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February 14, 2025

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director, CEO)

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

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For Immediate Release:

Notice Regarding Secondary Offering of Shares and Change in the Largest (Principal) Shareholder

Sanshin Electronics Co., Ltd. (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held on February 14, 2025, to approve a secondary offering of ordinary shares of the Company as follows.

The Company also announces that a change in the largest (principal) shareholder of the Company is expected as a result of the secondary offering of shares.

Details

I. Secondary offering of Company shares

1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter)

(1) Class and number of shares to be offered

Ordinary shares of the Company	2,700,900 shares
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(2) Selling shareholders and number of shares to be offered

Matsunaga Eiichi, Ltd.	1,094,900 shares
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NEC Corporation	1,049,000 shares
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Sumitomo Mitsui Banking Corporation	307,000 shares
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Sumitomo Mitsui Trust Bank, Limited	125,000 shares
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San ju San Bank, Ltd.	125,000 shares
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(3) Offer price

To be determined. (In accordance with the method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities of the Japan Securities Dealers Association, the offer price will be provisionally set at the closing price (if there is no closing price on that day, the closing price on the most recent day prior to that day) multiplied by 0.90 to 1.00 (fractions less than 1 yen will be rounded down) of the Company’s ordinary stock on the Tokyo Stock Exchange on any day between Tuesday, February 25, 2025 and Friday, February 28, 2025 (the “Pricing Date”). The actual offer price will be determined after taking into account market demand and other conditions.)

(4) Method of offering

The offering will be a secondary offering with all shares by way of purchase and underwriting by Daiwa Securities Co. Ltd. (the “Underwriter”).

The consideration paid to the Underwriter in the secondary offering will be the total amount obtained by deducting the underwriting price, which is the amount to be paid by the Underwriter to the selling shareholder, from the offer price.

(5) Subscription period

A certain date between the business day following the Pricing Date to the day which is two business days following the Pricing Date

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- (6) Delivery date The date which is five business days after the Pricing Date
- (7) Deposits for subscription The amount per share will be the same as the offer price.
- (8) Subscription unit 100 shares
- (9) Toshihiro Suzuki, Representative Director and CEO of the Company, is solely authorized to approve the offer price and all other matters necessary for the secondary offering of shares.
- (10) In relation to this secondary offering of shares, a securities notification pursuant to the Financial Instruments and Exchange Act was submitted on Friday, February 14, 2025.

2. Secondary offering of Company shares (offering by way of over-allotment) (See <References> 2. below.)

- (1) Class and number of shares to be offered
 - Ordinary shares of the Company 405,100 shares
 - The above-mentioned number of shares to be offered represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions. The actual number of shares to be offered will be determined on the Pricing Date, considering market demand and other conditions.
- (2) Selling shareholder Daiwa Securities Co. Ltd.
- (3) Offer price To be determined. (The offer price will be determined on the Pricing Date. The offer price will be the same as the offer price in the offering by way of purchase and underwriting by the Underwriter.)
- (4) Method of offering Taking into consideration factors such as market demand for the offering by way of purchase and underwriting by the Underwriter, Daiwa Securities Co. Ltd. will undertake a secondary offering of ordinary shares of the Company by borrowing no more than 405,100 shares from Matsunaga Eiichi Ltd., the selling shareholder described above in “1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter) - (2) Selling shareholders and number of shares to be offered” above (hereinafter, as the lender, Matsunaga Eiichi, Ltd. is referred to as “the Lender”).
- (5) Subscription period The same subscription period as in the offering by way of purchase and underwriting by the Underwriter
- (6) Delivery date The same delivery date as in the offering by way of purchase and underwriting by the Underwriter
- (7) Deposits for subscription The amount per share will be the same as the offer price.
- (8) Subscription unit 100 shares
- (9) Toshihiro Suzuki, Representative Director and CEO of the Company, is solely authorized to approve the offer price and all other matters necessary for the secondary offering of shares.
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<References>

1. Purpose of secondary offering

Japanese corporations are increasingly reviewing their strategically held shares due to initiatives such as the Corporate Governance Code. Having recently confirmed through discussions the intention of some shareholders to sell the Company’s shares, the Company is holding the secondary offering of shares to facilitate the smooth sale of the Company’s shares held by these shareholders. Through secondary offering of these shares, the Company aims to expand and diversify our shareholder base and improve the liquidity of our shares in the medium to long term.

2. Secondary offering of shares by way of over-allotment, etc.

The secondary offering of shares by way of over-allotment described in “2. Secondary offering of Company shares (offering by way of over-allotment)” above is an offering of the Company’s ordinary shares (the “Borrowed Shares”) that Daiwa Securities Co. Ltd. will borrow from the Lender up to 405,100 shares in connection with the

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offering by way of purchase and underwriting by the Underwriter described above in “1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter),” taking into consideration factors such as market demand. The number of shares to be offered in the offering by way of over-allotment represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions.

If the offering of shares by way of over-allotment is carried out, Daiwa Securities Co. Ltd. will be granted the right from the Lender to acquire additional shares of the Company’s ordinary stock up to the number of shares offered by over-allotment (the “Greenshoe Option”), with an exercise period from the delivery date of the offering by way of purchase and underwriting by the Underwriters and the offering by way of over-allotment to Wednesday, March 26, 2025.

During the subscription period for the offering by way of purchase and underwriting by the Underwriters and the offering by way of over-allotment (the “Subscription Period”), Daiwa Securities Co. Ltd. may engage in stabilization transactions for the Company's ordinary shares and may use all or a part of the shares purchased in such stabilization transactions to return the Borrowed Shares.

Furthermore, Daiwa Securities Co. Ltd. may purchase ordinary shares of the Company on the Tokyo Stock Exchange up to the number of shares offered by way of over-allotment (the “Syndicate Cover Transaction”) in the period from the day following the last day of the Subscription Period to Wednesday, March 26, 2025 (the “Syndicate Cover Transaction Period”). All shares acquired by Daiwa Securities Co. Ltd. through the Syndicate Cover Transaction will be allocated for the return of the Borrowed Shares. It should be noted that during the Syndicate Cover Transaction Period, Daiwa Securities Co. Ltd. may decide to discontinue the Syndicate Cover Transaction entirely or terminate the Syndicate Cover Transaction with the number of shares that does not reach the number of shares offered by way of over-allotment.

Daiwa Securities Co. Ltd. will exercise the Greenshoe Option for the number of shares obtained by subtracting the number of shares to be allocated to return the Borrowed Shares in relation to the stabilization transactions and Syndicate Cover Transaction from the number of shares offered by way of over-allotment.

3. Lock-up

In connection with the offering by way of purchase and underwriting by the Underwriter, the selling shareholders Matsunaga Eiichi, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, and San ju San Bank, Ltd. have agreed with Daiwa Securities Co. Ltd., to the effect that, during the period beginning on the Pricing Date and ending on the 180th day after the delivery date as in the offering by way of purchase and underwriting by the Underwriter (the “Lockup Period”), they shall not sell shares of the Company, securities that can be converted into or exchanged for shares of the Company, or securities that represent the right to acquire or receive shares of the Company, or conduct similar transactions (excluding offering by way of purchase and underwriting by the Underwriter) without the prior written consent of Daiwa Securities Co. Ltd.

The Company has agreed with Daiwa Securities Co. Ltd. to the effect that, during the Lockup Period, the Company shall not issue shares of the Company, securities that can be converted into or exchanged for shares of the Company, or securities that represent the right to acquire or receive shares of the Company, or conduct similar transactions without the prior written consent of Daiwa Securities Co. Ltd. (excluding issuance of new shares due to stock splits, etc.).

In any of the above cases, Daiwa Securities Co. Ltd. has the right to wholly or partially terminate said agreement at its discretion even during the Lockup Period.

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II. Change in the largest (principal) shareholder

1. Reason for the change

The largest (principal) shareholder of the Company is expected to change as a result of the offering by way of purchase and underwriting by the Underwriter set forth above in “I. Secondary offering of Company shares” – “1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter).”

2. Overview of shareholder subject to change

(1) Name	Matsunaga Eiichi, Ltd.
(2) Address	35-9 Kakinokidai, Aoba-ku, Yokohama-shi, Kanagawa
(3) Title and name of representative	Director, Mitsumasa Matsunaga
(4) Business activities	Asset management
(5) Capital	97,000,000 yen

3. Number of voting rights (number of shares held) held by the shareholder and percentage of voting rights of all shareholders before and after change

	Number of voting rights (Number of shares held)	% of voting rights of all shareholders	Ranking among major shareholders
Before change (As of September 30, 2024)	16,000 (1,600,000 shares)	12.98%	First
After change	5,051 (505,100 shares)	4.10%	Second

(Notes) 1. The percentage of voting rights of all shareholders before and after change is calculated based on the number of voting rights held by all shareholders (123,302 units), calculated by deducting the number of shares without voting rights (3,951,173 shares) from the total number of issued shares (16,281,373 shares) as of September 30, 2024. The ranking among major shareholders is based on the shareholder ranking in the shareholder register as of September 30, 2024.

2. The percentage of voting rights of all shareholders before and after the change is rounded to two decimal places.

3. The number of voting rights (number of shares held) and percentage of voting rights of all shareholders after the change are calculated based on the number of voting rights, calculated by deducting the number of voting rights (10,949 units (1,094,900 shares)) corresponding to the number of shares to be sold by the shareholder set forth above in “I. Secondary offering of Company shares” – “1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter)” from the number of voting rights (number of shares held) before the change.

4. As the result of exercising the Greenshoe Option described above in “I. Secondary offering of Company shares” – “<Reference> 2. Secondary offering of shares by way of over-allotment, etc.”, the number of voting rights (number of shares held) after the change may be reduced by a maximum of 4,051 units (405,100 shares) from the number of voting rights (number of shares held) stated above.

4. Expected date of change

Delivery date (the fifth business day following the Pricing Date) set forth above in “I. Secondary offering of Company shares” – “1. Secondary offering of Company shares (offering by way of purchase and underwriting by underwriter).”

5. Outlook

No impact is expected on the results of operations of the Company as a result of the change.

End

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