



May 31, 2023

To whom it may concern

Company name: Nisshinbo Holdings Inc.
Representative: Masahiro Murakami, President and
Representative Director
(Code No. 3105, Prime Market of Tokyo Stock
Exchange)
Contact: Corporate Communications Group

Notice concerning the Acquisition of Shares of Hitachi Kokusai Electric Inc.

Nisshinbo Holdings Inc. (the “Company” or “we”) has resolved to acquire the shares of HVJ Holdings Inc. (“HVJ Holdings”), jointly with Nisshinbo Singapore Pte. Ltd. (“Nisshinbo Singapore”), a wholly owned subsidiary of the Company, (the “Share Acquisition”) at a board of directors meeting held today, on May 31, 2023, and has concluded a share transfer agreement. Accompanying the Share Acquisition, Hitachi Kokusai Electric Inc. (“Hitachi Kokusai Electric”), a HVJ Holdings’ subsidiary, will become our consolidated subsidiary. As a result, the Company Group will hold 80% of Hitachi Kokusai Electric shares (consisting of the Company: 95%; Nisshinbo Singapore: 5%), while Hitachi, Ltd. (“Hitachi”) continues to hold 20% of the shares of Hitachi Kokusai Electric.

1. Reason for the Share Acquisition

With the mission of contributing to society through business activities, the Company Group aims for further growth through portfolio transformation under the business policy of realizing a super-smart society as an Environment and Energy Company group. Currently, we have set three strategic business domains which are “Mobility”, “Infrastructure & Safety” and “Life & Healthcare” and are developing our corporate activities through our core businesses, Wireless and Communications, Micro Devices and Chemicals consisting of brake friction material, chemicals, molding products, textiles, and other products.

In the wireless communication equipment business, with Japan Radio Co., Ltd. playing a central role, we contribute to the safety and security of people around the world and to global environmental preservation through the variety of wireless communication technologies in areas from social infrastructure, such as disaster-prevention systems and surveillance systems, to mobile communication equipment for shipping and automobiles.

Hitachi Kokusai Electric, on the other hand, is developing its solutions business mainly for public agencies with its advanced wireless and telecommunications technologies. The two companies complement each other in terms of technology and sales, and have a particularly strong affinity in high-speed, large-capacity communication technology and video technology for which expansion of the market and technology domains can be expected, especially in the industrial solutions field. The two companies will pursue synergies on a global level, also utilizing the overseas bases of the Company Group to strengthen the solutions business’ revenue base which serves as a source of investment in growth areas. In addition, we are convinced that, with Hitachi Kokusai Electric joining the Company Group, the technologies that will be created by synergies with our Group’s diverse technologies will no doubt contribute to the realization of a super-smart society, including the promotion of DX, significantly contributing to new developments.

Hitachi Kokusai Electric will continue to contribute to the development of Hitachi’s Social Innovation Business as an equity-method affiliate and a procurement partner after the Share Acquisition. The Company and Hitachi will work together to create a win-win relationship through this Share Acquisition.

2. Overview of the company for the Share Acquisition

(1)	Name	HVJ Holdings Inc.		
(2)	Address	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo		
(3)	Representative	Representative Director Shinichi Inagaki		
(4)	Business	Investment, holding and management of securities such as shares and corporate bonds		
(5)	Capital	JPY 10 million		
(6)	Date of incorporation	April 14, 2017		
(7)	Major shareholders and percentage of shares held	Japan Industrial Partners IV Investment Limited Partnership	28.52%	
		Manaslu Fund II, L.P.	23.83%	
		Shepherds Hill Fund II, L.P.	23.90%	
		Sonora Fund II, L.P.	23.75%	
(8)	Relationship between the listed company and this company	Capital relationship	N/A	
		Personnel relationship	N/A	
		Business relationship	N/A	
(9)	Consolidated operating results and consolidated financial position of the company for the most recent three years			
	Fiscal year	March 2020	March 2021	March 2022
	Consolidated net assets	JPY 16,326 million	JPY 16,758 million	JPY 21,773 million
	Consolidated total assets	JPY 80,587 million	JPY 75,385 million	JPY 69,596 million
	Consolidated net assets per share	JPY 17,555	JPY 18,019	JPY 23,412
	Consolidated sales revenue	JPY - million	JPY 77,234 million	JPY 67,148 million
	Net income attributable to parent company shareholders	JPY 116 million	JPY 3,587 million	JPY 3,761 million
	Consolidated net income per share	JPY 125	JPY 3,856	JPY 4,044
	Dividend per share	JPY -	JPY 1,075	JPY 430

(Note) The figures for the fiscal year ending March 31, 2020 are based on Japanese GAAP, and those for the fiscal year ending March 31, 2021 and thereafter are based on International Financial Reporting Standards.

3. Overview of the subsidiary of the company for the Share Acquisition

(1)	Name	Hitachi Kokusai Electric Inc.		
(2)	Address	2-15-12, Nishi-shimbashi, Minato-ku, Tokyo		
(3)	Representative	Kaichiro Sakuma, Representative Director, President and Chief Executive Officer		
(4)	Business	Provision of systems, solutions and products focused on wireless and video technologies		
(5)	Capital	JPY 1 billion		
(6)	Date of incorporation	November 17, 1949		
(7)	Major shareholders and percentage of shares held	HVJ Holdings Inc.	80%	
		Hitachi, Ltd.	20%	

(8) Relationship between the listed company and this company	Capital relationship	N/A		
	Personnel relationship	N/A		
	Business relationship	N/A		
(9) Consolidated operating results and consolidated financial position of the company for the most recent three years				
	Fiscal year	March 2020	March 2021	March 2022
	Consolidated net assets	JPY 40,077 million	JPY 43,311 million	JPY 48,770 million
	Consolidated total assets	JPY 76,912 million	JPY 77,895 million	JPY 76,799 million
	Consolidated net assets per share	JPY 4,570	JPY 4,939	JPY 5,562
	Consolidated sales revenue	JPY 85,618 million	JPY 77,234 million	JPY 67,148 million
	Net income attributable to parent company shareholders	JPY 4,506 million	JPY 4,964 million	JPY 5,258 million
	Consolidated net income per share	JPY 513	JPY 566	JPY 599
	Dividend per share	JPY -	JPY -	JPY 57

(Note) The figures for the fiscal year ending March 31, 2020 are based on Japanese GAAP, and those for the fiscal year ending March 31, 2021 and thereafter are based on International Financial Reporting Standards.

4. Outline of the sellers (as of March 31, 2023)

(1) Japan Industrial Partners IV Investment Limited Partnership

(1) Name	Japan Industrial Partners IV Investment Limited Partnership
(2) Address	Chiyoda-ku, Tokyo
(3) Business	Investment business

(2) Shepherds Hill Fund II, L.P.

(1) Name	Shepherds Hill Fund II, L.P.
(2) Address	George Town, Grand Cayman, Cayman Islands
(3) Business	Investment business

(3) Manaslu Fund II, L.P.

(1) Name	Manaslu Fund II, L.P.
(2) Address	George Town, Grand Cayman, Cayman Islands
(3) Business	Investment business

(4) Sonora Fund II, L.P.

(1) Name	Sonora Fund II, L.P.
(2) Address	George Town, Grand Cayman, Cayman Islands
(3) Business	Investment business

5. Number of shares to be acquired, acquisition amount, and status of shares owned before and after acquisition

(1) Number of shares owned before transfer	0 shares (Number of voting rights: 0) (Voting right ownership ratio: 0.0%)
(2) Number of shares to be	930,001 shares

	acquired	(Number of voting rights: 930,001)
(3)	Acquisition amount	Ordinary shares of HVJ Holdings: JPY 19,200 million
(4)	Number of shares owned after transfer	930,001 shares (Number of voting rights: 930,001) (Voting right ownership ratio: 100.0%)

(Note) In addition to the Share Acquisition, this transaction also includes repayment of existing loans of HVJ Holdings. The total amount of this transaction is expected to be about 37 billion yen.

6. Schedule

(1)	Date of resolution by the Board of Directors	May 31, 2023
(2)	Date of conclusion of the agreement	May 31, 2023
(3)	Date of execution of the Share Acquisition	July 31, 2023 (planned)

(Note) The execution of the Share Acquisition is subject to the approval of the Japanese Fair Trade Commission and other competition law authorities that are required to be notified in accordance with applicable laws and regulations.

7. Future outlook

With regards to the fiscal year ending December 31, 2023, the impact on the consolidated performance of the Company is currently under scrutiny. If matters that require an announcement emerge going forward, we will make prompt notification of the same.

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