



October 02, 2024

To whom it may concern

Company Name: Seikoh Giken Co., Ltd.
Name of representative: Jun Ueno, President
and Chief Executive Officer
(Code No. 6834)
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Notice Regarding Acquisition of a Subsidiary Company

We hereby announce that at the Board of Directors meeting held on October 2, 2024, we resolved to acquire shares of MG Co., Ltd., making it a consolidated subsidiary.

Details

1. Reason for share acquisition

MG Co. Ltd. is headquartered in Rifu-cho, Miyagi-gun, Miyagi Prefecture. It is an injection molding manufacturer with factories in three locations spread across Miyagi and Yamagata Prefectures. Since its establishment in 1970, it has developed a diverse range of advanced injection molding technologies, including ones related to fully automated insert multiple molding, decorative molding, thin-wall molding, and ultra-high-cycle molding. Providing their molded plastic and molded plastic magnetic products to the vehicle, stationery, medical, and other markets, they built up a stable customer base. Looking to expand our Company's molded product supply business using precision mold technology, Fuji Electronics Industries Co., Ltd. became a consolidated subsidiary in 2013. It supplies precision molded products to the automotive and electronics markets.

Acquiring shares of MG Co., Ltd. and making it a consolidated subsidiary will allow us to take on a broader range of injection molding and automated molding techniques and grow our molded product supply business. Moreover, we will be able to leverage the Group's network in Japan and internationally to expand sales of MG Co., Ltd.'s molded products. We plan to utilize both companies' management resources, including technologies, customer bases, human resources, etc. to achieve further growth for the Group through the development of products and services for a broader range of industrial domains.

2. Method of share acquisition

The Company will acquire 100% of the 220,000 issued shares from a single individual shareholder of the company. The acquisition will be funded through our own capital.

3. Overview of the subsidiary company to be transferred (as of March 31, 2024)

(1)	Name	MG Co., Ltd.		
(2)	Location	6-1-8 Shirakashidai, Rifu-cho, Miyagi-gun, Miyagi Prefecture		
(3)	Title and name of representative	Representative Director and President, Toshiya Watanabe		
(4)	Content of business	Manufacture of automotive parts, stationery, medical parts, etc.		
(5)	Capital	100,000 thousand yen		
(6)	Date of establishment	January 30, 1970		
(7)	Major shareholders and shareholding ratio	1 individual		100%
(8)	Relationship between the Company and company concerned	Capital relationship	None	
		Personnel relationship	None	
		Business relationship	None	
		Related parties	None	
(9)	Business results and financial condition of company concerned for the past three years* (Unit: thousand yen)			
		FY2022	FY2023	FY2024
	Net assets	763,299	530,706	945,079
	Total assets	1,836,406	1,259,934	1,399,005
	Net assets per share (yen)	3,469.5	2,412.3	4,295.8
	Net sales	1,939,845	1,932,902	2,341,596
	Operating income	384,298	329,338	574,222
	Ordinary income	361,750	317,708	574,584
	Net income for the period	304,141	(232,592)	414,372
	Net income per share (yen)	1,382.5	(1,057.2)	1,883.5
	Dividend per share (yen)	- yen	- yen	- yen

* The stated values for business results and financial condition are those prior to the application of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020)

4. Overview of share issuer

(1)	Name	1 individual	
(2)	Address	Not disclosing in line with confidentiality obligations pertaining to the counterparty of the share acquisition.	
(3)	Relationship between the Company and the individual concerned	Capital relationship	None
		Personnel relationship	None
		Business relationship	None
		Other notable relationships	None

5. Number of shares to be acquired, acquisition value, and status of ownership prior to and after acquisition

(1)	Number of shares held prior to transfer	0	Shareholding ratio 0%
(2)	Number of acquisition shares	220,000	
(3)	Acquisition value	Not disclosing in line with confidentiality obligations pertaining to the counterparty of the share acquisition.	
(4)	Number of shares held after transfer	220,000	Shareholding ratio 100%
(5)	Basis for calculating acquisition value	The decision was based on discussions between the parties, taking into account external expert share price valuation, after due consideration of the results of legal and financial investigations by external lawyers and certified public accountants.	

6. Schedule

Date of Board of Directors resolution	October 02, 2024
Execution date of the share transfer agreement	October 02, 2024
Planned date of share transfer	A date agreed upon elsewhere between the Company and the counterparty of the share acquisition

7. Outlook

We expect the impact of this share acquisition on our Group's consolidated financial results for the fiscal year ending March 2025 to be minor. However, we anticipate that it will help improve consolidated results from the next fiscal year onward. Moving forward, we will promptly disclose any matters that may arise that should be made public.

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