



July 28, 2022

To whom it may concern,

Company name: Meiko Electronics Co., Ltd.  
 Name of representative: Yuichiro Naya, President and CEO  
 (Code: 6787, Prime Market of the Tokyo Stock Exchange)  
 Contact: Shunichi Ojima  
 Corporate Communications Dept.  
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**Announcement of Acquisition of NEC Embedded Products, Ltd. Shares  
 (Making it a Wholly Owned Subsidiary)**

Meiko Electronics Co., Ltd. (hereafter the “Company”) announces that it made an institutional decision today to acquire the shares (100% equities) of NEC Embedded Products, Ltd. (hereafter “NECEP”).

1. Reasons for Share Acquisition

The Company has embraced "Providing the best products and services to customers, and happiness for employees and society through manufacturing" as its management philosophy. To that end, we are taking on the challenge in the field of advanced electronics in terms of electronic PCBs, expanding and strengthening our EMS business, thereby aiming to contribute to our customers. In its medium-term management plan released on May 19, 2022, the Company has set forth a strategy to position and strengthen electronic PCBs and semiconductor package boards for automotive and smartphone applications, and the EMS business as new pillars in its business domain.

NECEP is capable to handle orders for a wide variety of electrical and electronic equipment utilizing its embedded product development capabilities and cutting-edge technologies. Namely, it has a unique competitive advantage in consistent entrusted operations from development and design to mass production, as well as in high-quality and high-reliability manufacturing capabilities. We believe that NECEP is the best strategic partner for our businesses, based on the fact that the addition of NECEP to the Group will enable it to establish an ODM-type EMS business structure with development and design functions, and to realize a proposal-based business structure targeting electronic PCBs to high value-added electronic products.

In order to expand the EMS business, going forward, the Company will promote collaboration between the electronic PCBs business and the EMS plants in Vietnam conducting development, design and mass production. Furthermore, the Company will work on building a system that can respond promptly to all needs, including for mass production and small- to medium-lot orders, by managing EMS factories in Japan and implementing in-house evaluation and prototype development. We strive to provide our customers with the maximum level of services to further enhance the corporate value of the Group.

2. Outline of the Subsidiary Subject to Change (NECEP)

(1) Name	NEC Embedded Products, Ltd.		
(2) Address	808-33, Arukadia 1-chome, Yonezawa-shi, Yamagata Prefecture		
(3) Name and title of representative	Atsushi Ohashi, President and CEO		
(4) Nature of business	Development, design, manufacture of electronics application equipment, machinery and instruments, all kinds of equipment, machinery, instruments and systems related to electricity, equipment, machinery, instruments and system, and entrusted work, sale and maintenance thereof.		
(5) Capital	400 million yen		
(6) Established	July 9, 2001		
(7) Major shareholders and shareholding ratio	NEC Corporation 100%		
(8) Relationship with the Company	Capital	Not applicable	
	Personnel	Not applicable	
	Business	The Company sells electronic PCBs to NECEP.	
(9) Non-consolidated operating results and financial position over the past 3 years			
Fiscal term	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets (millions of yen)	4,738	3,915	3,603

Total assets (millions of yen)	13,094	10,776	9,981
Net assets per share (yen)	11,734.66	9,697.74	8,924.99
Revenue (millions of yen)	19,589	13,992	14,027
Operating profit (loss) (millions of yen)	937	(24)	(184)
Ordinary profit (loss) (millions of yen)	935	0	(203)
Earnings per share (loss) (yen)	1,646.62	(555.92)	(288.75)
Dividends per share (yen)	1,481	484	0

### 3. Outline of the Counterparty to the Share Acquisition

(1) Name	NEC Corporation		
(2) Address	7-1, Shiba 5-chome, Minato-ku, Tokyo		
(3) Name and title of representative	Takayuki Morita, President and CEO		
(4) Nature of business	Public Solutions Business, Public Infrastructure Business, Enterprise Business, Network Services Business and Global Business		
(5) Capital	427,831 million yen		
(6) Established	July 17, 1899		
(7) Relationship with the Company	Capital	Not applicable	
	Personnel	Not applicable	
	Business	The Company sells electronic PCBs to NEC Corporation.	
(8) Consolidated operating results and financial position over the past 3 years			
Fiscal term	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Consolidated net assets (millions of yen)	1,114,523	1,561,826	1,786,642
Consolidated total assets (millions of yen)	3,123,254	3,668,564	3,761,733
Consolidated net assets per share (yen)*	3,508.16	4,800.67	5,555.04
Consolidated revenue (millions of yen)	3,095,234	2,994,023	3,014,095
Consolidated operating profit (millions of yen)	127,609	153,759	132,525
Consolidated net profit attributable to owners of the parent (millions of yen)	99,967	149,606	141,277
Consolidated earnings per share (yen)	385.02	557.18	518.54
Dividends per share (yen)	70.0	90.0	100.0

\* Equity attributable to owners of the parent

### 4. Equity to be Acquired, Acquisition Cost and Shareholding Status before and after the Acquisition

(1) Shareholding ratio before change	0 shares (Ratio of voting rights: 0%)	
(2) Equity to be acquired	403,800 shares (Ratio of voting rights: 100%)	
(3) Acquisition cost (estimated)	Shares	11,000 million yen
	Advisers	200 million yen
	Total amount	11,200 million yen
(4) Shareholding ratio after change	403,800 shares (Ratio of voting rights: 100%)	

### 5. Schedule

(1) Date of execution of the agreement	July 28, 2022
(2) Date of business commencement as a wholly owned subsidiary	October 1, 2022 (tentative)

### 6. Outlook

The impact of this acquisition on the Company's consolidated earnings forecast for the fiscal year ended March 31, 2023 will be announced immediately after more details become available.