calculated using the pro rata method has a portion of the number of share certificates less than one unit, that number of shares certificates that is less than one unit) in order from the Tendering Shareholder with the greatest number of share certificates that were rounded up, to the extent that the number of share certificates purchased does not fall below the number of share certificates planned for purchase.

## 3. Locations Providing a Copy of the Tender Offer Statement for Inspection

Sanshin Electronics Co., Ltd.: 4-4-12, Shiba, Minato-ku, Tokyo

Tokyo Stock Exchange, Inc.: 2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo

## II. Completion of Acquisition of Treasury Stock

(1) Type of shares acquired: Ordinary stock

(2) Total number of acquired shares: 7,000,000 shares

Note: Ratio against total number of outstanding shares: 28.83% (Rounded off to the nearest two decimal places)

(3) Total amount of acquired shares: 15,743,000,000 yen

Note: The amount listed above does not include fees paid to the TOB agent or other expenses.

(4) Acquisition period: From June 22, 2021 (Tuesday) to July 19, 2021 (Monday)

(5) Acquisition method: Tender offer

Upon the end of the Tender Offer, the acquisition of treasury stock was completed based on Paragraph 1 of Article 156 of the Companies Act which applies *mutatis mutandis* pursuant to Paragraph 3 of Article 165 of the same Act and the Company's Articles of Incorporation.

Reference: Contents of the resolution at the Board of Directors meeting held on May 12, 2021 pertaining to the acquisition of treasury stock

(1) Type of shares to be acquired: Ordinary stock

(2) Total number of shares to be acquired: 7,000,100 shares (maximum)

Note: Ratio against total number of outstanding shares: 28.83% (Rounded off to the nearest two decimal places)

(3) Total amount of shares to be acquired: 15,743,224,900 yen (maximum)

(4) Acquisition period: From June 22, 2021 (Tuesday) to August 31, 2021 (Tuesday)

### III. Notice Regarding Changes to the Largest (Principal) Shareholder and Other Related Companies

#### 1. Background of Changes

The Company implemented a Tender Offer with a purchase period from June 22, 2021 to July 19, 2021. The Tender Offer ended on July 19, 2021.

For the Tender Offer, application was received from City Index Eleventh Co., Ltd. ("City Index Eleventh") for 6,590,300 shares, the total number of ordinary shares owned by City Index Eleventh. According to the pro rata method stipulated in Paragraph 5 of Article 27-13 of the Act which is applied *mutatis mutandis* pursuant to Paragraph 2 of Article 27-22-2 of the Act and Article 21 of the Ordinance, the Company acquired 6,162,300 shares from the tendered shares of City Index Eleventh.

As a result, if settlement for the Tender Offer is performed, City Index Eleventh will no longer be the largest (principal) shareholder or fall under the category of other related companies as of August 13, 2021, which is the start date of settlement for the Tender Offer. Instead Matsunaga Eiichi, Ltd. will become the largest (principal) shareholder.

## 2. Outline of Changes to Shareholders

Outline of shareholder which will no longer be the largest (principal) shareholder or fall under the category of other related companies

Name	City Index Eleventh Co., Ltd.	
Address	3-22-14, Higashi, Shibuya-ku, Tokyo	
Title and name of representative	Representative Director, Hironao Fukushima	
Business activities	1 Investing 2 Management consulting 3 Brokerage, sales, and purchasing of real estate 4 Real estate leasing 5 All businesses associated with the items listed above	
Capital	1 million yen	
Date established	May 20, 2009	
Net assets	2,870 million yen (as of May 31, 2020)	
Total assets	45,067 million yen (as of May 31, 2020)	
Major shareholders and shareholding ratio	Reno Co., Ltd. 50.00% ATRA K.K. 50.00%	
Relationship between the listed company and City Index Eleventh	Capital relationship	As of March 31, 2021, City Index Eleventh owns 6,590,300 shares of the Company's ordinary stock (ratio of voting rights: 34.14%) and is the largest (principal) shareholder and other related companies of the Company. However, City Index Eleventh has tendered all of its ordinary stock for the Tender Offer.
	Personnel relationship	N/A
	Transactional relationship	N/A

Outline of the shareholder to become the largest (principal) shareholder

Name	Matsunaga Eiichi, Ltd.
Address	1-14-15-203, Takanawa, Minato-ku, Tokyo
Title and name of representative	Representative Director, Tatsuya Matsunaga
Business activities	Real estate management and asset operation
Capital	97 million yen

## 3. Number of Voting Rights, Number of Shares Owned, and Ratio of Voting Rights Owned by Shareholders Before and

## After the Changes

### 1) City Index Eleventh Co., Ltd.

	Attributes	Number of voting rights (number of held shares)	Ratio of voting rights among all shareholders	Rank among major shareholders
Before changes (as of March 31, 2021)	Largest (principal) shareholder and other related company	65,903 voting rights (6,590,300 shares)	34.14%	1st
After changes	—	4,280 voting rights (428,000 shares)	3.48%	7th

### 2) Matsunaga Eiichi, Ltd.

	Attributes	Number of voting rights (number of held shares)	Ratio of voting rights among all shareholders	Rank among major shareholders
Before changes (as of March 31, 2021)	—	16,000 voting rights (1,600,000 shares)	8.29%	2nd
After changes	Largest (principal) shareholder	16,000 voting rights (1,600,000 shares)	13.00%	1st

#### Notes:

1. The “ratio of voting rights among all shareholders” before the changes was calculated based on the 193,041 voting rights associated with the 19,304,100 shares, which was calculated by subtracting 4,977,273 shares without voting rights as of March 31, 2021 from the 24,281,373 shares which was the total number of shares outstanding as of the same date.
2. The “ratio of voting rights among all shareholders” after the changes was calculated based on the 123,041 voting rights, which was calculated by subtracting the 70,000 voting rights associated with the 7,000,000 shares of treasury stock acquired through the Tender Offer from the 193,041 voting rights defined above in Note 1.
3. The “ratio of voting rights among all shareholders” is rounded off to the nearest two decimal places.
4. The “rank among major shareholders” after the changes lists an estimate based on the shareholder registry as of March 31, 2021.

#### 4. Scheduled Date of Changes

August 13, 2021 (settlement commencement date of the Tender Offer)

#### 5. Future Outlook

At this time, the changes will have no impact on the business performance of the Company.

End