

Acquisition of
Nikken Sangyo Co., Ltd.



**SERENDIP
HOLDINGS**

SERENDIP HOLDINGS CO., LTD.

Security Code: 7318

June 11, 2026

Nikken Sangyo Co., Ltd. Overview



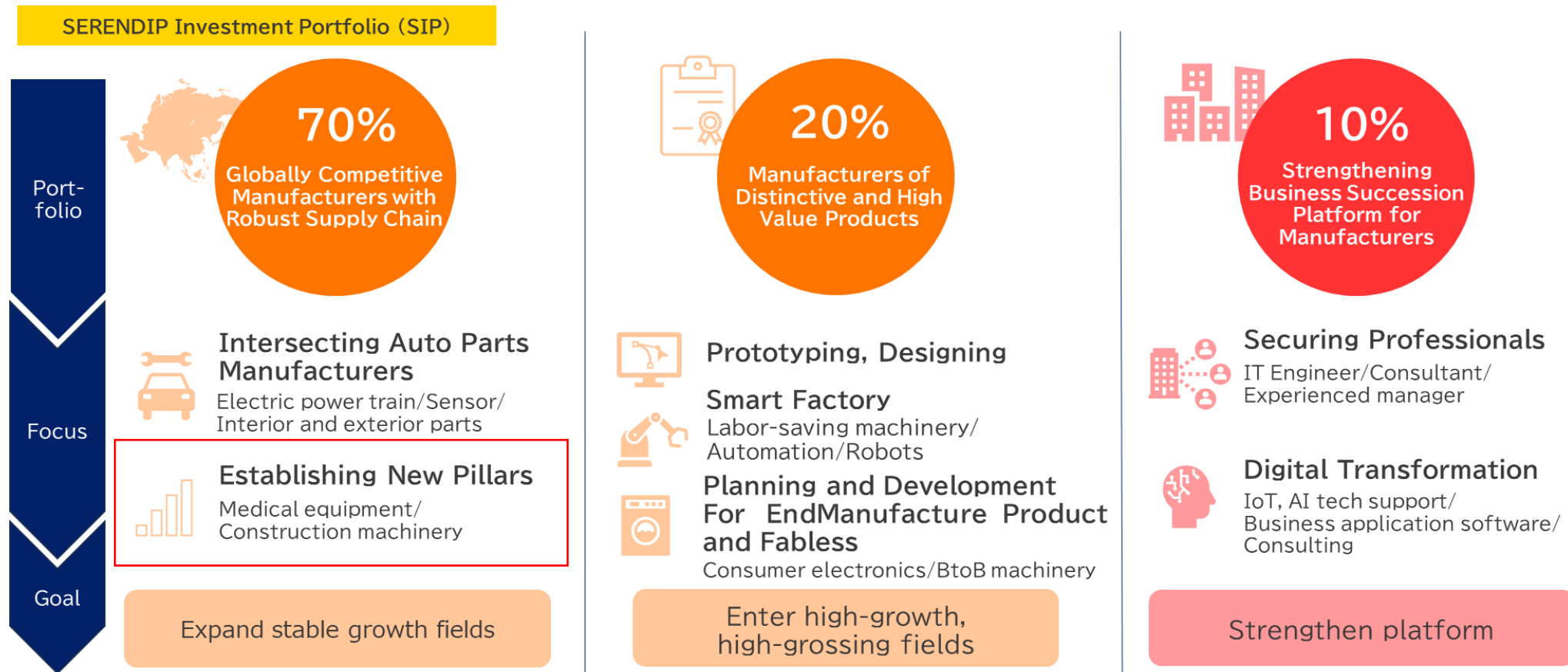
Nikken Sangyo is a long-established company with over 75 years of operating history, engaged in both the trading of construction machinery components and the processing and manufacture of industrial products, including PVC-lined steel pipe. In its trading business, the company sells construction machinery parts procured mainly from Korea and elsewhere in Asia to major domestic OEMs. In its processing business, in addition to the manufacture and sales of lined steel pipe for water supply and drainage, it processes and sells construction machinery parts primarily for hydraulic excavator and crane manufacturers.

Nikken Sangyo Co., Ltd. Overview

Representative	President & Representative Director Takehiro Hamaguchi
Head office	2-1-9 Nishi-ku, Osaka City, Osaka
Established	June 1946 (founded March 1939)
Employees	78 employees (as of end of March 2025)
Net sales	9,524 million yen (for the fiscal year ended March 2026)
Business	<ul style="list-style-type: none">- Manufacture and sales of lined steel pipe for water supply and drainage- Manufacture and sales of construction machinery parts, primarily for hydraulic excavator and crane manufacturers
Major customers	Sekisui Chemical Co., Ltd., Kobelco Construction Machinery Co., Ltd., Komatsu Ltd., Hitachi Construction Machinery Tierra Co., Ltd., Sumitomo Construction Machinery Co., Ltd., Tadano Ltd., etc.


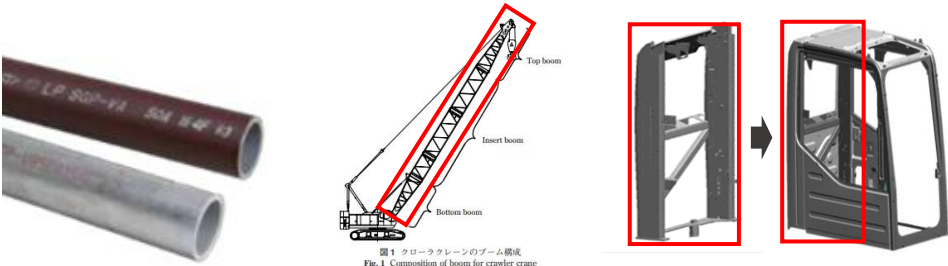

Expansion into Adjacent Markets | Entry into the construction machinery domain

- Serendip Investment Portfolio (SIP) is the basic investment policy for continuously executing investments in areas generating stable earnings and in areas with high volatility but high growth and profit margins
- A growth domain adjacent to the automotive industry domain that can leverage commonalities in structural components and processing technologies: **expansion into the construction machinery field**



Nikken Sangyo's Business Strengths

- By addressing customers' supply-chain challenges and serving as a reliable supply partner, Nikken Sangyo has **achieved strong profitability**
- In the construction machinery industry with large supply-demand fluctuations, through the integration of supply capability, reproducibility, and high efficiency, building a hard-to-replace supply model

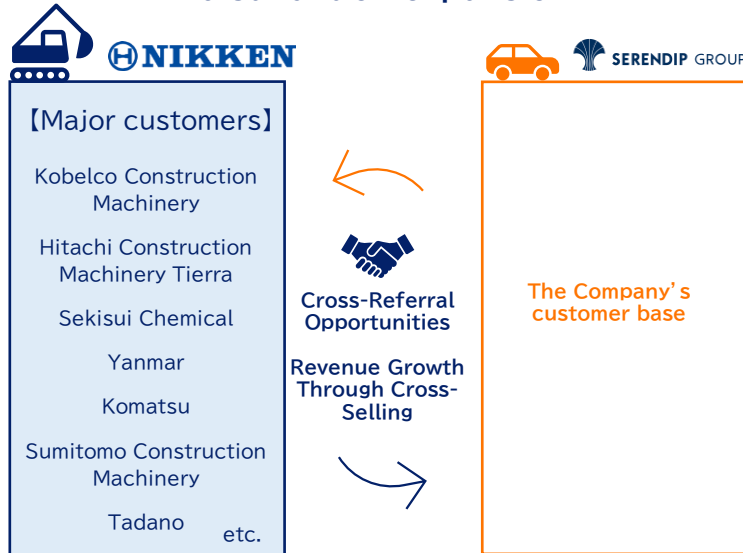
Key functions	Supply Chain Capability that Mitigates Demand Volatility (Trading Function)	Highly Efficient Manufacturing and Processing Capability (Processing Function)
Business	<ul style="list-style-type: none"> Sales of construction machinery parts to major domestic OEMs, imported primarily from Korea and other Asian countries 	<ul style="list-style-type: none"> Processing of PVC-lined steel pipe for water pipes Processing of construction machinery parts for major domestic OEMs
Product images	 <p>Cabin Slewing bearing Excavator Crawler frame</p>	 <p>PVC-lined steel pipe Crane boom Cabin frame</p> <p><small>図1 クローラクレーンのブーム構成 Fig.1 Composition of boom for crawler crane</small></p>
Strengths	<ul style="list-style-type: none"> ✓ Inventory control that absorbs supply-demand fluctuations ✓ Close customer relationships backed by long-term transactions (needs assessment and proposal capability) ✓ Procurement capability to select and leverage optimal suppliers 	<div data-bbox="1200 1076 1467 1343" style="text-align: center;"> <p>A Highly Trusted and Strategic Partner</p>  </div> <ul style="list-style-type: none"> ✓ Strategic position as a partner supporting customers' stable procurement ✓ Ability to replicate and optimize customer manufacturing processes ✓ Highly efficient production system through automation and labor saving

Expected Business Synergy ① | Revenue Growth Through Expanded Sales Channels and Customer Access

- Expanding into untapped areas by mutually leveraging customer bases
- Integrate customer bases, procurement, and locations to expand distribution and sales areas and grow transactions

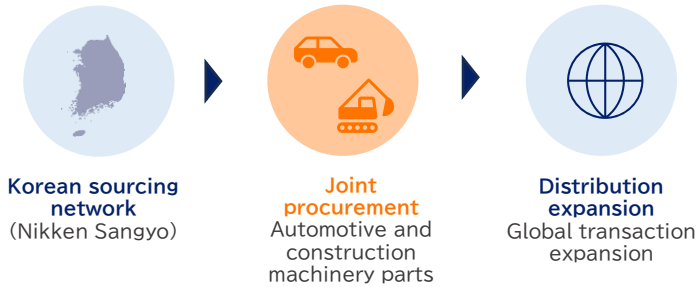
Cross-Selling Across Automotive and Construction Machinery OEMs

Building on a track record of and trust from direct transactions
Accelerate cross-group customer and distribution expansion



Expansion into New Customer Segments

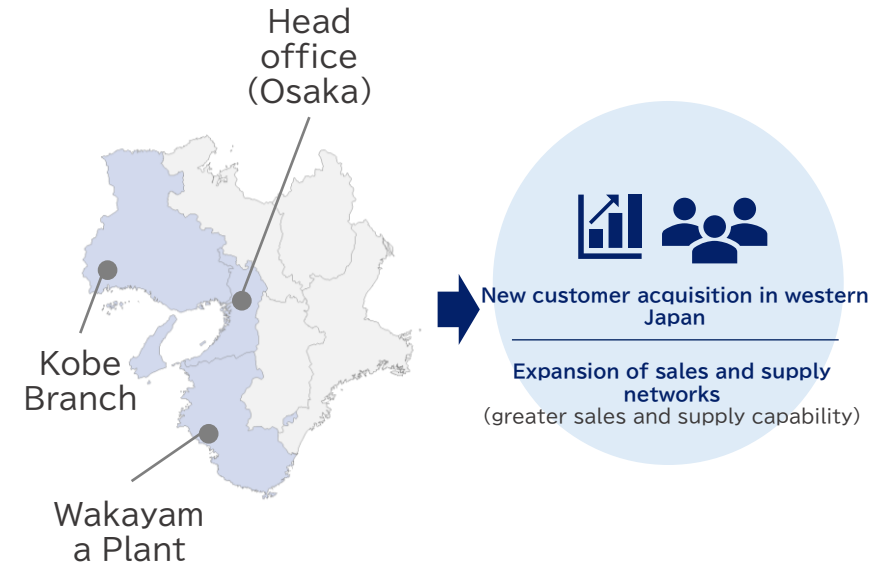
Joint use of the Korean sourcing model



- ✓ Leverage strong relationships and discernment with Korean suppliers to strengthen procurement and expand transactions
- ✓ Distribution expansion using the Group's overseas locations

Strengthen Group-wide procurement

Leveraging Kansai-region locations



Expansion of sales area

Expected Business Synergy ②

Margin Expansion Through Quality Improvement and Productivity Enhancement

- Leverage the Group's automotive-industry expertise to enhance quality
- Digital Transformation and Operational Excellence Initiatives to drive visualization and automation, and maximize profit through productivity gains

Sharing manufacturing expertise

Share manufacturing expertise cultivated in the automotive industry



Application at Nikken Sangyo



Quality enhancement



Profit Growth Through higher-value orders

Operational Visibility Through Digital Transformation

Drive continuous improvement through data analytics and digitalization

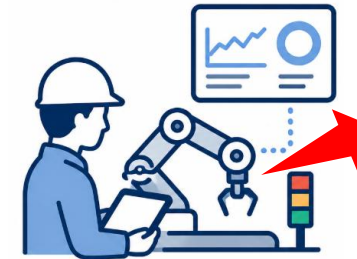


HiConnex Implementation Support

- ✓ Improve operational visibility through real-time production and quality data
- ✓ Identify bottleneck processes and quantify improvement impact
- ✓ Continuously verify the effect of improvement measures

Further automation and labor saving through collaborative robots

Promote automation and labor saving using collaborative robots



Collaborative robot (SRX) deployment support

※SRX is the abbreviation for Serendip Robocross, a Group company.

- ✓ Improve efficiency and labor by automating manual processes
- ✓ Raise productivity through more stable operations
- ✓ Reduced quality variation and enhance traceability

Management Synergies③

- The Group's management talent and experts provide on-site support to strengthen Nikken Sangyo's management foundation and drive further growth



Structure after joining the Group



Scheduled to Join Nikken Sangyo as Director & CFO

Hiroki Mizuta

- Ranked No. 2 Nationwide in Sales Performance at a then TSE First Section-listed company
- Launched a sales consulting business and served as director at an accounting consulting firm
- Currently engaged in investment deals such as Mikawa Kosan at the Company, having led numerous **business Due Diligence and Post-Merger Integration efforts**

Toward building a robust management foundation and further growth

<p>Enhancing Corporate Governance and Management Infrastructure</p>	<p>Strengthening Administrative and Corporate Functions</p>	<p>Accelerate business growth by strengthening organizational sales capability and sales management</p>	<p>Digital Transformation and Operational Excellence Enhancing Productivity and Profitability</p>
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M&A Earnings Contribution Forecast

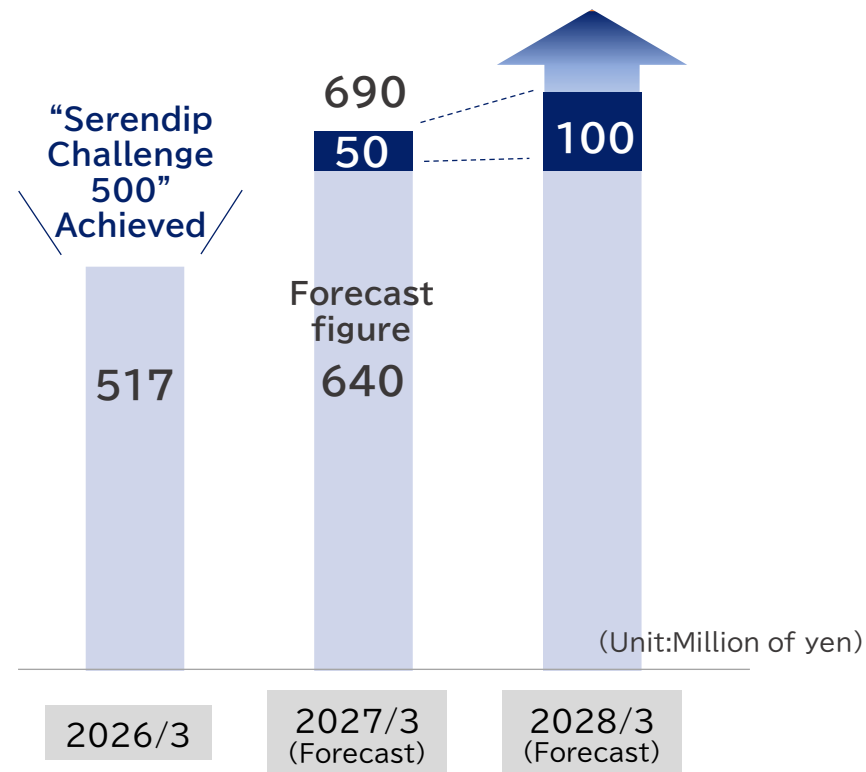
- Following the acquisition, **six months of Nikken Sangyo's earnings will be consolidated in this fiscal year**
- Although FY2027 is expected to include approximately 2.3 Million of yen of M&A-related expenses and only a partial-year contribution from Nikken Sangyo, earnings are expected to increase from FY2028 onward through full-year consolidation.

(Unit:Million of yen)

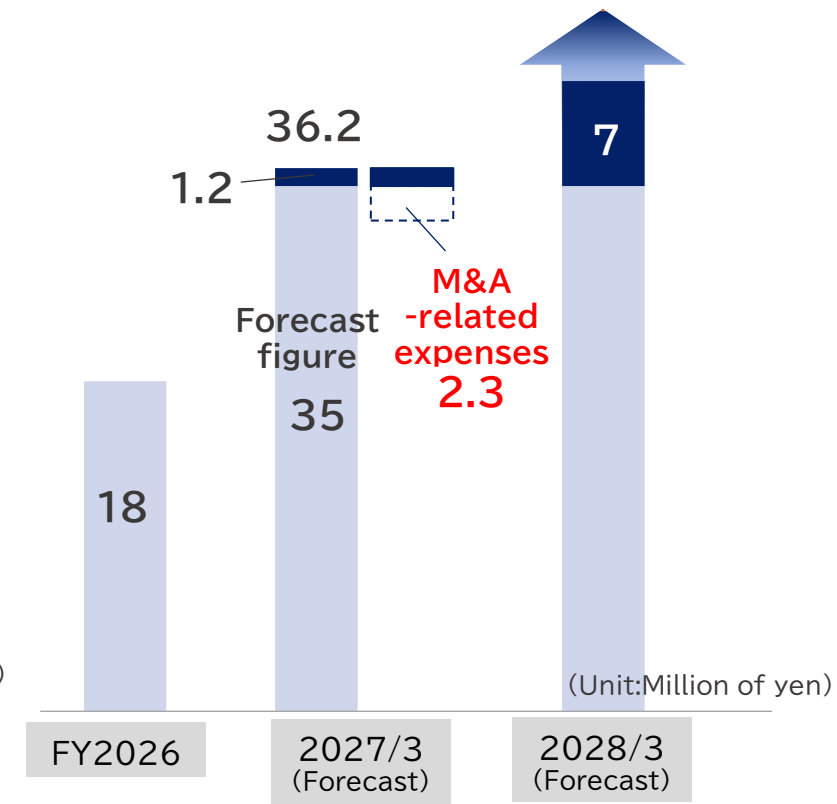
Nikken Sangyo	
Timing	July 2026
Consolidated net sales	100
Consolidated operating profit	7

*The figures above are before the M&A

Consolidated net sales



Consolidated operating profit



■ Organic ■ Nikken Sangyo

■ Organic ■ Nikken Sangyo

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