



May 20, 2024

Seibu Giken Co., Ltd.
Fumio Kuma, Representative Director, Executive President
(Ticker code: 6223, TSE Standard)
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Notice of Capital Alliance with KUMYOUNG ENG CO., LTD.

Seibu Giken Co., Ltd. (hereinafter "Seibu Giken") hereby announces that its Board of Directors has resolved at a meeting held today to acquire 5% of the issued and outstanding shares of KUMYOUNG ENG CO., LTD. (Head Office: Yuseong-gu, Daejeon, Republic of Korea; Representative Director: Choi Seung Ho; hereinafter the "Company") through a share transfer (hereinafter the "Share Acquisition") and enter into a share transfer agreement (hereinafter the "Agreement") between Seibu Giken and the Company's stockholder in order to form a capital alliance with the Company, as follows:

1. Purpose and reason for the Share Acquisition

Seibu Giken has been engaged in the worldwide business of manufacturing and selling equipment and devices essential for the production process of lithium-ion batteries for EV. One of our growth strategies defined in the "Medium-Term Management Plan 2024-2026" is to expand our market share in the domestic and overseas battery industries through proposing and providing total solutions (market-in approach) on top of manufacturing and selling module/equipment (product-out approach).

On the other hand, the Company is developing its business not only for major South Korean battery manufacturers, but also for battery manufacturers in North America and Europe, with their subsidiaries and local construction capabilities in South Korea, North America, Europe and Asia. The Company has a proven track record in construction works on dry rooms and clean rooms essential for manufacturing lithium-ion batteries. In recent years, working for lithium-ion battery gigafactory cases, the Company has developed a strong local presence in North America.

Since around 2020, Seibu Giken has worked with the Company and has grown our customer base that otherwise were difficult for Seibu Giken to reach. Seibu Giken believes that this capital alliance will enable us to further strengthen our partnership with the Company and expand our share in the overseas market for lithium-ion battery gigafactories. Seibu Giken continues striving to achieve its medium-term goals.

2. Details of the Share Acquisition

Type of the Company's shares to be acquired	Common stock
The number of the Company's shares to be acquired	25,000 shares

3. Overview of the Company (as of May 20, 2024)

(1) Trade Name	KUMYOUNG ENG CO., LTD.
(2) Address	385 Expo-ro, Yuseong-gu, Daejeon, Republic of Korea
(3) Representative	Representative Director: Choi Seung Ho
(4) Main Business	<ul style="list-style-type: none">● Construction of machinery and equipment● Manufacture of constant temperature and humidity chambers
(5) Capital	5 bn South Korean Won (Appx. 550 mn JPY)
(6) Date of Establishment	August 21, 2007
(7) Relationship with Seibu Giken	Not applicable to Seibu Giken's related parties

4. Timeline

(1) Date of Seibu Giken's Board resolution	May 20, 2024
(2) Date of the Agreement	June 17, 2024
(3) Planned execution date of the Share Acquisition	June 17, 2024

5. Future outlook

Seibu Giken expects the impact of the Share Acquisition on our consolidated financial results for the fiscal year ending December 31, 2024 ("FY12/24") to be minimal at this moment. However, Seibu Giken believes that the Share Acquisition contributes to our corporate value improvement over the medium to long term. A further announcement will immediately be made in the event of any circumstances that may affect our operating results, such as future progress in our initiatives.

Note:

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