

June 14, 2024

To Whom It May Concern

MARKTEC Corporation

Keigo Nishimoto, Representative Director, President & CEO

Notice Regarding an Acquisition of Shares of Tohoku Chemical Industries, Ltd. (Inclusion in Wholly-owned Subsidiaries)

MARKTEC Corporation hereby announces that it has decided to acquire all of the shares of Tohoku Chemical Industry Co., Ltd. (Headquarters: Nasukarasuyama-shi, Tochigi, Japan; hereinafter referred to as “Tohoku Chemical”), a wholly-owned consolidated subsidiary of ALCONIX Corporation (Headquarters: Chiyoda-ku, Tokyo; hereinafter referred to as “ALCONIX”), to make the company a wholly-owned consolidated subsidiary of MARKTEC Corporation, as part of the measures to reorganize the companies of the ALCONIX Group in order to increase synergies and reinforce the management structure of the Equipment and Materials segment of the ALCONIX Group*.

* As announced in ALCONIX’s IR News dated May 28, 2024, “Notice of Merger and Reorganization of Consolidated Subsidiaries.”

1. Mutual Effects of Acquisition of Shares (Acquisition of Ownership)

Since its establishment in 1961, Tohoku Chemical has contributed to the safety and security of automobiles by supplying resin particles processed from oil derived from the cashew plant as brake friction materials (brake pads and linings), with the corporate philosophy: “Providing chemical materials and electrical components that realize a safe and comfortable society through environmentally friendly business activities.” To date, Tohoku Chemical has continued to conduct research and development to establish its own technologies, and today the company is highly regarded as a leading manufacturer of cashew particles with excellent performance in terms of safety, heat resistance, and wear resistance for brake friction materials. In addition, Tohoku Chemical is expanding the scope of its business to include a wide range of products, such as radio wave absorbers used in radio wave anechoic chambers that contribute to “safety and the environment”, by using its long-standing organic chemistry, materials, and powder technologies as its core technologies.

MARKTEC Corporation’s corporate philosophy is “To provide safety and reliability to society through quality assurance,” and its management vision for 2030 is “As a manufacturing group that takes a scientific approach to quality assurance, we want to create brands that are embraced in Japan, Asia, and around the world; on a permanent basis, in a right way to bring a reformation to the world.” We are also working on a strategic business model called MARKTEC Business System (MBS) to create a business ecosystem of good companies, rather than merely big companies^{*1}. Specifically, we aim to realize a unique business framework: “(A) Human resource development for the next generation of CEOs × (B) Succession of manufacturing companies that have outstanding technologies and profitability related to quality assurance but are on the

verge of going out of business due to lack of successors = Business ecosystem of good companies (MBS).” We believe that by taking over as many technologies as possible from small and medium-sized manufacturing companies that have technological capabilities but are on the verge of going out of business due to lack of successors, the MARKTEC Group will be able to keep their businesses alive and transfer their proprietary technologies to future generations, while at the same time securing employment for these companies.

**1 The goal of the MBS is “to become a source of creativity that promotes quality assurance and the solution of social problems. Four pillars of the MBS: (1) Fundamental, (2) Lean (Kaizen), (3) Growth, and (4) Leadership.*

Reference: <https://www.marktec.co.jp/company/tabid/507/Default.aspx>

Since its establishment in 1955, the MARKTEC Group has been providing our customers with various products and services in line with the abovementioned corporate philosophy. In recent years, in addition to our existing core businesses of non-destructive testing, stamping and marking, as well as wind and environmental testing, we have added “contract manufacturing service” and “contract inspection service” as new pillars for our growing business. Our contract manufacturing service works with OEMs or ODMs of chemical products to meet the needs of chemical-related fabless companies, while our contract inspection service is more accessible to customers, such as inspection using an X-ray CT scanning system or measurement using a powder property analyzer. In addition to the aforementioned technology acquisition business related to quality assurance, we are working hard to expand our business scope.

By making Tohoku Chemical a wholly-owned subsidiary of MARKTEC Corporation, we expect to achieve the following mutual benefits in terms of both production (manufacturing) and sales activities.

First, in terms of production (manufacturing) activities, by combining Tohoku Chemical’s core business of manufacturing cashew particle and cashew liquid products with the MARKTEC Group’s growth business of providing contract manufacturing services to OEMs or ODMs of chemical products, Tohoku Chemical can expect to diversify its business and increase the utilization rate of its manufacturing facilities, while the MARKTEC Group can expect to expand its business and increase productivity. From a product development point of view, new value is expected to be added to product functionality through technical cooperation between Tohoku Chemical, which has various production technologies (e.g. chemical synthesis, powder processing, and dispersion processing), and the MARKTEC Group, which has powder processing technology for magnetic particle testing materials. Next, in terms of sales activities, Tohoku Chemical can expect to further expand sales in its core businesses of cashew particles and radio wave absorbers by making the best use of MARKTEC’s sales network.

MARKTEC Corporation and Tohoku Chemical will remain members of the ALCONIX Group after the reorganization and will continue to adhere to ALCONIX’s management policy.

MARKTEC Corporation will celebrate its 70th anniversary in March 2025. Through capital alliances, business alliances, and technical alliances mainly through M&A, we have aggressively developed a strategic business model with the aim of creating a business ecosystem (MBS) of good companies rather than merely big companies, which are seen as companies that support small and medium-sized manufacturing companies

with technological capabilities. We want to contribute to achieving the 17 Sustainable Development Goals, particularly Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities, and Goal 12: Responsible Consumption and Production [Note 2]. By striving to achieve these goals, we hope to continue to be a company that provides safety and reliability to society for another 100 years and beyond as “a manufacturing group that takes a scientific approach to quality assurance.”

**2 To ensure sustainable consumption in line with growth, a circular economy of reduce, reuse, and recycle must be emphasized.*

2. Company profile of Tohoku Chemical (as of June 11, 2024)

(1) Name	Tohoku Chemical Industries, Ltd.
(2) Head office	Nasukarasuyama-shi, Tochigi, Japan
(3) Representative	Keigo Nishimoto, Representative Director, President & CEO
(4) Businesses	Manufacturing and selling cashew particles, cashew liquid products, and radio wave absorbers
(5) Establishment	October, 1961
(6) Capital	125 million yen
(7) Website	http://www.tci-web.co.jp/

3. New Management Structure (as of June 11, 2024)

Representative Director, President & CEO	Keigo Nishimoto (Newly appointed) Representative Director, President & CEO of MARKTEC Corporation
Managing Director	Akira Yoshiuchi
Director	Hiroaki Inoue Managing Executive Officer of ALCONIX Corporation
Director	Yoshitaka Sano (Newly appointed) Managing Executive Officer of MARKTEC Corporation
Director	Daisuke Ichikawa (Newly appointed) Managing Executive Officer of MARKTEC Corporation
Director	Takahisa Ishida (Newly appointed) Managing Executive Officer of MARKTEC Corporation
Auditor	Hirofumi Nozaki (Newly appointed) Executive Officer of MARKTEC Corporation

4. Schedule

June 11, 2024 (Tuesday)	Approval by the Board of Directors at the shareholders' meeting and board meeting of Tohoku Chemical.
July 2, 2024 (Tuesday)	Tohoku Chemical became a wholly-owned subsidiary of MARKTEC Corporation by an exchange of stocks.

5. Contact

MARKTEC Corporation

Management Division

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