



September 27, 2024

To All

Company name: ALPS ALPINE CO., LTD.  
Representative: Hideo Izumi,  
Representative Director, President & CEO  
(Code No.: 6770 TSE Prime Market)  
Inquiries to: Atsushi Suzuki, Senior Manager  
Corporate Communications Dept.  
TEL +81-50-3613-1581 (IR Direct)

**(Progress of Disclosure Matters) Notice Concerning Conclusion of Absorption-Type Demerger Agreement for the Transfer of Power Inductor Business to Delta Electronics (Japan), Inc.**

As announced on August 29, 2024, on the same day, the Company has decided to transfer the business to the Delta Electronics Inc. group (hereinafter referred to as the "Delta Group") and has executed a final agreement (hereinafter referred to as the "Final Agreement") regarding the transfer (succession) of the business. (Chairman and CEO: Ping Cheng), Taipei, Taiwan (hereinafter referred to as the "Transfer").

In order to execute the transfer (succession) of such business in accordance with the definitive agreement, we will transfer (succeed) our business related to the manufacture, sales, research and development of power inductors and powdered materials used in the manufacture of power inductors, Licalloy™ and other magnetic materials, excluding our E-core business and toroidal core manufacturing and sales business to Delta Electronics [Japan], Inc. an affiliate of Delta Electronics, Inc. (Office: Minato-ku, Tokyo; Representative Director: CHIENHAO HUA) and succeed to the business (hereinafter referred to as the "Absorption-type Split").

With respect to the above, the Company's Board of Directors resolved the Transaction at its meeting held today and concluded an absorption-type demerger agreement (the "Agreement") with Delta Electronics (Japan) Inc. for the Transaction. The Company hereby announces that it has entered into an absorption-type demerger agreement (the "Agreement") with Delta Electronics, as described below.

This absorption-type demerger is a simplified absorption-type demerger as defined in Article 784, Paragraph 2 of the Companies Act, and is expected to result in an increase or decrease in total assets of the Company of less than 10% of its net assets at the end of the immediately preceding fiscal year, and an increase or decrease in net sales of the Company of less than 3% of its net sales in the immediately preceding fiscal year. Since this is a corporate divestiture, some disclosure items and details are omitted.

1. Background and Objectives of the Absorption-Type Company Split

In our efforts to enhance corporate value, we aim to achieve a P/B ratio of 1x or more by FY2027 (fiscal year ending March 31, 2028), the period of our third medium-term management plan, which will begin in the next fiscal year (fiscal year ending March 31, 2026). In this context, as part of our growth strategy to transform our

business portfolio, we are promoting management efficiency by sorting out focused businesses from non-focused businesses in order to invest management resources in a concentrated manner.

Our power inductor business has secured a position in a specific market based on our proprietary magnetic technology. However, with the existence of many electronic component manufacturers in this component business area, we considered that it would be difficult to capture future growth in the global market as a whole with our proprietary technology alone.

In addition, we have determined that in our medium- to long-term direction, synergies with other technologies and products are weak and that we must aim to maximize growth opportunities by maximizing the use of our proprietary magnetic technology under a new partner.

In selecting a partner, we determined that Delta Group, which has many business transactions with us, has built a long-term relationship of trust with us, and is an industry leader in power supply-related products, would be the best choice to address the data center demand, which is expected to grow significantly in the future. This will be the greatest attraction to us, which can maximize the use of the business and magnetic materials and enjoy economies of scale, and Delta Group, which has been focusing on the unique performance of the magnetic materials.

We are confident that we will be able to improve the efficiency of our capital and increase our corporate value by investing the funds acquired through this business transfer in areas such as the areas we will focus on strengthening in the electronic components field.

## 2. Specific procedures, etc. for this business transfer

Based on the Agreement with Delta Electronics signed today, the power inductor business of ours will be transferred to Delta Electronics through an absorption-type company split with an effective date of January 6, 2025, with the assets and other assets related to the business to be transferred belonging to us.

Other agreements related to this business transfer are scheduled to be executed around the time of the closing of this business transfer (January 2025).

## 3. Schedule of the Absorption-type Split

(1) Date of resolution by the Board of Directors	August 29, 2024
(2) Date of the contract	August 29, 2024
(3) Date of conclusion of this Agreement	September 27, 2024
(4) Effective date of the Absorption-type Split	January 6, 2025

(Note) Since the Company Splits are a simple absorption-type demerger as stipulated in Article 784, Paragraph 2 of the Companies Act, the Company will not convene a general meeting of shareholders to seek approval of the absorption-type split agreement.

## 4. Overview of the Absorption-type Split

### (1) Schedule

Please refer to "3. Schedule of the Transaction" above.

### (2) Method

An absorption-type demerger in which the Company will be the demerged company and Delta Electronics

will be the successor company.

(3) Allotment of shares

The Company plans to receive US\$66.7mil (approx. 9.7 billion yen) from Delta Electronics as consideration for the absorption-type demerger, which is approximately US\$71mil (approx. 103billion yen (converted to foreign exchange as of September 27)) less US\$4.3mil (approx. 0.6 billion yen) for the transfer price of facilities in Korea.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights

No applicable matters.

(5) Capital increase or decrease.

There is no change in capital.

(6) Rights and obligations taken over by the succeeding company.

Delta Electronics will succeed to the assets, contractual status, intellectual property rights, and other rights and obligations associated with the Succeeded Businesses in accordance with the provisions of this Agreement.

(7) Prospect of obligation performance

The Company has determined that there will be no problems with the prospects for Delta Electronics' performance of its obligations after the effective date of the Absorption-type Split. Overview of the companies involved in the Company splits.

5. Approach to the calculation of the allotment of shares for the relevant reorganization.

Company Name	ALPS ALPINE CO., LTD.
Location	1-7, Yukigaya-otsukamachi, Ota-ku, Tokyo,145-8501, Japan
Title and name of representative	Representative Director, President & CEO Hideo Izumi
Business	Research, development, manufacturing and sales of various electronic components and devices in the areas of automotive parts, mobile devices, energy, IoT and industry
Capital	38,730 billion of Yen
Date of establishment	November 1, 1948
Number of shares issued	205,582,943 (excluding treasury stock13,698,507)
Settlement term	March 31
Major shareholders and their shareholding ratios (As of March 31, 2024)	The Master Trust Bank of Japan, Ltd (Trust account):20.11% Custody Bank of Japan, Ltd. (Trust account):8.36% S-GRANT.Co.,Ltd:7.02% NORTHEN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT:2.38% AYA NOMURA:2.33% STATE STREET BANK AND TRUST COMPANY 505103:1.67% TAIJU LIFE INSURANCE COMPANY, LTD.:1.63% STATE STREET BANK AND TRUST COMPANY 505001:1.56% SSBTC CLIENT OMNIBUS ACCOUNT:1.36%

Financial position and operating results of the absorbed company (consolidated)

(Millions of Yen)

Period	Fiscal year ended. March 31, 2022	Fiscal year ended. March 31, 2023	Fiscal year ended. March 31, 2024
Net Assets	425,308	399,782	392,824
Total Assets	743,520	736,997	753,989
Net Assets per Share (Yen)	1,879.42	1,937.47	1,902.43
Net Sales	802,854	933,114	964,090
Operating Profit	35,208	33,595	19,711
Ordinary Profit	40,286	34,940	24,809
Net Profit (Loss) Attributable to Owners of Parent (-) (Yen)	22,960	11,470	-29,814
Net Profit (Loss) per Share (-) (Yen)	110.82	55.77	-145.04

6. Absorption-Type Split Successor Company

Company Name	DELTA ELECTRONICS (JAPAN), INC.
Location	2-1-14 Minato-ku Shibadaimon, Tokyo 105-0012, Japan
Title and name of representative	Representative: CHIENHAO HUA
Business	Import, sales and export of information and telecommunications equipment and components, industrial automation business, energy infrastructure business, renewable energy-related business and solution business-related
Capital	280 million of Yen
Date of Establishment	June, 1991
Number of shares issued	5,600
Settlement term	December 31
Major Shareholders and Shareholding Ratio	DELTA ELECTRONICS INC. 100%

Financial position and operating results of the successor company in the absorption-type demerger

(Millions of Yen)

Period	December 31,2021	December 31,2022	December 31,2023
Net Assets	2,978	3,611	5,051
Total Assets	12,970	14,799	15,062
Net Assets per Share (Yen)	531,821	644,958	902,029
Net Sales	23,354	20,106	23,295
Operating Profit	574	423	669

Net Profit (Loss) Attributable to Owners of Parent (-) (Yen)	1,396,620,626	582,610,768	513,304,182
Net Profit (Loss) per Share (-) (Yen)	249,397	104,038	91,661

7. Overview of the business to be split.

Business related to research and development, manufacturing and sales of power inductors, including products for the next-generation semiconductor memory market such as DDR (Double Data Rate) DIMM (Dual Inline Memory Module), and magnetic materials used for such products.

I. Name of the reportable segment in which the business to be transferred is included.

Sensor & Communication Segment

II. Operating results of the subject business in the immediately preceding fiscal year (Millions of Yen)

	Power Inductor Dept. (a)	Financial year ended March 31, 2024 (b)	Ratio (a/b)
Net Sales	2,988	964,090	0.3%
Gross Profit	1,073	166,072	0.6%
Operation Income	274	19,711	1.4%

III. Asset items and amounts in the subject project (as of the end of March 2024) (Millions of Yen)

Assets	
Item	Book value
Inventories	379
Non-current asset	1,146
Total	1,525

8. Situation after the Absorption-type Split

There will be no change in the name, location, representative titles and names, business activities, capital stock, or fiscal year end of the Company and Delta Electronics as a result of this absorption-type demerger.

9. Future Outlook

In connection with this agreement, the Company expects to record an extraordinary gain in its consolidated financial statements for the fiscal year ending March 31, 2025, but the amount is currently under scrutiny. We will promptly announce any matters that should be publicly announced.

-End of News Release-