

MINEBEA MITSUMI Announces Tender Offer for Shares of SHIBAURA ELECTRONICS—Limited Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion regarding the announcement by MINEBEA MITSUMI Inc. (security code: 6479) on the tender offer for shares of SHIBAURA ELECTRONICS CO., LTD. (security code: 6957).

- (1) On April 10, MINEBEA MITSUMI Inc. (the Company) announced that it would acquire all of the shares of SHIBAURA ELECTRONICS CO., LTD. (SHIBAURA ELECTRONICS), which is listed on Tokyo Stock Exchange Standard Market, through a tender offer. SHIBAURA ELECTRONICS has expressed its support for the tender offer. The tender offer period is scheduled to be from April 23 to May 27, 2025, and the purchase price per share is scheduled to be 4,500 yen. If all the shares are acquired, the purchase price will be 67.5 billion yen, making it the largest acquisition in the Company's history. After the acquisition is complete, 5% of the shares of SHIBAURA ELECTRONICS will be transferred to Advantage Partners Pte. Ltd. Group at the same price as the purchase price. This deal will be in opposition to the unsolicited takeover bid for SHIBAURA ELECTRONICS's shares announced earlier by a Taiwanese electronic components giant, YAGEO Corporation.
- (2) The Company is promoting the strengthening of its eight core businesses, and with regard to the sensors, one of the eight businesses, it has indicated that it would use M&A to strengthen the business. SHIBAURA ELECTRONICS boasts the world's top share in thermistors, which have roles of temperature sensors, and this deal is expected to contribute to the strengthening of the Company's sensor business. On the other hand, if this deal goes ahead, it is expected to result in a commensurate financial burden, following the relatively large-scale acquisition of Hitachi Power Semiconductor Device, Ltd. Given the asset size of SHIBAURA ELECTRONICS in addition to the fact that it is virtually debt-free and the Company's financial base and cash flow generation capability, however, JCR at the moment assumes that the impact on the Company's rating will be limited. JCR will follow the moves of YAGEO Corporation, as well as the progress of PMI if the deal is successfully completed.

Hiroaki Sekiguchi, Seiya Nagayasu

<Reference>

Issuer: MINEBEA MITSUMI Inc.

Long-term Issuer Rating: AA- Outlook: Stable

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