SEIWA HOLDINGS
株式会社セイワホールディングス

SEIWA HOLDINGS Co., Ltd.

Financial Results Presentation Fiscal Year Ended May 2026

Stock Code: 523A | TSE Growth Market

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1. About Us

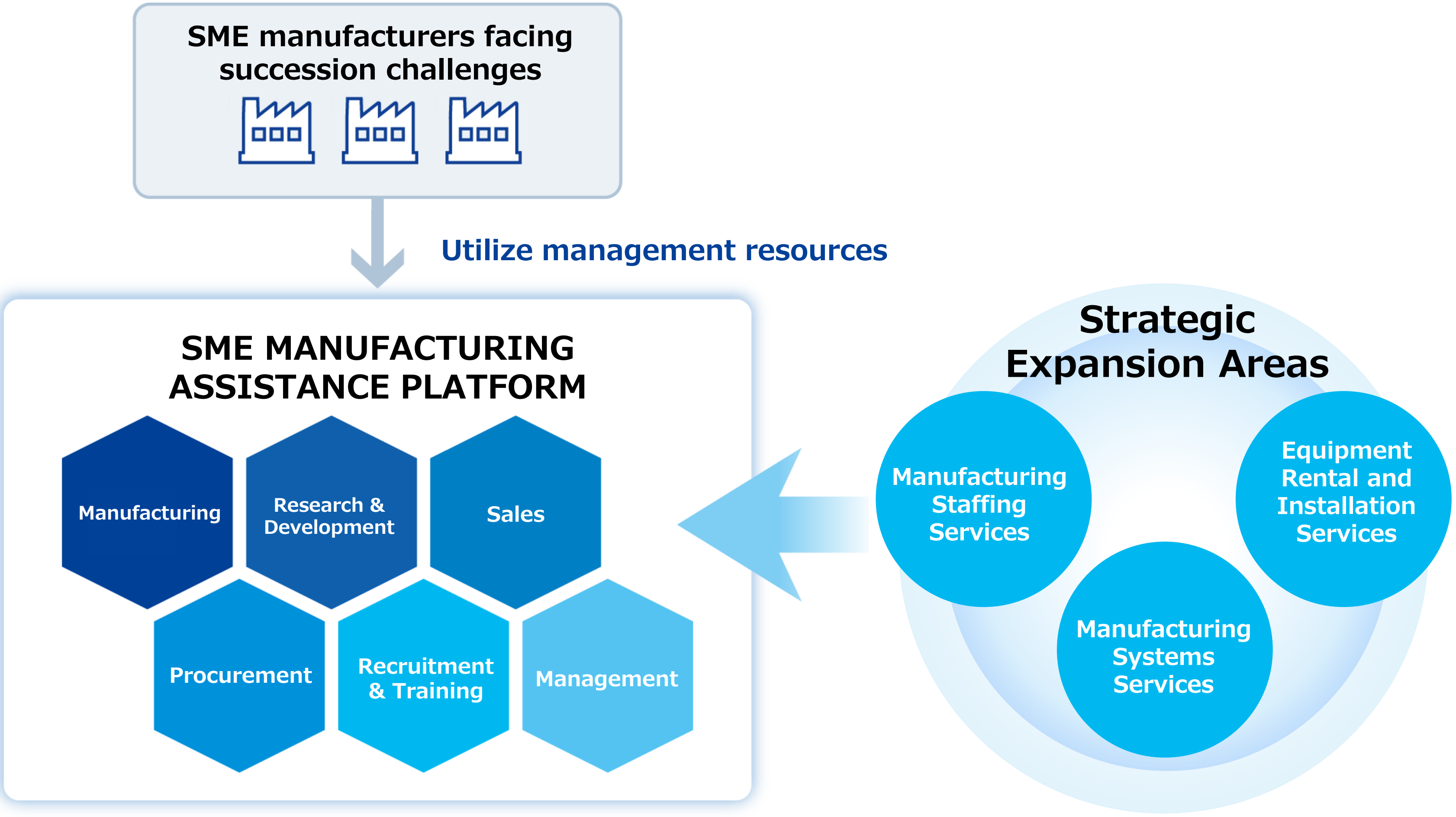
What is SEIWA HOLDINGS?

We are a business succession platform in manufacturing industries,

that continually acquires SMEs lacking successors and drives value creation through our unique framework

Overview Diagram of SEIWA Platform

The platform consolidates functions SMEs can’t maintain independently to support operations, and will be strengthened by integrating manufacturing management capabilities.



Overview of Our Key Product Lines

Revenue breakdown of group companies based on the Japan Standard Industrial Classification (JSIC)

37% *

1. Metal Products

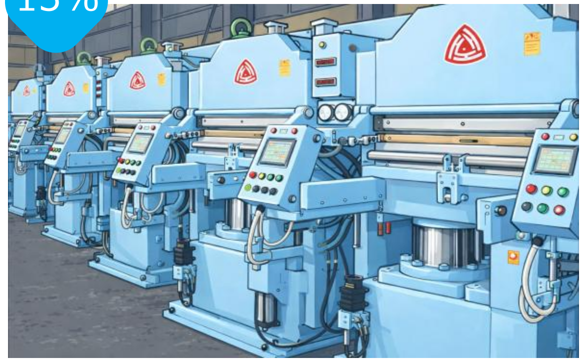
Primarily cation painting and electroplating
(Left: cation-coated door / Right: electroplated metal products)

14%

2. Transport Equipment Mfg.

Ship generators and liquid level gauges
(Left: generator frame, Right: liquid level gauge)
Note: right gauge scaled for scale

13%



3. Industrial Machinery

Produce niche, specialized machinery

Primary Client of the Target Businesses

- Semi-conductors
- Automotive
- Machine Tools

- Shipbuilding
- Plant / Industrial Facilities

- Semi-conductors
- Automotive
- Medical

*Note: These ratios are based on the results of 1H FY 2026 (audited) and represent the revenue composition of each Group company, classified according to the JSIC.

Why we pursue this business?

I worked part-time at a small factory run by my father. As I worked with **craftsmen** who were involved in manufacturing, I was impressed with how **“they were supporting Japan”** and decided to join the company.
There were many challenges: we had only one client, were in excess debt, and faced heavy workloads.
In addition, employees looked **only to my father**, the founder, and I was largely ignored.
He worked hard and gradually earned their trust and recognition.

As our company made progress in stabilizing and diversifying the business, we began to recognize that **”business succession”** had become a pressing social issue, prompting me to think that maybe our journey could serve as a key.
Driven by this conviction, we took active steps to address the importance of succession in the manufacturing sector.

During our work on succession initiatives, we received feedback such as:
“I never imagined I would be able to continue working at this company that I love and still receive bonuses.”
"If I hadn't joined the SEIWA Group, I believe my company would have faced dire circumstances."
These remarks revealed **the deep passion each owner had** towards their business and their employees, **and the workers’ sincere loyalty** to their workplace.

This experience has reinforced our **commitment to carrying the torch forward,**
and have been dedicated to making business succession our mission.
We contribute to society and our business partners by becoming a
“model for small and medium-sized enterprises in the manufacturing industry.”

Corporate Highlights

1 Favorable Business Environment

- The average age of business owners is 63.6 years (FY2024), indicating a long-term aging issue
- Against 62,695 business closures/liquidations, only 883 were succeeded, indicating a severe shortage of successors

2 Expanding Competitive Advantage is Key under a Long-Term Ownership Model

- Combined profit increased by 76% post-acquisition versus pre-acquisition levels
- Achieving approximately **3x the industry average profit margin** through proprietary value creation initiatives

3 Robust M&A Pipeline

- Has established a reputation in the M&A advisory industry as a strong buyer in the manufacturing sector
- The number of deals referred to the firm is trending significantly upward

4 Appropriate Acquisition Pricing and Strict Financial Discipline

- Investment discipline based on an EV/EBITDA multiple of approximately 5x or less
- The acceptable upper limit for leverage is set at a Net Debt/EBITDA multiple of 3–4x; following the two M&A transactions completed as of the present date (July 15, 2026), the remaining investment capacity stands at 6,385–8,590 million yen

2. Results for the Fiscal Year Ended May 2026

FY2026/5 Consolidated Results Highlights

Adjusted Operating Profit, Adjusted EBITDA and Profit for the year all exceeded budget

(Millions of yen)	FY2025/5 (Actual)	FY2026/5 (Actual)	YoY change (% change)	FY2026/5 Forecast (Achievement rate)	Drivers of variance vs. forecast
Revenue	7,769	8,011	+241 (+3.1%)	7,779 (103.0%)	Semiconductor-related demand accelerated in the second half; automotive and marine end-markets remained solid
Operating Profit	700	1,502	+802 (+114.6%)	1,553 (96.7%)	Reflects accounting treatment of Gain on bargain purchase (3) (no impact on underlying earnings power)
Adjusted Operating Profit (1)	809	1,741	+932 (+115.1%)	1,694 (102.8%)	Exceeded plan on higher revenue and cost-of-sales improvements
Adjusted EBITDA (2)	1,073	2,055	+982 (+91.5%)	1,905 (107.9%)	Exceeded plan on higher revenue and cost-of-sales improvements
Profit before tax	563	1,364	+800 (+141.9%)	1,490 (91.5%)	In addition to the accounting treatment of Gain on bargain purchase (3), Finance costs were recognised on early repayment of borrowings
Profit for the year	327	1,080	+753 (+229.8%)	1,002 (107.8%)	Accounting treatment of Gain on bargain purchase (3) had no impact on Profit for the year; underlying earnings continued to improve

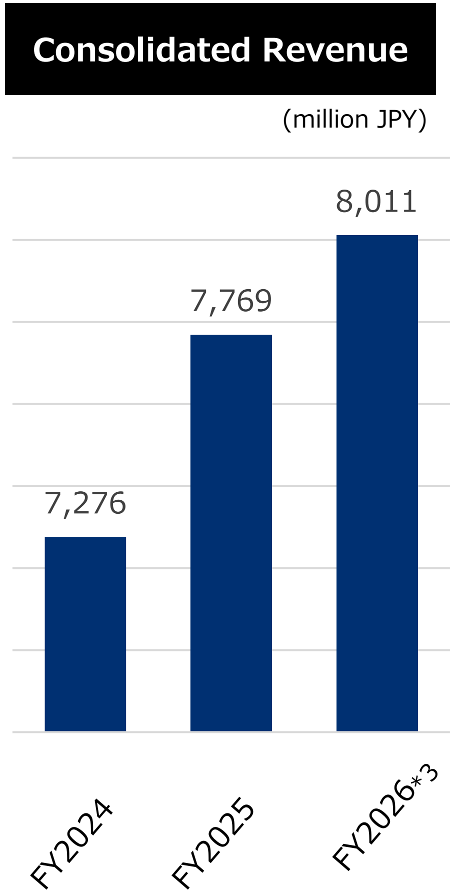
(1) Adjusted Operating Profit is calculated by adding to Operating Profit the amortisation of intangible assets arising from Business combinations, acquisition-related costs and listing-related costs.

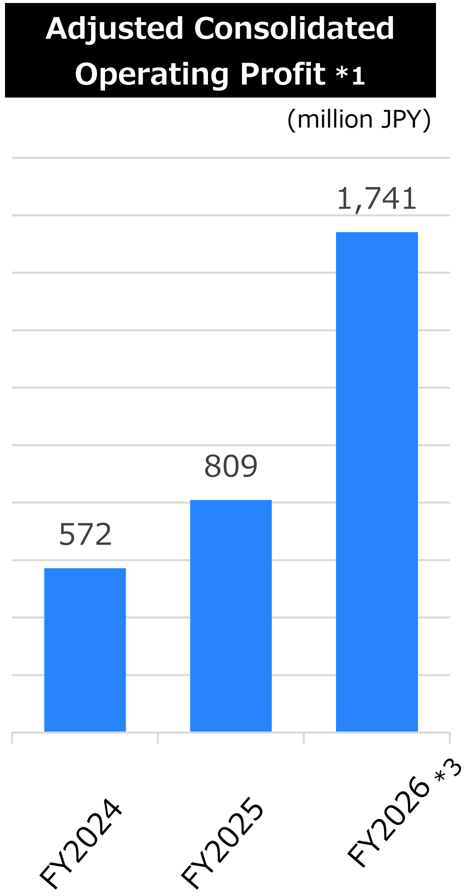
(2) Adjusted EBITDA is calculated by adding depreciation to Adjusted Operating Profit.

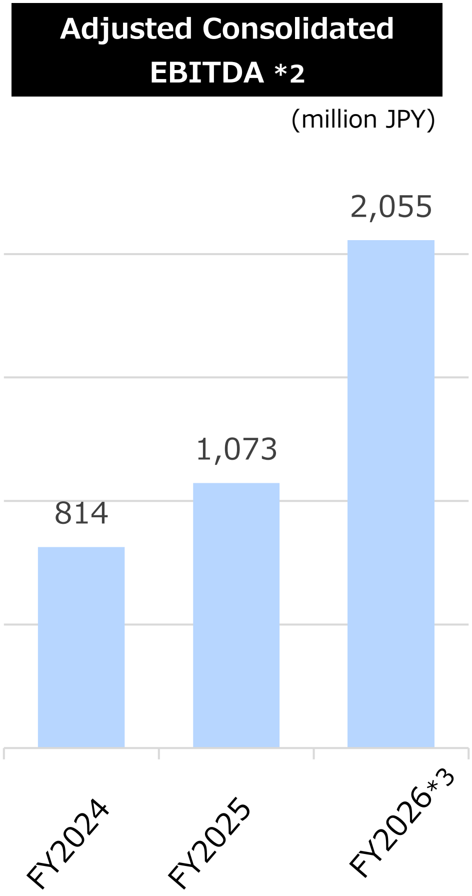
(3) With respect to the Gain on bargain purchase arising from the acquisition of the cationic coating business from Katsuyama Toso Kogyosho, the budget assumed 259 million yen; however, on consolidation this amount was offset against income tax expense in the amount of 91 million yen, resulting in an actual figure of 168 million yen. As this represents a reclassification between accounts, there is no impact on Profit for the year.

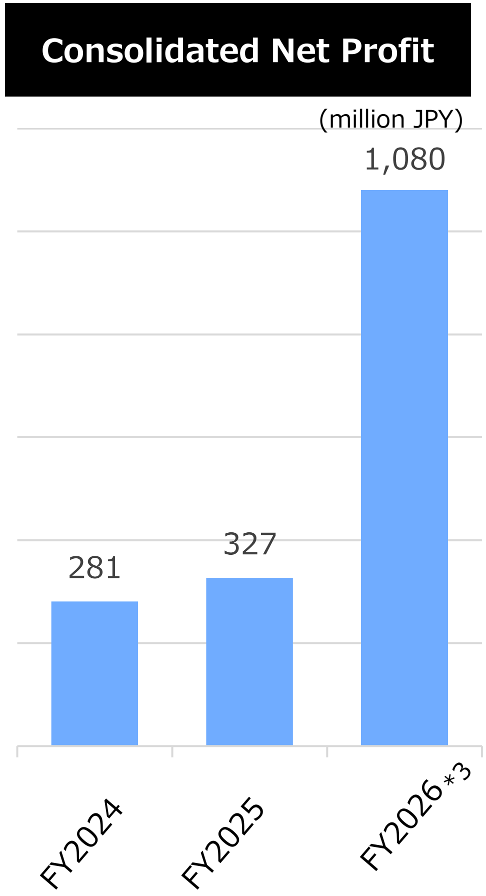
Consolidated Performance Trends

Limited M&A due to IPO preparation, with a focus on value creation driving record-high profits



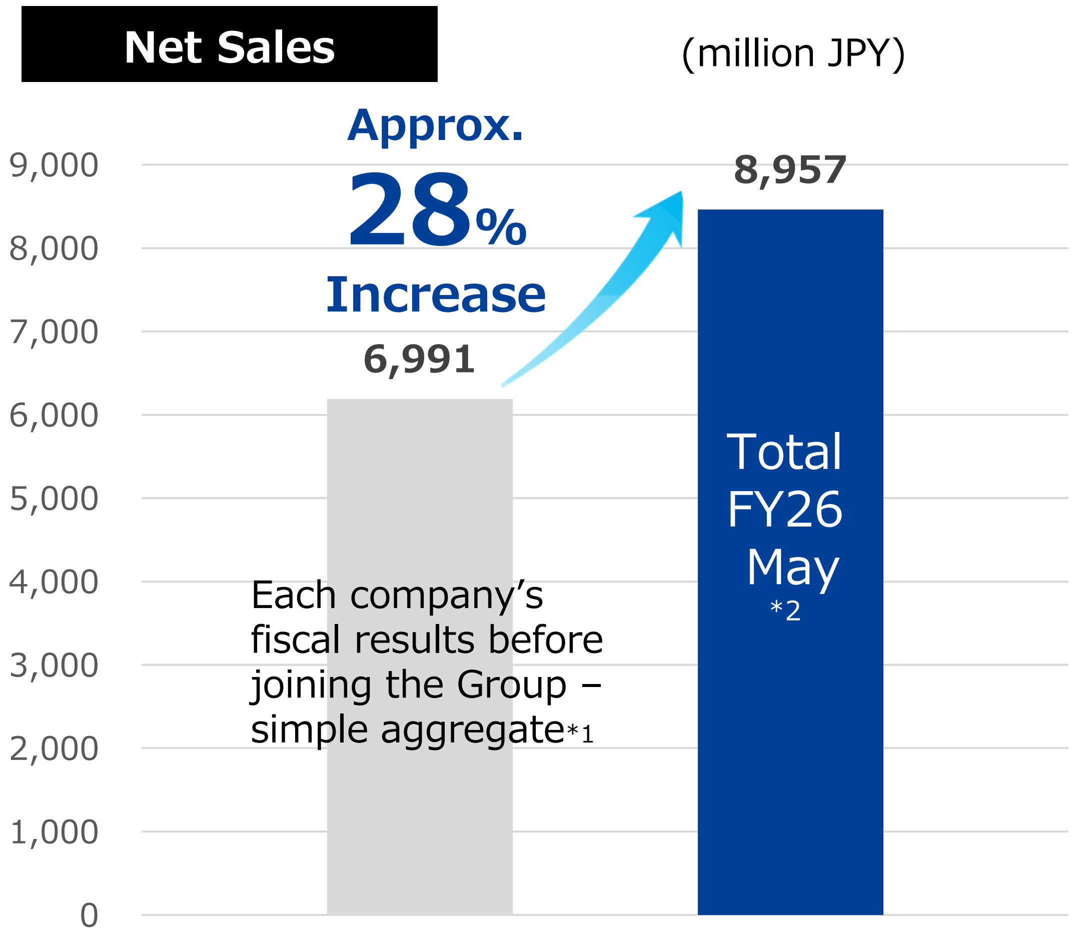


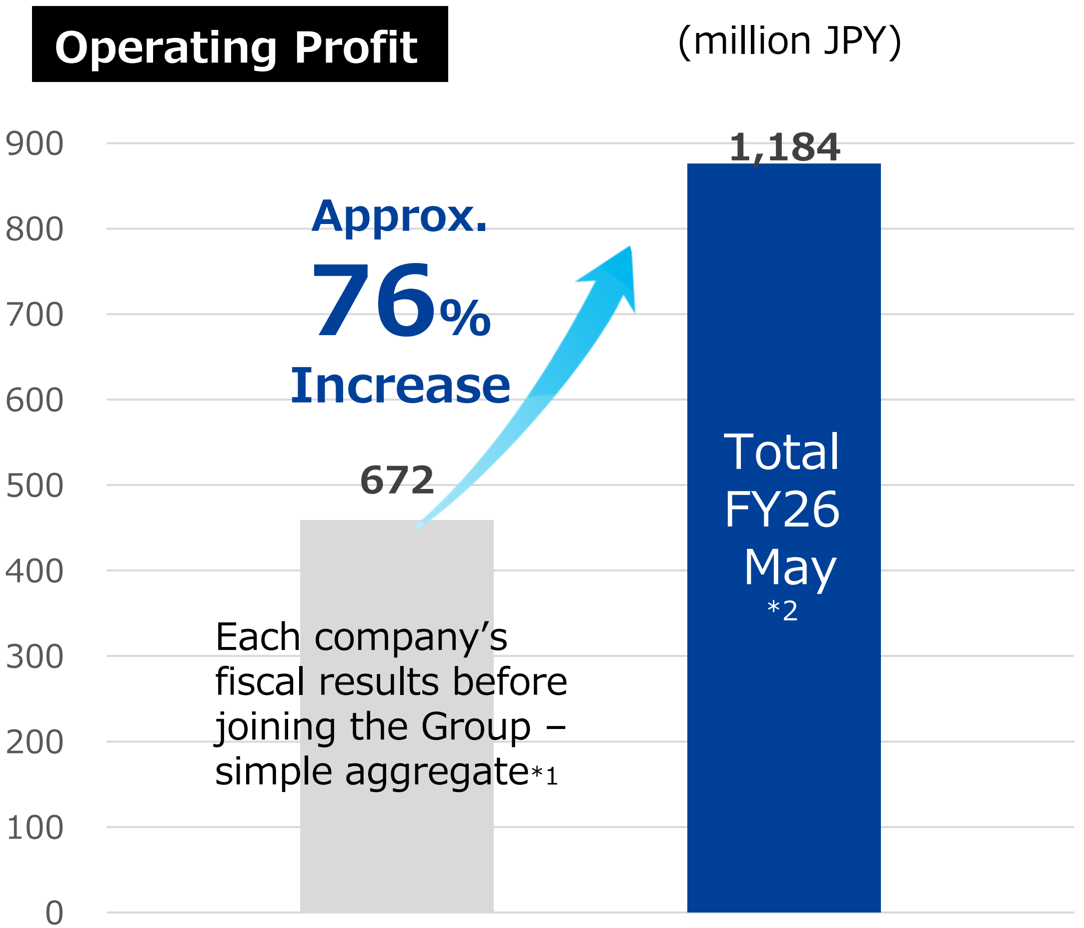




Note:
*1. Adjusted operating profit is calculated by adding back amortization of intangible assets arising from business combinations and acquisition-related costs to operating profit.
*2. Adjusted consolidated EBITDA is calculated by adding back depreciation and amortization to adjusted consolidated operating profit.
*3. The figures are based on audited financial results for each fiscal period.

Pre-Group Integration vs FY26 May





Profitability efforts drove significant growth post-integration

(1)The figures presented are the simple aggregate totals of the Group companies, excluding Seiwa Holdings.
(2)The financial results of each company used in the aggregation are based on different fiscal years, and no adjustments have been made for differences in accounting policies.
(3)The figures include intercompany transactions.

Track Record of Performance Improvement After Joining the Group (Excerpt)

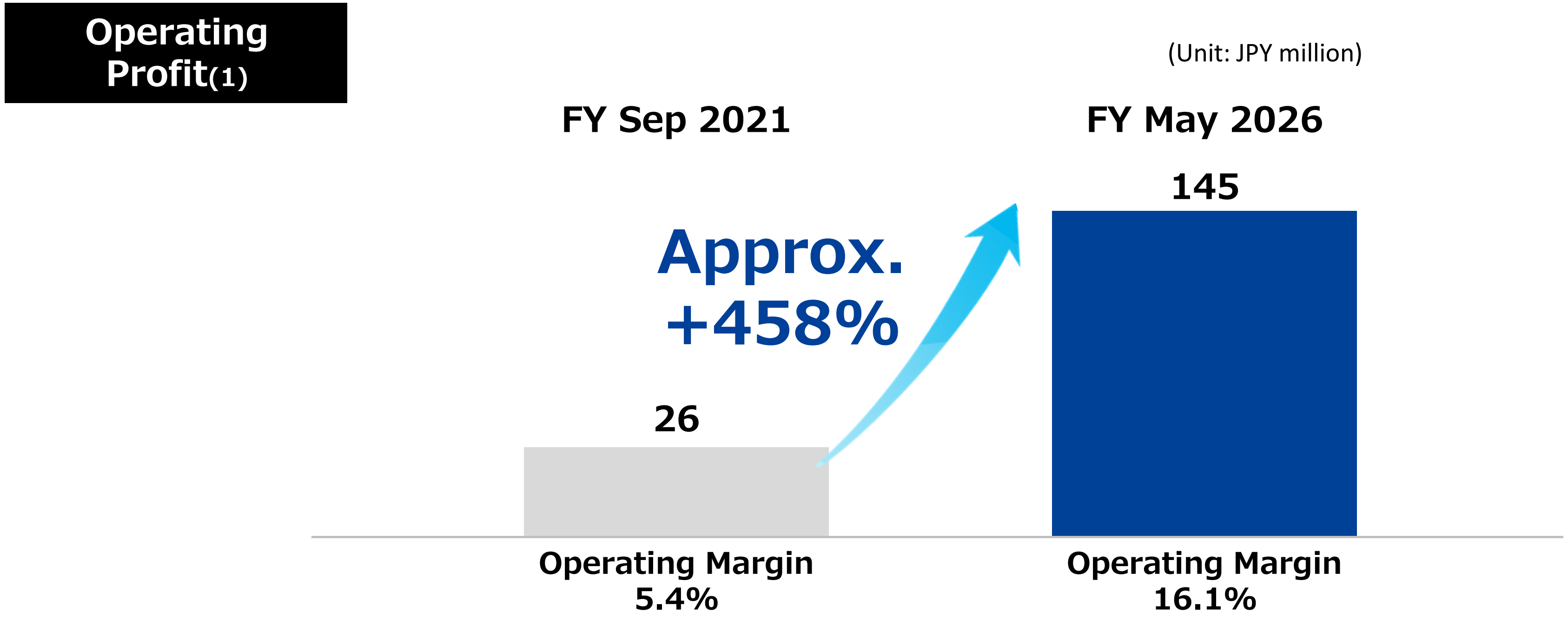
Following business succession, the roll-out of the Seiwa Platform has driven profitability improvements across a majority of Group companies

Company	Succession Year	Pre-succession(1)		FY May 2026(1)(2)		Support provided by the Seiwa Platform
		Revenue	**Operating Profit**	**Revenue**	**Operating Profit**(3)	
Tama Kako	2021	JPY 491 M	JPY 26 M	**JPY 883 M** **+80%**	**JPY 145 M** **+458%**	Rebuilt the sales function and expanded the customer base, restructuring the customer portfolio and strengthening the earnings foundation. Reduced manufacturing costs through kaizen initiatives and productivity-enhancement measures, materially expanding the profit margin.
Nihon Keiki	2022	JPY 278 M	JPY 32 M	**JPY 392 M** **+41%**	**JPY 97 M** **+203%**	Streamlined operations previously requiring a five-person team to a two-person set-up through a review of manufacturing processes. Established a sales network at new locations through structured sales-activity management and joint customer visits.
Fuji Mekki Kogyosho	2024(4)	JPY 801 M	JPY 213 M	**JPY 774 M** **▲3%**	**JPY 230 M** **+8%**	Revenue declined due to a delay in the semiconductor-related production ramp-up; however, profit grew on the back of multi-skilling of the workforce, line automation-driven productivity gains and defect-rate reduction initiatives. Further profit growth is anticipated in FY May 2027.

(1) Figures are prepared under Japanese GAAP and are unaudited.
(2) Stand-alone company figures before elimination of intra-group transactions.
(3) Operating profit before deduction of management fees.
(4) The company joined the Group in November 2024; as the pre-acquisition period was an irregular fiscal year, comparison is made against FY May 2025.

Examples of Performance Uplift after Joining the Group

[Case 1] Significant Uplift in Operating Profit at Tama Kako after Joining the Group



Key Initiatives to Drive Profit Growth

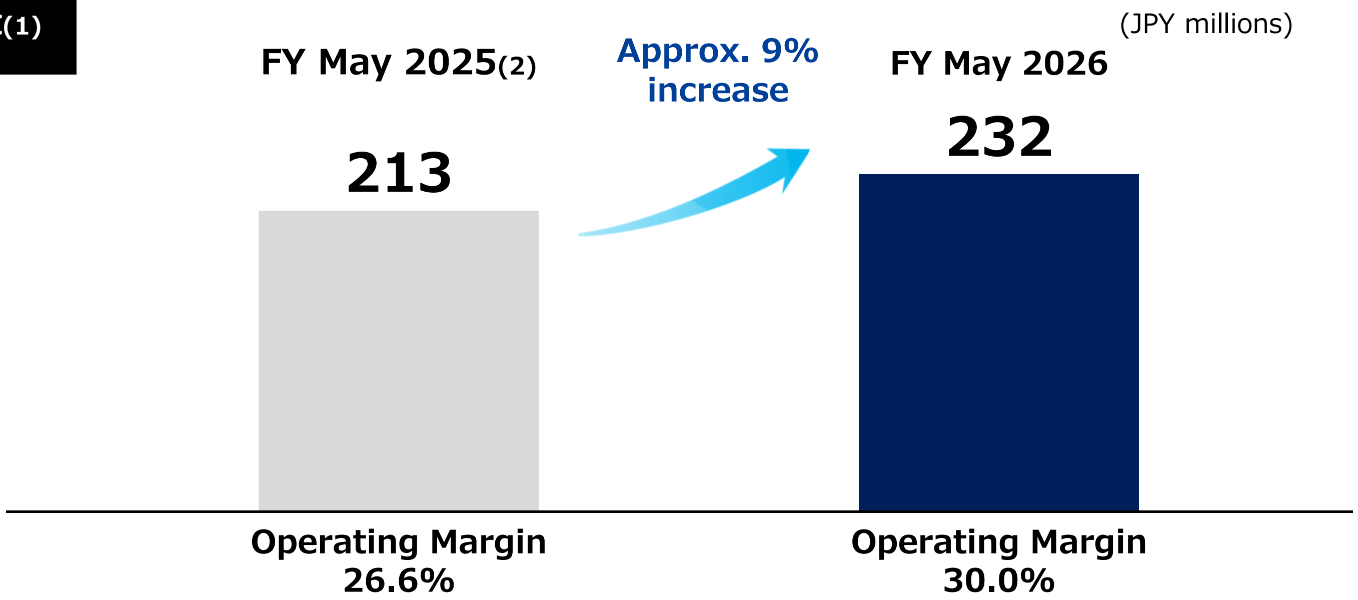
- Acquired the cationic coating business from industry peer Katsuyama Toso Kogyosho. Improved the target business's operating profit from a loss of JPY 25 million to a profit of JPY 37 million, delivering a JPY 62 million improvement within one year of the transfer.
- Through sales activities, approximately 16% of revenue was generated from new customers, transforming the revenue portfolio (excluding contributions from the former Katsuyama Toso Kogyosho).

(1) Revenue and operating profit are figures prepared under Japanese GAAP and are unaudited.
(2) Recent actual figures include intra-group revenue.

Case Study of Post-Acquisition Performance Improvement

【Case Study 2】Rapid Profitability Improvement at Fuji Metal Plating Industrial Co., Ltd. Following Group Integration

Operating Profit(1)



Key Initiatives to Improve Profitability

■ Established an operating structure able to accommodate future semiconductor demand by reducing labour hours by approximately 20% through the initiatives below

1) Enhanced productivity through line automation and additional pre-treatment lines

2) Built a defect-rate monitoring framework that enables in-line resolution

■ Further profit growth is expected in FY May 2027

(1) Revenue and Operating Profit are figures prepared under Japanese GAAP and are unaudited.
(2) The most recent figures include intra-group revenue.
(3) Although Fuji Metal Plating Industrial joined the Group in November 2024, the comparison is made against FY May 2025 because the pre-acquisition period was an irregular fiscal period.

Driving Profitability with a Disciplined Management Process

Enhancing Profit Margins through Continuous Value Creation

Consolidated figures for SEIWA HOLDINGS Group

Index	Manufacturing Avg*1	FY2024	FY2025	FY2026
Gross Profit Rate	19.5%	29.9%	30.4%	35.6%
Operating Profit Rate	5.2%	12.0%	10.2%*2	16.4%*2

- Both gross and operating profit margins **exceed** the manufacturing industry benchmarks
- Driving continuous profitability through manufacturing expertise

Source:
*1. Calculated based on revenue, cost of sales, and operating profit of the manufacturing industry according to the Ministry of Economy, Trade and Industry's "2024 Basic Survey on Corporate Activities (FY2023)"
*2. For comparison with general companies, the OP margin of SEIWA Holdings is calculated after adding back amortization of customer-related assets and acquisition-related costs, and deducting other income and expenses

Revision to Non-GAAP Performance Measures

- To properly reflect M&A-related costs in the financial statements, we are revising the definitions of our adjusted performance measures.
- One-time gains and losses, such as gains on bargain purchases, will be added to the adjustment items so that the underlying earning power of the business becomes easier to see.
- We will introduce Adjusted Net Profit as a new performance measure to improve the continuity and comparability of profit levels.

Adjusted Operating Profit

A metric showing the continuing earnings power of the business, excluding one-time factors and accounting impacts from M&A.

< Formula >

Operating profit

+ Amortization of intangible assets arising from business combinations

+ Acquisition-related costs

± One-time gains and losses (gain on bargain purchase)

= Adjusted operating profit

Adjusted EBITDA

A metric showing the cash-generating capability of the business.

< Formula >

Adjusted operating profit

+ Depreciation

= Adjusted EBITDA

Adjusted Net Profit

A metric showing the continuing profit level, excluding one-time factors and accounting impacts from M&A.

< Formula >

Profit for the year

+ Amortization of intangible assets arising from business combinations (after tax effect)

+ Acquisition-related costs

± One-time gains and losses (gain on bargain purchase)

= Adjusted Net Profit

Comparison with Previous Disclosure

FY2026/5 actuals are also disclosed under the new definitions.

(Unit: JPY M)	FY2026/5 (Prior disclosure)	FY2026/5 (New disclosure)	Change	Notes
Revenue	**8,011**	**8,011**	**-**	-
Operating profit	**1,502**	**1,502**	**-**	-
Amortization of intangible assets arising from business combinations	**+117**	**+117**	**-**	-
Acquisition-related costs	**+42**	**+42**	**-**	-
One-time items (gain on bargain purchase, IPO-related costs, etc.)	**+79**	**▲231**	**▲310**	Excludes gain on bargain purchase
Adjusted operating profit	**1,741**	**1,430**	**▲310**	Impact of above
Depreciation	**+313**	**+313**	**-**	-
Adjusted EBITDA	**2,055**	**1,744**	**▲310**	Impact of above
Profit before tax	**1,364**	**1,364**	**-**	-
Profit for the year	**1,080**	**1,080**	**-**	-
Adjusted Net Profit	**-**	**968**	**-**	Calculated by adding and deducting the relevant adjustment items to/from profit for the year. Amortization of intangible assets is added back after applying a 65% tax-effect adjustment.

Balance Sheet Improvement Supporting Continuous M&A

IPO proceeds significantly strengthened our balance sheet, providing up to JPY 8,590 million of additional capacity for M&A investments.

(Unit: JPY M)	FY2025/5	FY2026/5	Change
Current assets	**5,006**	**8,207**	**+3,201**
Cash and cash equivalents (1)	2,903	6,170	+3,266
Non-current assets	**6,268**	**6,512**	**+243**
of which, goodwill	1,464	1,464	-
of which, intangible assets	1,470	1,297	▲172
Total assets	**11,274**	**14,719**	**3,445**
Current liabilities	**3,127**	**3,601**	**+474**
Short-term interest-bearing debt (2)	1,478	2,014	+536
Non-current liabilities	**7,304**	**4,852**	**▲2,452**
Interest-bearing debt (2)	6,406	3,936	▲2,469
Total liabilities	**10,431**	**8,453**	**▲1,978**
Net assets	**842**	**6,266**	**5,423**
Net debt	**4,981**	**▲219**	**▲5,200**
Adjusted EBITDA	1,073	2,055	+982
Net debt / Adjusted EBITDA	**4.6x**	**▲0.1x**	**-**

(1) Cash and cash equivalents as defined under IFRS. (2) Interest-bearing debt consists of borrowings, bonds, and lease liabilities.

3. Forecast for the Fiscal Year Ending May 2027

FY2027 Consolidated Earnings Forecast

20%+ YoY growth across all key metrics, excluding undisclosed M&A

(Unit: JPY M)	FY2026/5 (Actual)	FY2027/5 (Forecast)	Change
Revenue	8,011	9,800	1,788 (+22.3%)
Adjusted operating profit (1)	1,430	1,800	369 (+25.8%)
Adjusted EBITDA (1)	1,744	2,100	355 (+20.4%)
Adjusted profit for the year (1)	968	1,221	252 (+26.1%)

(1) Adjusted performance measures are calculated based on the revised adjustment methodology.
Adjusted operating profit: calculated by adding and deducting amortization of intangible assets arising from business combinations, M&A acquisition-related costs, and one-time items to operating profit.
Adjusted EBITDA: calculated by adding depreciation to adjusted operating profit.
Adjusted profit for the year: calculated by adding and deducting amortization of intangible assets arising from business combinations (after tax effect), M&A acquisition-related costs, and one-time items to profit for the year.

4. M&A

History of Business Succession

As a business-succession platform focused on the manufacturing sector, we have completed 18 M&A transactions to date

Dec 1995	Established Seiwa Kogyo Ltd. (the Company's predecessor)
Jun 2019	Toei Coating Co., Ltd.
Oct 2019	Kasuka Co., Ltd.
Jul 2020	Kosei Sangyo Co., Ltd.; Brenz Co., Ltd.
Oct 2020	Sanyo Denko Co., Ltd.
Jan 2021	**Established Seiwa Holdings Co., Ltd.**
Mar 2021	Mie Kogyo Co., Ltd.
Jun 2021	Hirano Seisakusho Co., Ltd.
Sep 2021	Tama Kako Co., Ltd.
Feb 2022	Kaken Genex Co., Ltd.
Mar 2022	JOB Co., Ltd.
Apr 2022	Nippon Keiki Co., Ltd.
Jun 2022	Kaishin Co., Ltd.; Nihon Kogyo Co., Ltd.
Jul 2023	Kanaya Toso Kogyosho Co., Ltd.
Nov 2024	Fuji Mekki Kogyosho Co., Ltd.
Jun 2025	Cationic coating business of Katsuyama Toso Kogyosho Co., Ltd.
Jun 2026	Plating business of Mitaka Kinzoku Kogyo Co., Ltd.; Oba Toso Kogyosho Co., Ltd.

M&A Investment Criteria

With 8.59 Billion JPY investment capacity, near-term M&A can be funded by available cash and loan

Fundamental Investment Policy	
Criteria	▪ Conduct EV/EBITDA valuations, primarily targeting companies with **multiples of 5x or less** ▪ **Large number of investment targets**, mainly companies with EBITDA of **100–300 million JPY**
Target	▪ Niche, competitive companies within our core focus markets (**top M&A priority**) ▪ Manufacturing-related support functions, including staffing, systems, and trading companies ▪ Also targeting fund-owned deals with justifiable valuations (e.g., succession issues → fund → our acquisition pipeline)
Investment Status	▪ Fuji Plating acquired last fiscal year, has improved its OP margin by 8.0% ▪ Within the first two months of the fiscal year ending May 2027, Seiwa Holdings completed the acquisitions of Mitaka Metal Industry Co., Ltd. and Oba Tosou Kogyosho Co., Ltd.
Financial Discipline	▪ Net Debt/EBITDA capped at 3–4x; with a net cash position expected post-listing ▪ Current investment capacity stands at 6,385-8,590 million JPY

Our Positioning in M&A

Differentiated long-term ownership model without an exit assumption

	Investable Companies	Mid- to Long-term Outlook	Synergistic Growth	Business Succession Know-how
SEIWA HOLDINGS	O Many niche SMEs capable of high profitability	O Mid- to long-term investment capability	O Proprietary platform Group synergies	O Extensive experience with SMEs in manufacturing industries
Large Manufacturers	△ Businesses must meet certain financial criteria, and focused on parent company	△ Investors' priorities shift due to deteriorating performance and changes in business strategy	△ Synergistic benefits possible if aligned with parent company	△ Rare to find companies with strong M&A track record
Investment Funds	× Businesses must meet certain financial criteria; and unfamiliar with niche markets, making it difficult to target	△ Despite management expertise, mid- to long-term support limited due to M&A or IPO exit focus	× Growth through internal means	O Extensive M&A track record with capacity to assess value and execute M&A

Our Competitive Advantages in M&A

Our strategy focuses on continuously executing synergy-driven acquisitions in specialized manufacturing niches, giving us a competitive advantage in both deal sourcing and post-merger integration (PMI).

Why sellers choose us as their M&A partner

Our CEO Nomiyama is a second-generation business owner who has personally led the turnaround and growth of his family business, so he can build **strong relationships built on trust with sellers** from a business owner's perspective.

Because we operate on a long-term ownership model, sellers feel **reassured and comfortable** entrusting us with their business.

We have extensive experience acquiring similar businesses, making it easy for sellers to **envision the post-M&A synergies**.

Why our PMI success rate is high

PMI is driven by team members who deeply understand manufacturing operations, with a proven track record of delivering sustainable growth.

Know-how accumulated through M&A of similar businesses makes it easy to **deliver integration synergies**.

By leveraging the **Seiwa Platform**, we can rapidly enhance the value of acquired companies after acquisition.

Investment criteria for M&A targets

We actively pursue acquisitions in markets with strong potential for a roll-up strategy, based on the following investment criteria.

Basic investment policy		
Target-company requirements	Financial criteria	■ Target companies are generally valued at an EV/EBITDA multiple of approximately 5x or below. ■ Primary EBITDA scope for targets: **JPY 100M to JPY 300M.**
	Share acquisition approach	■ To facilitate rapid post-merger integration (PMI) and business transformation, our basic policy is to acquire **100% ownership.** ・ However, we remain flexible depending on the circumstances of each transaction.
Investment style	Talent	■ Deploy management and operational personnel according to the needs of each portfolio company. ・ We have developed **a proprietary talent allocation system** based on accumulated succession planning expertise.
	Value-up	■ Back-office functions are standardized using our proprietary operating model, enabling highly efficient operations with lean staffing. ■ Leveraging **the Seiwa Platform**, we centralize functions that are difficult for standalone companies to maintain, reducing costs while supporting business growth.
Investment focus areas	Focus fields	■ We maintain a proprietary database based on METI's industrial classifications and identify attractive markets using our screening methodology, which evaluates profitability, growth potential, and strategic fit. ■ In addition to our existing investment areas, we will prioritize niche market leaders in manufacturing.
Investment discipline	Exit criteria	■ Our basic policy is long-term ownership. ■ Nevertheless, we continuously monitor portfolio performance and may review our investment strategy based on factors such as sustained losses while also considering employment and other stakeholder interests.

Ongoing M&A Case ①: Mitaka Kinzoku Kogyo

For further details, please refer to the following timely disclosure.
https://ssl4.eir-parts.net/doc/523A/tdnet/2830393/00.pdf

The acquired business will operate as Fuji Mekki Kogyosho's Ama Plant, strengthening production capacity to meet growing demand from the semiconductor industry.

Company	Fuji Mekki Kogyosho Co., Ltd.
Founded	January 1955
Capital	JPY 10M
Plants (Japan)	Head office plant (Inuyama City) / Kakamigahara plant
Employees	61 (as of end-May 2025)
Major Customers	Murata Machinery / CKD / Asuka / Nabeya Bi-tech Kaisha
Business	Metal surface treatment (electroless nickel plating, zinc plating, etc.)
Licenses	Chief poisonous & deleterious substances handler; Class-II pollution control manager (water-quality)

Expected Increase in Production Capacity

approx. 35%

Before the Business Transfer **After the Business Transfer**

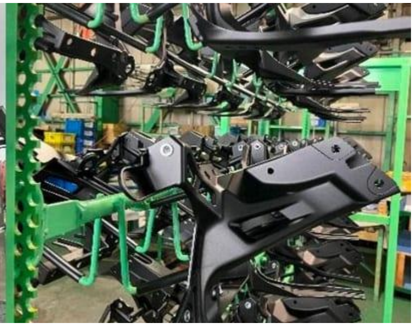
Ongoing M&A Case ②: Oba Toso Kogyosho

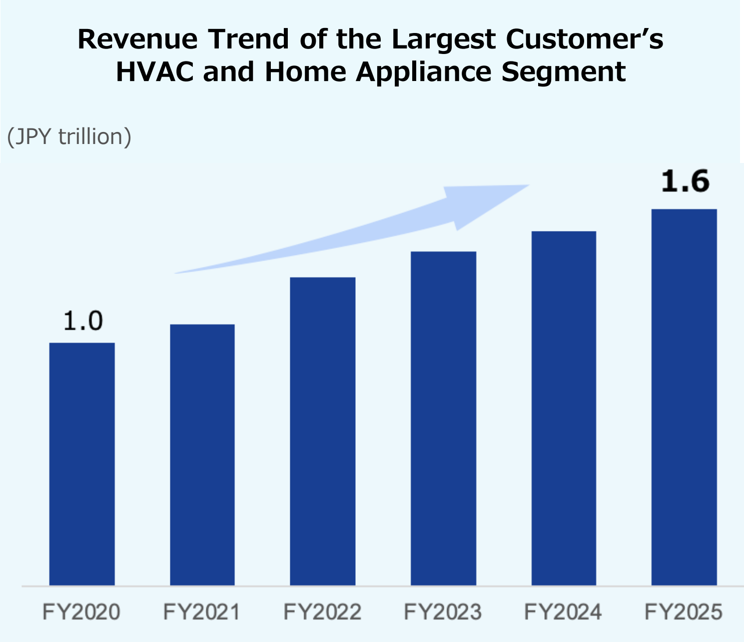
For further details, please refer to the following timely disclosure.
https://ssl4.eir-parts.net/doc/523A/tdnet/2839962/00.pdf

Acquisition of Oba Toso Kogyosho, a specialist in metal coating and assembly with comprehensive in-house coating capabilities, including cation electrodeposition coating.

Oba Toso Kogyosho will become our consolidated subsidiary.

Company	Oba Toso Kogyosho Co., Ltd.
Founded	August 1958
Capital	JPY 12M
Plant	173-1 Kamiyamanashi, Fukuroi City, Shizuoka
Employees	64 (as of end-July 2025)
Business	Metal-product coating & assembly (cation electrocoating, electrostatic coating, powder coating, heat-resistant coating, etc.)
Target products	Components for home appliances, including air conditioners, as well as motorcycles and automobiles.





Source: Segment information disclosed in the largest customer's earnings presentation.

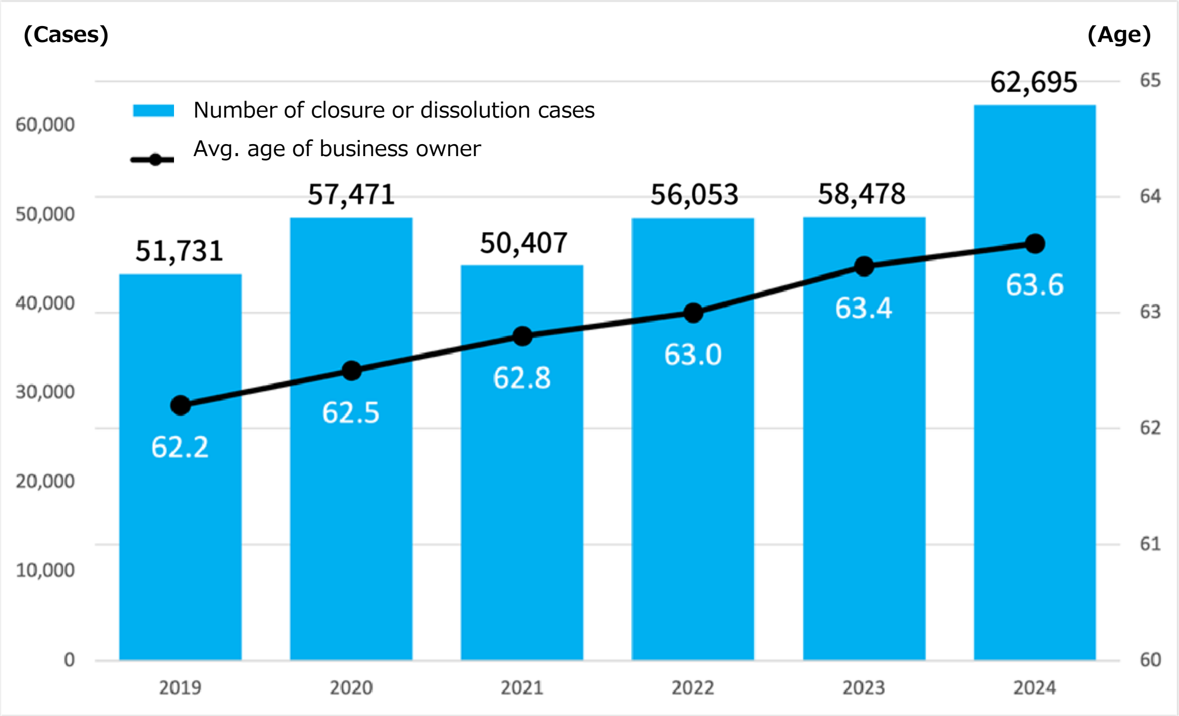
Following the acquisition, Oba Toso Kogyosho will strengthen our manufacturing footprint across both the Chubu and Kanto regions, expanding our geographic coverage and supporting future business growth.

5. Appendix

Succession Issues: Aging Management & Lack of Successors

The number of companies without successors continues to rise, while businesses capable of absorbing them remain insufficient

Number of business closures or dissolutions and average age of business owners*

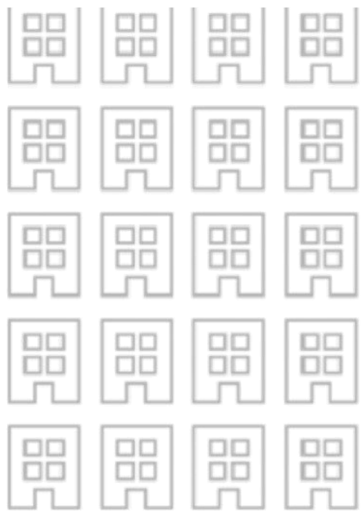


*Source: TOKYO SHOKO RESEARCH, LTD., "Survey on Suspended and Dissolved Companies"(Jan. 11, 2025), "National Survey on the Age of Company Presidents"(Feb. 17, 2025)

Number of successful M&A deals to companies closed or dissolved

# of companies closed/dissolved in 2025

62,695 cases



Ratio of business succession agreements to companies closed/dissolved

1.41%

#of business succession agreements in 2024**

883 cases

**Source: RECOF Data Co., Ltd., “Monthly Business Succession M&A Report”
Numbers are based on business succession M&A cases between Jan.–Dec. of 2024

Target Market Strategy

TAM of 132 Trillion JPY for SMEs in the manufacturing industry considering business succession

SME Financial Profile *1

Avg. sales per SME (Mfg.)
Approx. **393** M JPY

Avg. Ordinary Profit per SME (Mfg.)
Approx. **21** M JPY

×

Target Companies *2

5,729 companies
Considering business succession

19,498 companies
Anticipated business succession

335,819 companies
SMEs(Mfg.)

Our Target Market

SOM
2.2 T JPY
Serviceable Obtainable Market
5,729 companies

SMEs (Mfg.) considering business succession
1.7% of all SMEs (Mfg.) *3

SAM
7.7 T JPY
Serviceable Available Market
19,498 companies

SMEs (Mfg.) considering Business succession
+
Business handover
2.0% of all SMEs (Mfg.)
+
Alternative approaches
2.1% of all SMEs (Mfg.) *3

TAM
132 T JPY
Total Addressable Market
335,819 companies

SMEs (Mfg.) Market Size

Source: Small and Medium-sized Enterprise Agency, "Basic Survey on SMEs, 2024 Final Report (FY 2023)". (All numbers are rounded to the nearest one decimal point.)

*1. Net sales of 392.5M JPY in FY 2023 are from Table 3-2, "Net Sales per SME (by Industry Category)." Ordinary income of 20.5M JPY in FY 2023 is from Table 3-4, "Ordinary Income per SME (by Industry Category)."

*2. TAM is calculated by multiplying net sales of 392.5M JPY by 335,819 companies (Table 5-2), expressed in Trillion JPY. SAM is calculated by summing up (5.806%) categories 3 (2.001%), 5 (1.706%), and 8 (2.099%) from the following eight categories—1. family succession, 2. internal succession, 3. handover to another company, 4. handover to an individual, 5. alternative succession, 6. will not continue, 7. not yet considered succession, and 8. other—which is applied to derive 19,498 companies, which are multiplied by 392.5M JPY and expressed in Trillion JPY. SOM is calculated by applying category 5. (1.706%) resulting in 5,729 companies, which are multiplied by 392.5M JPY and expressed in Trillion JPY.

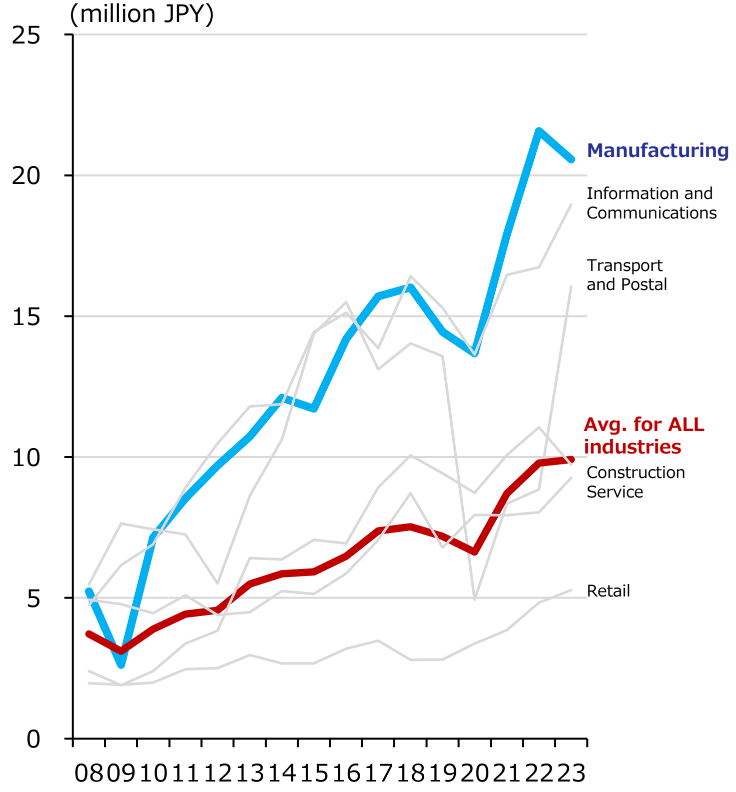
*3. The percentages stated in *2 above are rounded to one decimal place.

Reasons to Focus on Manufacturing Industries

Strong profits, minimal competition, and further growth opportunities through innovation

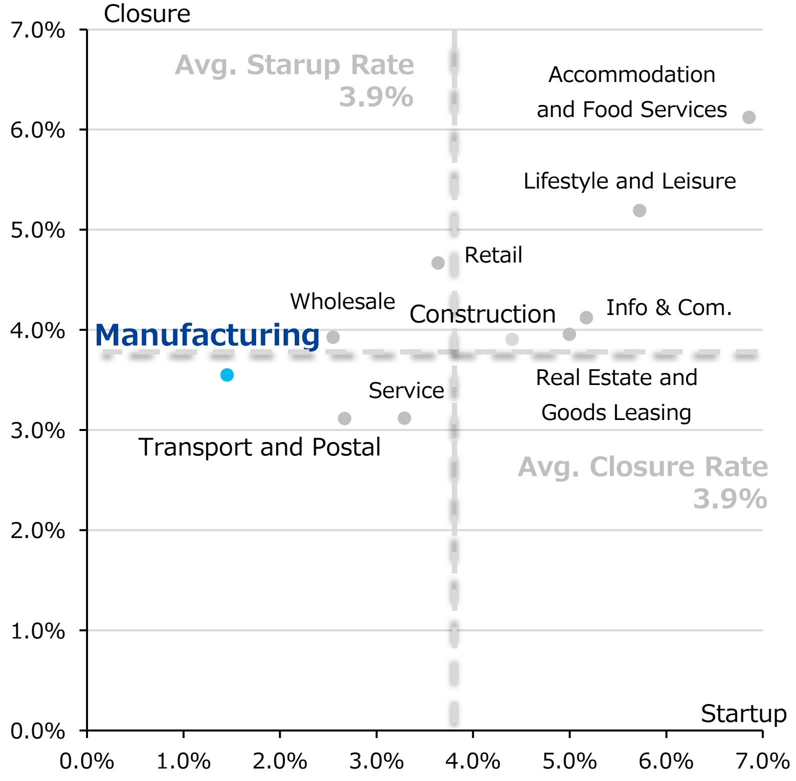
Profits per company top all industries

Ordinary profit per SME *1



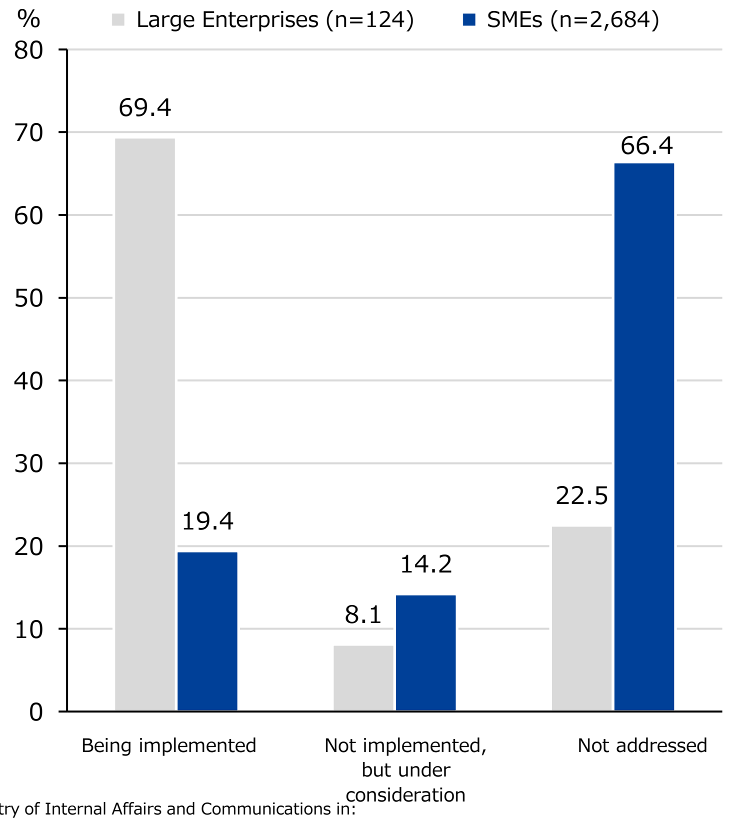
High entry barriers make it challenging for new competitors

Manufacturing startup and closure rates *2



Limited open innovation*3 initiatives vs. large enterprises

Status of open innovation initiatives *4



*1. Source: Small and Medium Enterprise Agency, "Basic Survey on SMEs, 2024 Final Report (FY2023)". Survey covers 110,000 companies selected by the Ministry of Internal Affairs and Communications in: construction, manufacturing, info & comms (internet services, media, publishing), retail, and other services, within specified capital/employee limits.
*2. Source: Ministry of Health, Labour and Welfare, "Employment Insurance Program Annual Report FY2023 (Full Version)". The start-up rate is calculated by dividing the number of newly covered establishments by the number of covered establishments at month-end, and the closure rate is calculated by dividing the number of closed establishments by the number of covered establishments at month-end.
*3. Open Innovation: An innovation approach that leverages internal and external ideas, skills, and technologies to create new products, services, businesses, or business models.
*4. Source: Mitsubishi UFJ Research and Consulting Co., Ltd., "FY2023 Survey on the State of Manufacturing Base Technologies (Report on Challenges Facing Japan's Manufacturing Industry and Policy Directions)".

Company Overview

Company Name	SEIWA HOLDINGS Co., Ltd.
Representative Director	Yuta Nomiyama
Location	2F, DP Square Nishiki, 1-8-11 Nishiki, Naka Ward, Nagoya City, Aichi Pref., Japan
Date of Establishment	January 4, 2021
Capital	100 mil JPY (As of Nov 30, 2025)
Our Business	Promotion of business succession in the manufacturing sector, and Group management through platformization
Number of Employees	Approx. 392 (entire group) *As of the end of June 2026

List of Our Group Companies

Prefecture	Company Name	Business Description
Tokyo	Tama Kako Co., Ltd.	Cationic Electrodeposition Coating
Saitama	Sanyo Denko Co., Ltd.	Manufacturing of Special Electric Wires and Cables
Chiba	Mie Kogyo Co., Ltd.	Manufacturing of Rubber Molding Machines
	Kohsei Sangyo Co., Ltd.	Sales of Civil Engineering and Bridge Products; Metal Processing
	Kaken Geneqs Co., Ltd.	Manufacturing of Gas Injection Equipment
Gunma	Kanaya Toso Co., Ltd.	Cationic Electrodeposition Coating
	Oba Toso Co., Ltd.	Semiconductor & Industrial Parts Plating
Aichi	JOB Co., Ltd.	Civil Engineering, Paving, and Painting
	Fuji Mekki Co., Ltd.	Plating Processes
Gifu	Hirano Manufacturing Co., Ltd.	Manufacturing of Marine Generator Frames
	Toei Coating Co., Ltd.	Electrogalvanizing
Mie	Seiwa Welding Co., Ltd.	Manufacturing of Civil Engineering and Bridge Products
	Nihon Kogyo Co., Ltd.	Civil Engineering
Shiga	Kaishin Inc.	Manufacturing of Transparent Plastic Cases
Osaka	Nihon Keiki Co., Ltd.	Manufacturing of Liquid Level Gauges

Management Team

Expertise in SME operations, production management, and business administration

Yuta Nomiyama **Representative Director**

Professional Background: SEIWA Welding / SEIWA HOLDINGS

Inherited struggling company and orchestrated various reforms. Recognized the undervaluation of highly skilled craftsmen and resolved to create the “world’s most comfortable factory.” Devised “network concept of local factories” to support businesses facing challenges due to lack of successors by acquiring such companies.
Author of *Textbook for Business Succession to Prevent Killing the Company* (Kizuna Publishing).

Michinari Ikawa **Director, VP**

Professional Background:
Okaya & CO., LTD. / Deloitte Tohmatsu Consulting

Over 8 years of experience in accounting and financial operations at Okaya, with expertise in taxation, disclosure documentation, capital raising, and IR. At Deloitte, led organizational and finance sector restructuring projects, and enhanced management accounting systems. Currently serves as President of Sanyo Denko Co., Ltd. in the SEIWA Group.

Eiji Kodama **Director**

Professional Background:
Director of Mitsubishi Chemical Subsidiary,
Director of Nakagawa Seitai Kakao Co., Ltd.

With a 35-year career at Mitsubishi Chemical(former Mitsubishi Plastic), assigned to affiliates and served as Executive Director overseeing manufacturing, development, sales, labor relations, general affairs, and accounting. Held roles of Director of Mfg. HQ and Plant Manager at a film manufacturer to accelerate production development.

Yusuke Miyake

Director, Full-time Audit Committee

Professional Background:
KMPG AZSA LLC

Provided accounting and audit services for publicly listed companies during 8 years at KMPG AZSA LLC.
Joined the group in July 2022 and was appointed full-time auditor in August 2022.

Tetsuya Kimura

Outside Director, Audit Committee

Professional Background:
President and CEO, Asahi Tekko Co., Ltd.
President and CEO, i Smart Technologies Co., Ltd.

Following a 21-year tenure at Toyota Motors, transitioned to Asahi Tekko in 2013. Established i Smart Technologies to implement IoT-driven DX and share Asahi Tekko’s expertise to other companies.

Yuri Hayashi

Outside Director, Audit Committee

Professional Background:
Partner at Nakamura & Hayashi Law Office

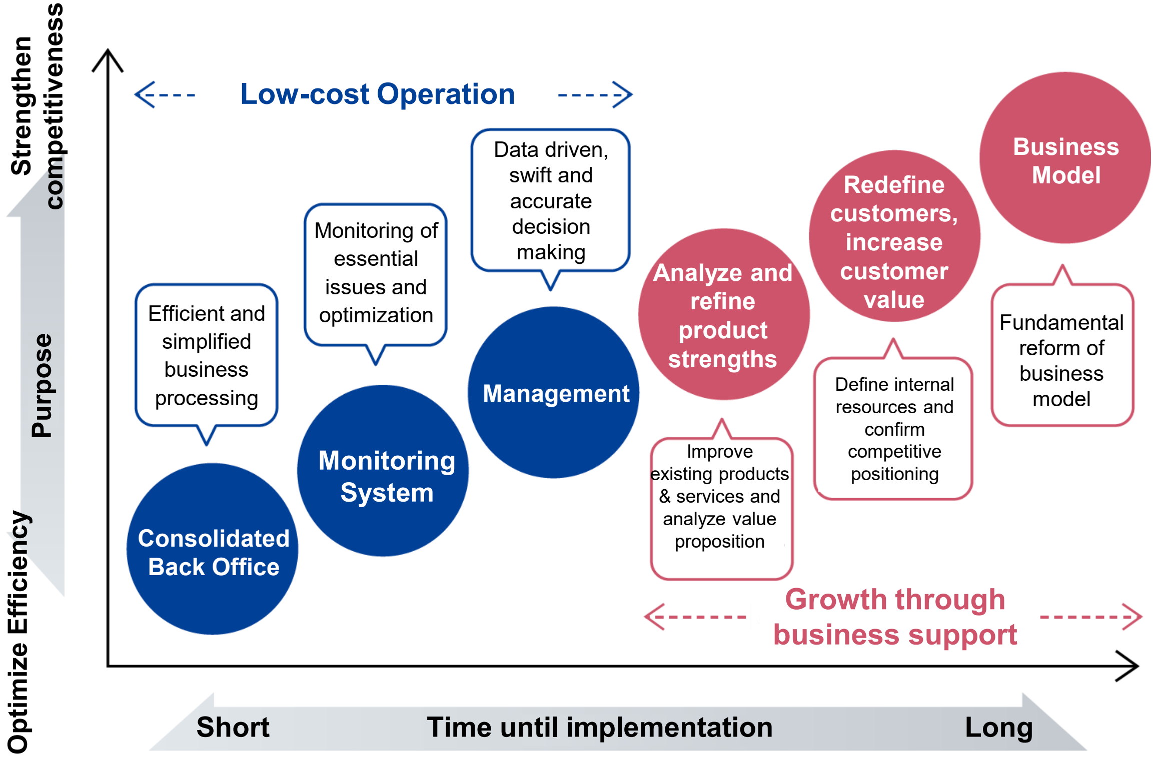
Became a partner at Nakamura & Hayashi Law Office in 2018 after registering with the Aichi Bar Association in 2007. Experienced and expert in corporate legal affairs.

Schematic Diagram of SEIWA Platform

Consolidate functions difficult for SMEs to manage independently, and provide business support

SEIWA Platform provides functions that are difficult for individual SME manufacturers

Drives low-cost operations and business growth by consolidating management and strategy at the HD



Note: "Monitoring of essential issues" refers to the ongoing review of the following four management areas:
Safety: Items monitored for business continuity using a group-wide standard format
Labor: Labor practices reviewed with monthly oversight by HQ
Quality: Stable supply ensured through complaint checklists and other tools
Budget: Timely monthly reviews with management guidance

Core Strategy to Enhance Profitability

SALES: Restructure revenue model

Develop products and business models with strong pricing power to secure fair profits

- Integrate niche, high-pricing-power companies with technology, equipment, or patents into the group
- Identify unprofitable products through detailed cost analysis
- Redefine target customers and value propositions

PROCUREMENT: Enhance direct cost ratio

Aim to procure appropriate quality at the lowest prices

- Utilize in-house procurement to cut outsourcing costs and boost profits through internal production
- Exercise volume discounts on purchases within shared industries
- Share supplier and customer information to secure lowest-cost suppliers

MANUFACTURING: Process reforms

Redefine manufacturing from the ground up to achieve greater efficiency

- Analyze manufacturing processes and eliminate unnecessary tasks, then visualize and improve
- Assess site operations to optimize staffing, reassign team members, and develop multi-skilled engineers
- Reduce labor costs through machinery and automation

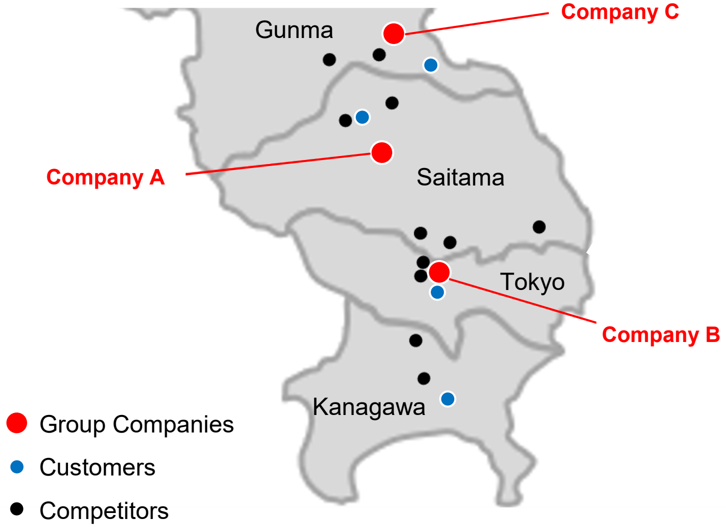
ADMIN COSTS: Reduce SG&A ratio

The SEIWA Platform enables as much support as necessary

- Use group-wide price benchmarking to secure lowest costs for common purchases, leases, and insurance
- Cut management costs by developing managers to oversee multiple companies
- Improve efficiency by consolidating HR, general affairs and accounting functions

Examples of Revenue Growth

Occupancy of Cation ED in Kanto Area

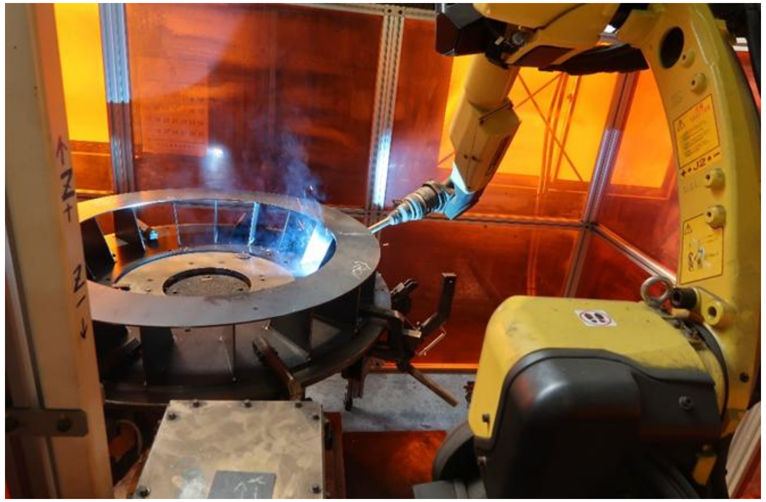


Highlights

- Built **competitive advantage** by **focusing on key areas**
- Enabled highly **replicable** PMI* by sharing know-how and reducing costs through joint procurement
- Selected appropriate plants according to factory line characteristics and customer proximity

*PMI: Abbreviation for *Post-Merger Integration*, referring to the integration activities carried out after an M&A deal is completed

Boost Profits by Optimizing Procurement



※Image of robotization

Highlights

- Increased sales by 21 million JPY by establishing a group-wide **joint manufacturing system** (FY May 2025)
- By standardizing suppliers, the material cost ratio of Group Company A was **reduced by 7.2%** compared to FY2024 (May 2025 results)
- Introduced robots via existing suppliers using group automation know-how, boosting productivity of target SKUs **by 2.1 times** (7 to 15 units/day)

Ongoing PMI Projects

Highlights

- Conducted defect rate analysis and sorted products inline, reducing 2 operator-days
- Improved efficiency by creating a dedicated preprocessing line to eliminate nighttime operations
- Appointed 2 in-house members capable of operating multiple lines, eliminating 2 operator-days
- Automated the line, reducing 1 operator-day

Business Succession Procedure

Use business succession checklist to drive deals around the following key items

M&A

- Target ”manufacturing" and related businesses
- Target businesses with competitive advantages (technology, equipment, patents, location, etc.)
- Target companies with an EV/EBITDA multiple of 5x or less
- Ensure values and outlook align with the owner’s
- Fits our target market

Due Diligence

- Assess roles of owner and key personnel, and identify future management team
- Review average salaries, vacation days, management positions, and dependency on specific employees
- Conduct market analysis of the target business (proprietary method)
- Assess whether the business can operate on its own
- Evaluate the source and sustainability of competitive advantages
- Assess future investment requirements and withdrawal cost

PMI

- Implement safety measures and create safer working environments aiming for zero accidents
- Select successors using a tailored process
- Execute back-office tasks efficiently with minimal staff using shared formats
- Utilize the proprietary platform for problem-solving and growth support
- Dispatch management

Building a Scalable Structure for Long-Term Growth

System to Sustain High-Quality Management

Group Management Structure (Operations)

Management Highlights and Future Leadership Pipeline

1. Leadership of Core Group Companies

Automation Specialist in Leading Mfg. Company

13 years leading "Special Projects" in production technology; recipient of President's Technology Award

Serial M&A Manufacturing Director with Extensive Management Experience

Supported company growth from inception; former CEO of multiple group companies; key contributor to group management structure

B2C Manufacturing Director with High-Value Brands

Contributed to company growth from inception by building the organization, assisting sales, and establishing back-office operations

Expert in Launching Overseas Factories for Prime Mfg. Company

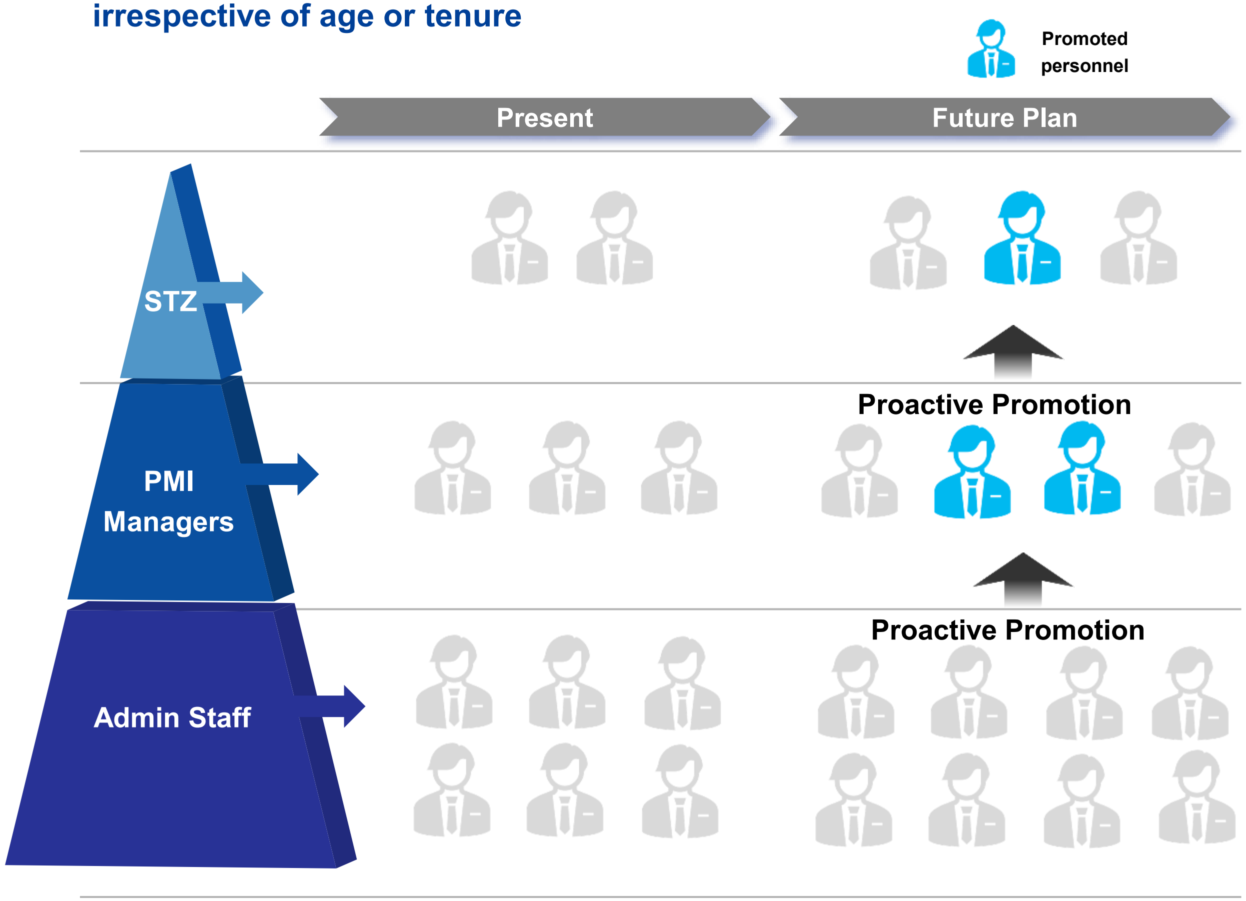
Established Vietnam factory; recipient of Best Supplier Award

2. Group Management Talent Pool

3. Mid- to Long-Term Development of In-House Talent

Corporate Management System

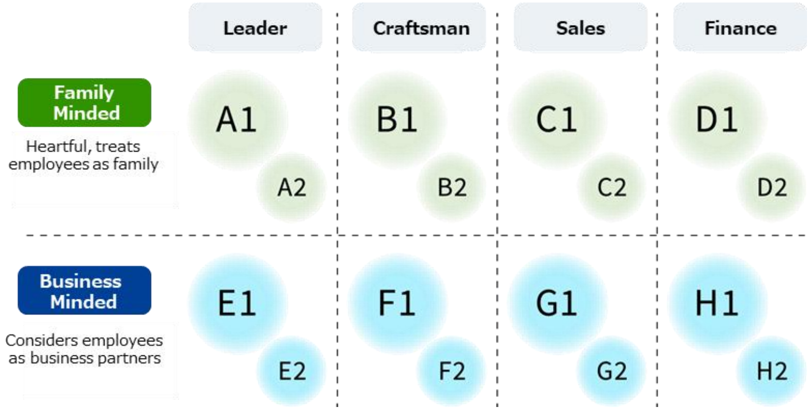
Strengthen management structure by expanding roles based on ability, irrespective of age or tenure



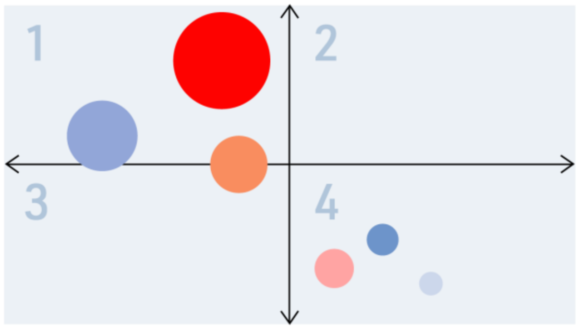
Original HR Optimization System

Improved PMI Success Rate Via Selection Table

■ Owner Type Matrix



■Key Personnel Matrix



■ Successor Skills Table

Scenarios \ Skill Set	Business Knowledge	People Skill	Manu-facturing	Manage-ment	Values
Retaining ownership	◎	○	○	◎	○
Internal Promotion	◎	△	○	△	△
Selected from Seiwa HD	○	○	◎	◎	◎
Hiring of Suitable Management	△	◎	○	◎	△

HR Optimization System

Key Point: Optimized system ensures better HR alignment

1. Assess PMI challenges during due diligence and consider proceeding accordingly
2. Select personnel with higher success rate based on established patterns
3. Monitor progress continuously and implement appropriate counter measures

Exit Criteria

Exit Triggers

1	2	3	4	5
Operating loss of 100 M JPY or more, with limited prospect for recovery	**Losses in 2 consecutive years** or **losses in 2 of last 3 years**	**OP loss in 2 out of 3 years,** after CaPex	**High likelihood of deteriorating business environment**	**Changes in key markets**

Note: The same criteria apply to restructuring projects after initial planned deficit period ends.

Exit Method

Method	Criteria	Action and Considerations
Absorption	The Board of Directors concludes that an internal group merger will resolve structural issues and provide greater economic rationality than a sale	■ Divest non-core businesses and consolidate plants as needed ■ Establish a structure post-merger that maximizes contributions to group profits
Sale	The Board of Directors finds selling of the business more economical than business continuity	■ If layoffs are required by the buyer, retain employment within the group wherever possible
Closing of business	The Board of Directors determines that liquidation is more economically reasonable than a merger or sale, or that both senarios are unfeasible	■ Produce inventory with consideration for productivity of key customers and suppliers (as much as possible) ■ Inform customers of withdrawal and propose alternative procurement options at least 6 months in advance. Aim to retain employment within the group and assist other employees with reemployment

Business Risks and Corresponding Response Policies

Following Items are Listed as Risk Factors for Our Managing Group

	Management Risk	Occurrence	Impact	Company's Response Policies
1	Failure to meet post-succession plan	Low	Large	■ Utilize checklists and know-how during investment ■ Address unexpected situations by enhancing and leveraging SEIWA Platform
2	Investment-related troubles, reputational damage	Low	Large	■ Appoint external experts and outside directors with strong expertise in relevant fields ■ Strengthen legal compliance items during DD
3	Risk of losing key management and technical personnel	Low	Large	■ Encourage mutual understanding through dialogue ■ Foster consensus around target goals, evaluation method and management approaches
4	Risk of goodwill impairment	Moderate	Large	■ Conduct thorough hearings with engineers and industry stakeholders during DD ■ Utilize SEIWA Platform compensate for weaknesses and ensure reliable business plans

	Business Risk	Occurrence	Impact	Company's Response Policies
1	Quality issues, market recalls, etc.	Low	Large	■ Strict adherence to standard operating procedures ■ Formalize customer contracts and mutual specification approvals
2	Loss of competitive edge from new services and products by competitors	Low	Large	■ Management takes lead role in conducting customer hearings ■ Implement product development tailored to the market
3	Marketability decline due to environmental trends	Moderate	Large	■ Develop environmentally friendly products

Vision of Future Growth

Three Essential Pillars

1 Enhance profitability through disciplined management

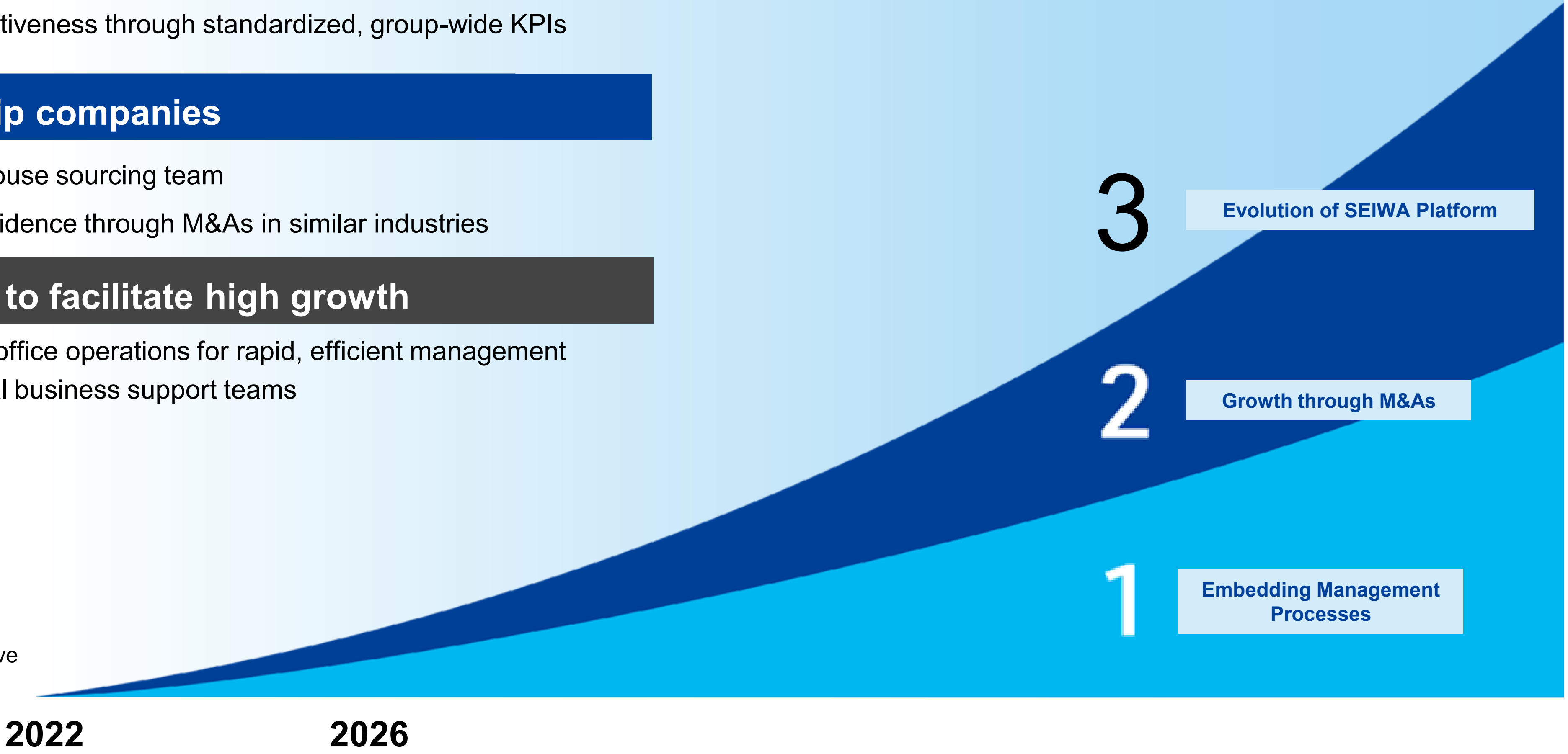
- Instill a management approach focused on profitability
- Enhance competitiveness through standardized, group-wide KPIs

2 M&A of blue-chip companies

- Establish an in-house sourcing team
- Foster seller confidence through M&As in similar industries

3 Evolution of SP to facilitate high growth

- Streamline back-office operations for rapid, efficient management
- Form professional business support teams



*Note: The figures shown are illustrative and may differ from actual results

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