

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

May 11, 2023

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director, COO)

(Code No. 8150 Listed in the Prime Market of the Tokyo Stock Exchange)

Enquiries to: Jun-ichi Murakami (Director, Operating Officer and Senior General  
Manager of Finance & Accounting Division)

(Tel: +81-3-3453-5111)

For Immediate Release:

## **Notice Regarding Absorption-Type Merger of Wholly-Owned Subsidiaries (Simplified Merger and Short-Form Merger)**

At the meeting of the Board of Directors held today, the Company passed a resolution to perform an absorption-type merger (hereinafter, “the Merger”) of the Company’s wholly-owned subsidiaries Sanshin Network Service Co., Ltd. (hereinafter, “SNS”) and Sanshin Media Solutions Co., Ltd. (hereinafter, “SMS”), effective April 1, 2024. Details are listed below.

Since the Merger is an absorption-type merger targeting wholly-owned subsidiaries, some disclosure items and details have been omitted from this notice.

### Details

#### 1. Purpose of the Merger

The Company’s subsidiaries SNS and SMS were established with the main role of strengthening maintenance support after system construction in the Company’s solution business. More than 20 years have passed since the establishment of SNS and SMS. As the provided technology and support format have changed, strong demand has arisen for the provision of services that cover the entire system. In order to expand service provision type business and expand our customer base, strengthening the ability to make even more comprehensive proposals has become an important issue for the Company. By consolidating the technological capabilities of SNS and SMS into the Company through the Merger, we aim to strengthen our proposal ability, especially in upstream processes, and to improve our competitive advantage by increasing the flexibility of our proposal activities. In downstream processes, we aim to expand earnings in the solution business through efforts to optimize the distribution of operations by strengthening cooperation with partner companies.

## 2. Outline of the Merger

### (1) Schedule of the Merger

Date of resolution by the Board of Directors	May 11, 2023
Date of signing the Merger agreement	May 11, 2023
Effective date of the Merger	April 1, 2024 (planned)

### (2) Method of the Merger

This is an absorption-type merger in which the Company is the surviving company and SNS and SMS are the merged companies. Because the Merger qualifies as a simplified merger as defined in Article 796, Paragraph 2 of the Companies Act of Japan for Sanshin Electronics, and as a short-form merger as defined in Article 784, Paragraph 1 of the Companies Act of Japan for SNS and SMS, the Company and SNS/SMS will implement the Merger without obtaining approval for the Merger agreement at their respective general shareholders' meetings.

### (3) Details of allotment related to the Merger

As SNS and SMS are wholly-owned subsidiaries of the Company, no shares, money, etc., will be allotted as a result of the Merger.

### (4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Merger

No applicable items.

3. Overview of the companies involved in the Merger (as of March 31, 2023)

	Surviving Company	Merged Companies	
(1) Name	Sanshin Electronics Co., Ltd.	Sanshin Network Service Co., Ltd.	Sanshin Media Solutions Co., Ltd.
(2) Address	4-4-12, Shiba, Minato-ku, Tokyo	4-4-12, Shiba, Minato-ku, Tokyo	4-4-12, Shiba, Minato-ku, Tokyo
(3) Representative (position/name)	Representative Director, COO Toshiro Suzuki	Representative Director, President Hiroyuki Takano	President Yuji Mori
(4) Business activities	<ul style="list-style-type: none"> <li>• Sales, imports, and exports of semiconductors and electronic components</li> <li>• Sales, imports, and exports of electronic devices</li> </ul>	Technical services for information and communication systems	Technical services and information provision for broadcasting businesses
(5) Capital	¥14,811 million	¥30 million	¥10 million
(6) Founded	November 1, 1951	November 1, 2002	November 22, 2001
(7) Number of issued shares	16,281,373 shares	600 shares	200 shares
(8) Fiscal year end	March 31	March 31	March 31
(9) Major shareholders and shareholding ratio	<ul style="list-style-type: none"> <li>• Matsunaga Eiichi, Ltd. 12.97%</li> <li>• NEC Corporation 8.50%</li> <li>• The Master Trust Bank of Japan, Ltd. (Trust Account) 8.29%</li> <li>• Sumitomo Mitsui Banking Corporation 4.98%</li> <li>• MUFG Bank, Ltd. 3.69%</li> </ul>	<ul style="list-style-type: none"> <li>• Sanshin Electronics Co., Ltd. 100%</li> </ul>	<ul style="list-style-type: none"> <li>• Sanshin Electronics Co., Ltd. 100%</li> </ul>
Notes:	<ul style="list-style-type: none"> <li>• Treasury stock held by the Company is excluded from the major shareholders listed on the right.</li> <li>• Treasury stock is excluded when calculating shareholding ratios.</li> </ul>		
(10) Operating results and financial position for the most recent fiscal year			
Fiscal year	FY 2022 (non-consolidated)	FY 2022 (non-consolidated)	FY 2022 (non-consolidated)
Net assets	¥18,269 million	¥342 million	¥16 million
Total assets	¥47,370 million	¥586 million	¥29 million
Net assets per share	¥1,498.46	¥570,282.75	¥84,945.40
Net sales	¥104,800 million	¥1,296 million	¥147 million
Operating profit	¥1,679 million	¥165 million	¥1 million
Ordinary profit	¥3,063 million	¥165 million	¥1 million
Net profit	¥2,262 million	¥107 million	¥1 million
Net profit per share	¥185.59 yen	¥178,582.44	¥8,113.69

#### 4. Status after the Merger

There will be no changes in trade name, address, name and position of representative, business activities, capital, or fiscal year end of the Company.

#### 5. Impact on results

Since it involves wholly-owned subsidiaries, the Merger will not have any material impact on the Company's consolidated results.

End