

Acquisition of Entire Shares of SURTECKARIYA Co., Ltd.



**SERENDIP
HOLDINGS**

SEPENDIP HOLDINGS Co., Ltd.
Securities Code: 7318

May 13, 2025

SERENDIP Challenge 500

Problems for
Manufacturer

Japanese small- and medium-sized manufacturers are finding it increasingly difficult to achieve sustainable growth on their own.

Aging owners	Shrinking domestic market	Changing source of added values, decarbonized society	Aging and decreasing workers, low productivity	Weak business & planning capability
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SERENDIP Challenge 500

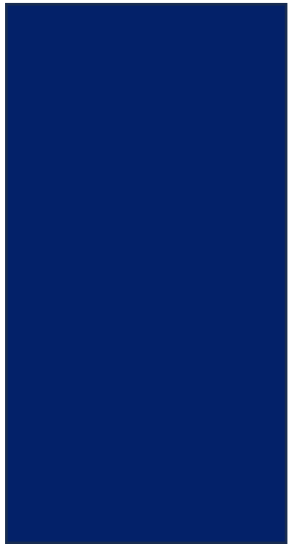
SERENDIP's Growth Strategy

With a target of 50 billion yen in consolidated sales, SERENDIP offers a model for the sustainable growth of small- and medium-sized manufacturers.

- Business Succession M&A
for non-linear growth
- Global Business Expansion
for expanding into growing global markets
- Decarbonization and EV Shift
for creating new values
- Promotion of Future Factory
for dramatically enhancing manufacturing productivity
- Enhancing Holding's Planning Capability
for bringing scale economics to small and mid-sized companies

Consolidated Sales: 50 billion yen
Operating Profit: 2.5 billion yen
ROE 20.0%

20 billion yen



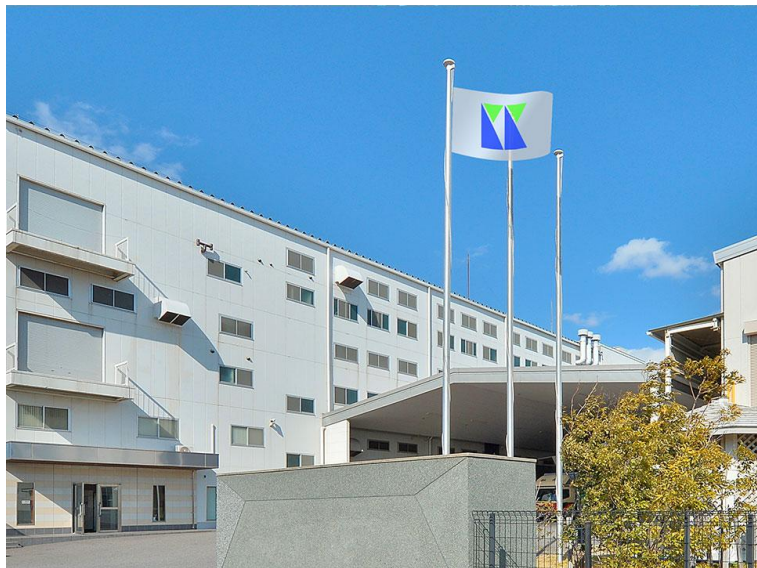
FY ended
March 2024

50 billion yen



FY ending
March 2027

Overview of SURTECKARIYA Co., Ltd.



Founded in 1950, SURTECKARIYA is a leading surface treatment company in Japan, specializing in electroless nickel plating, hard chrome plating, and anodization for automotive parts. As a comprehensive manufacturer in the plating and surface treatment industry, SURTECKARIYA plays an important role by providing a wide range of processing technologies and a global production system.

Overview of SURTECKARIYA Co., Ltd.	
Representative	Koichi Takeuchi, President
Location	6-100 Shinmei-cho, Kariya, Aichi, Japan
Establishment	February 1954 (Founded: June 1950)
No. of Employees (as of Dec. 2024)	Non-consolidated783 Consolidated: 3,004
Sales (as of Dec. 2024)	Non-consolidated: Appx. 12.8 billion yen Consolidated: Appx. 21.6 billion yen (simplified calculation)
Nature of Business	Comprehensive surface treatment processing, specializing in plating
Main Clients	Denso Corporation, Toyota Industries Corporation, Kyocera Corporation, ADVICS Co., Ltd. AISIN CORPORATION
Group Companies	S&P (Thailand), SKT (Thailand), SKI (Indonesia), SPI (The Philippines), SKV (Vietnam), SSM (Mexico) and three group companies

Strengths of Surteckariya (1)

- Various plating technologies and solid client base have achieved outstanding sales success in the industry.

Electroplating



Electroless Nickel (Ni-PB)



Electroless Ni-PTFE Composite Plating



Electroless Nickel (middle phosphorous)



Electroless Nickel (high phosphorous)



Electroless Nickel with Localized Chrome



Hard Chrome



Nickel Plate



Dull Finished Tin Plate



Trivalent Tin-zinc Chromate



Trivalent Zinc Black Chromate



Trivalent Zinc Chromate



Copper Plating



Black Chromate



Decorative Chromate



Tin Plating



Zinc-Aluminum Coating

Surface Treatment



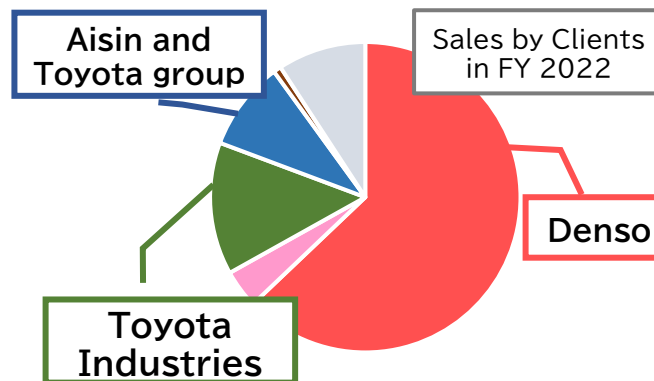
Alumite



Hard Alumite

Main Clients

SURTECKARIYA has solid client base including Denso and Toyota Industries Corporation.



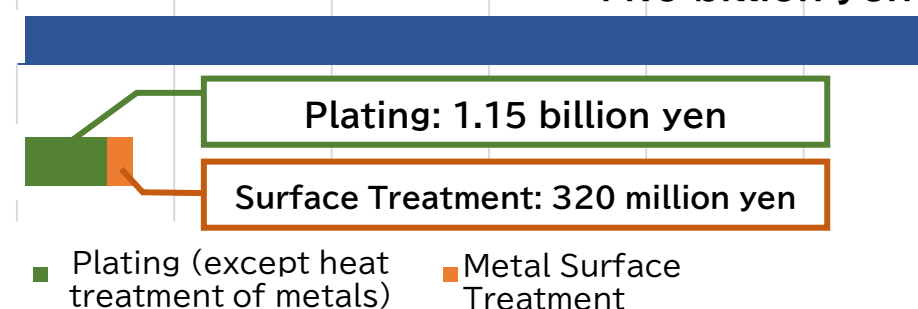
Clients	Sales Ratio
Denso	62.9%
Denso group	4.0%
Toyota Industries	13.8%
Aisin and other Toyota group companies	9.3%
Kyocera	0.8%
Others	9.2%

Comparison of Sales in Plating Industry

【Comparison of Sales (Added Value) in FY 2022】 11.6 billion yen

SURTECKARIYA

Average Sales of Other Plating Operators*



* Source: Statistics Bureau of Japan "Report on the economic conditions survey Industrial Aspect (FY 2023)"

Strengths of Surteckariya (2)

- Along with expanding into newly developing countries, SURTECKARIYA will enter high-growth business domains

SURTECKARIYA's Overseas Expansion

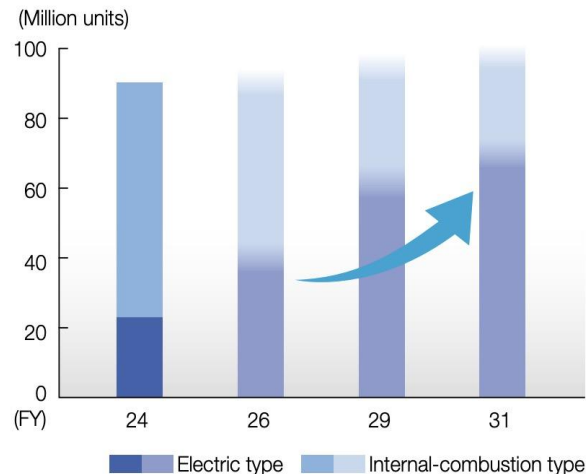
- Group companies in Japan: 2
- Group companies overseas: 8



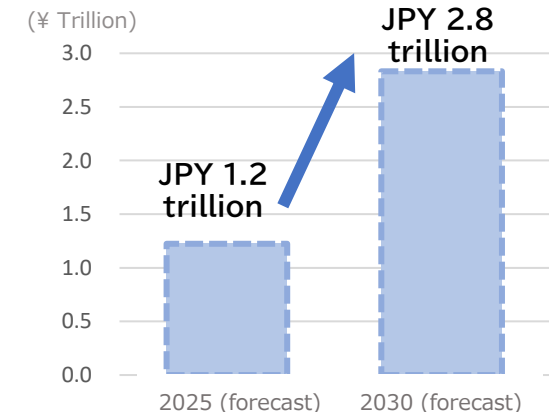
Plating for High-demand Components

- Plating is applied to cooling components of power semiconductors used in electric compressors and inverters. As automobile electrification advances, demand for these components is expected to grow significantly.
- New business opportunities are also expected in development of parts for busbars, which efficiently distribute and transmit high currents to EV components.

Demand Forecast by Compressor Type^{*1}



Global Demand Forecast of Inverter



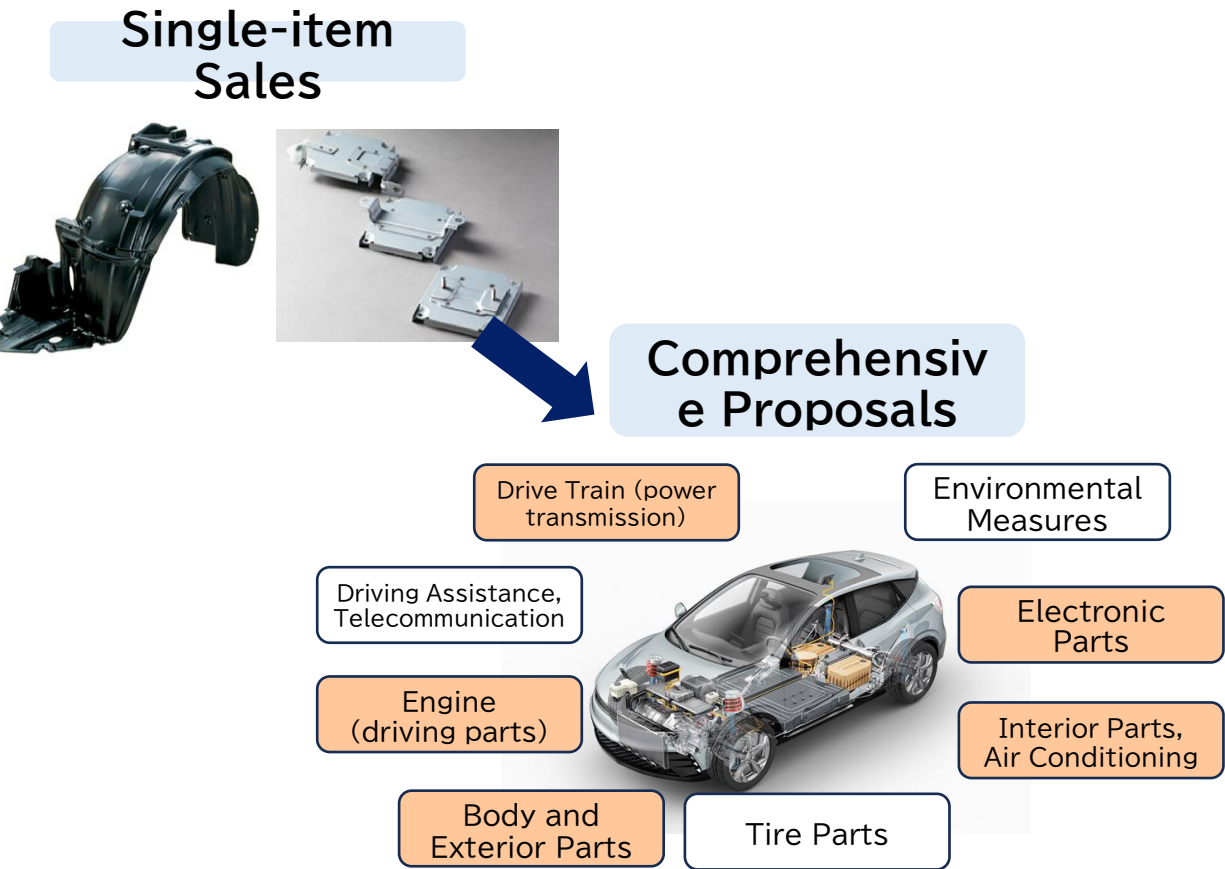
Forecast by SERENDIP
1 USD = 141 yen

Expected Synergy in Business (1)

- Through roll-up mergers, group companies have been transitioning from a single-item sales model to one that enables them to provide comprehensive proposals centered on functionality and technology.

As "comprehensive plating and surface treatment company" joins our group, we will be able to make more comprehensive proposals.

We will be able to carry out roll-up-type business succession M&As with functionality and technology at their core.



Functionality, technology

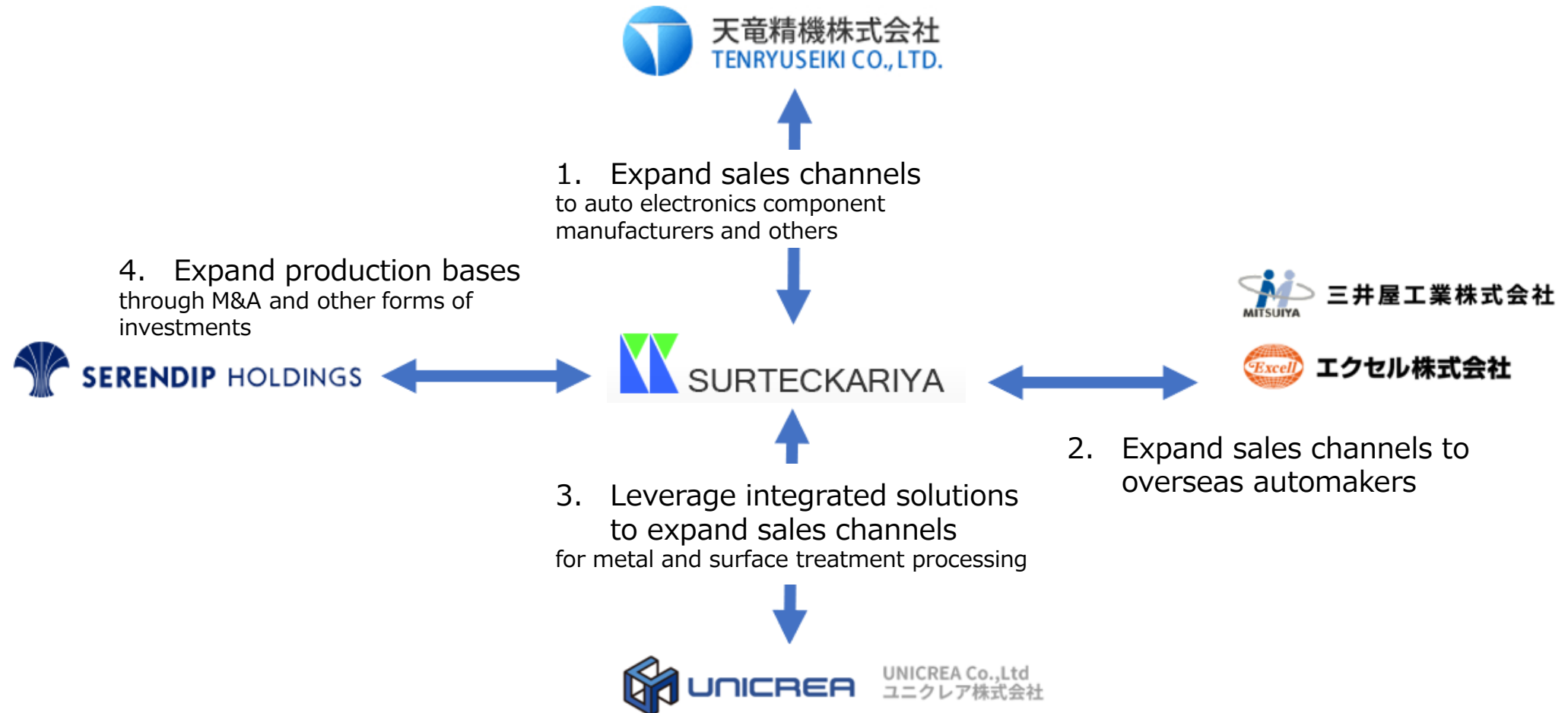
Metal stamping	UNICREA (Sato Industry ×Iwai)		
Rasin molding	Mitsuiya Kogyo	Excel	
Design	Apex	Trisis	
Surface treatment	Shirogane Plating	SURTEC KARIYA	
Core Companies			

Group Companies

Expected Synergy in Business (2)

- Leveraging strengths of SEPENDIP HOLDINGS and its group companies to expand business

Four strategies to expand business in collaboration with other group companies



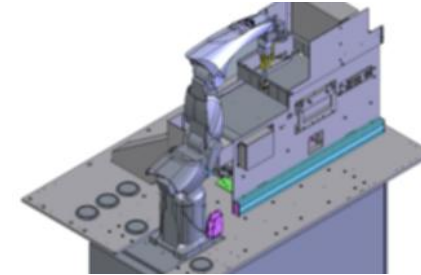
Expected Synergy in Business (3) and Management

- SURTECKARIYA will utilize automation and manpower reduction know-how from SERENDIP HOLDINGS and its group companies to improve productivity.
- SERENDIP sends experienced managerial talent to strengthen SURTECKARIYA's management foundation.

Improve Productivity

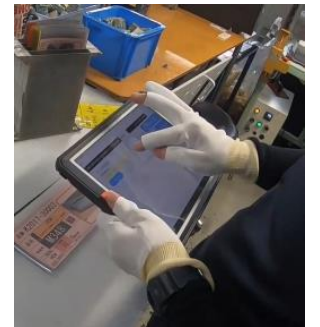
Surteckariya will collaborate with Tenryu Seiki (automated machines) and SERENDIP's consulting division (management tool for manufacturer "HiConnex") to promote automation, reduce manpower and improve productivity.

Labor-saving



Automation

Digitalization



Strengthen Management

1. On-site experienced managerial talent from SERENDIP helps Surteckariya have our vision and management transformation plan and promote management with standardized management tools.
2. SERENDIP organizes project teams with experts in sales, manufacturing, accounting, human resources (HR), information technology (IT).

Kazushige Sakai will be dispatched from SERENDIP to assume an executive position of SURTECKARIYA.



Kazushige Sakai

U.S. CPA, MBA

Graduate of Waseda University

Sakai oversaw management strategies in the U.S. and China for Toyota Motor Corporation.

Great Progress toward SERENDIP Challenge 500

- Steady, M&A-led non-organic growth will enable mid-term business plan to be achieved ahead of schedule.
- SERENDIP will start reviewing and updating the mid-term business plan in 2025.

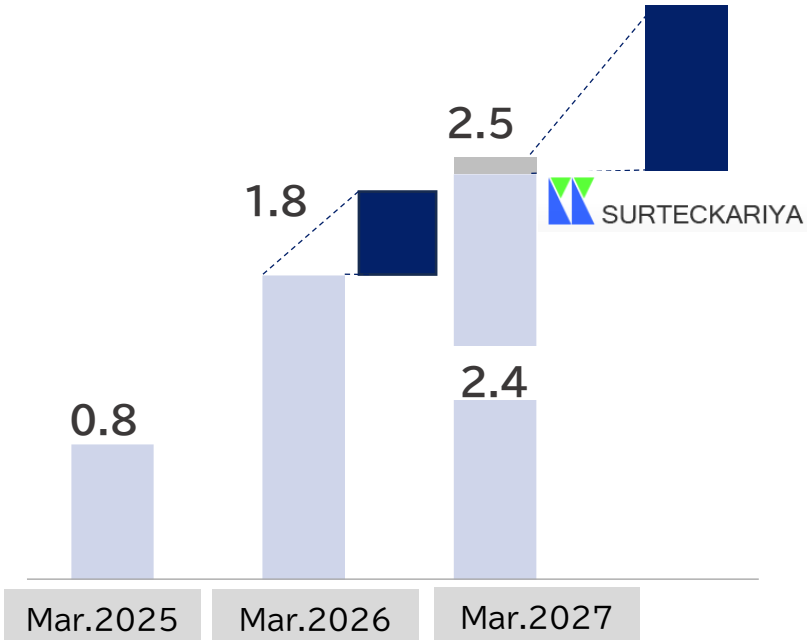
M&A for our “non-organic growth”
in FY 2025

Consolidated Sales

Consolidated Operating Profit

SURTECKARIYA	
Share Transfer (scheduled)	July 2025
Consolidated Sales* (yen in billions)	21.6
Consolidated Operating Profit (yen in billions)	1.1

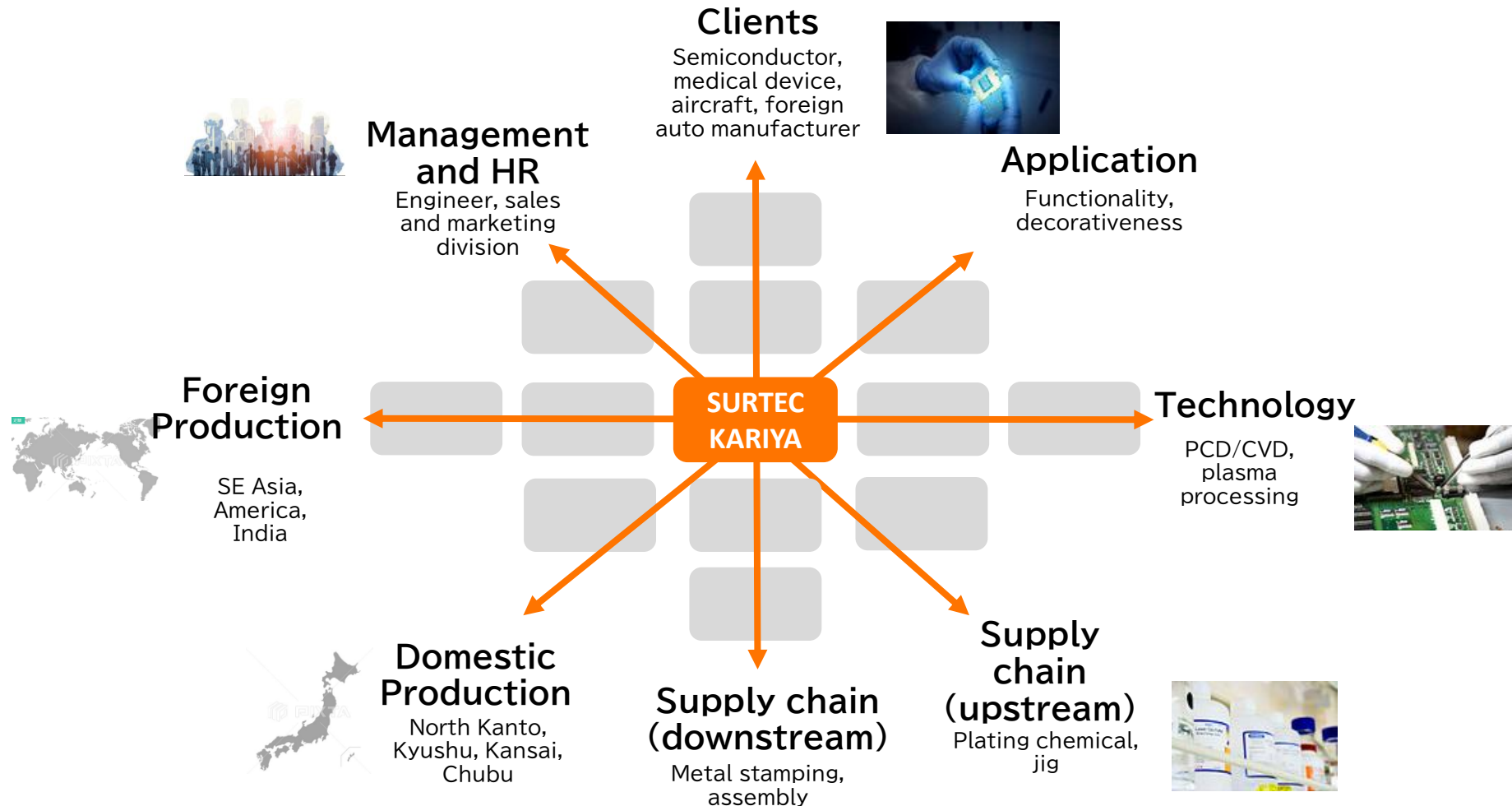
* Before merger



■ Organic growth ■ Non-organic growth (SURTECKARIYA)

With roll-up-type business succession M&A, core company will expand and evolve its business in a radial fashion

As our roll-up type business succession model offers various directions, there are numerous themes for M&As.



Disclaimer

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