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For Immediate Release

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(Update on disclosed matter) Notice Concerning Termination of Authorized Distributor Agreement between a Consolidated Subsidiary and a Major Business Partner and Announcement of forecast of Business Results

Ryoyo Ryosan, Inc. (hereinafter "the Operating Subsidiary"; Ryoyo Ryosan Holdings, Inc. (hereinafter "the Company") and the Operating Subsidiary are hereinafter collectively referred to as "the Group"), which is a consolidated subsidiary of the Company, hereby announces the termination of the authorized distributor agreement (hereinafter "the Agreement") previously concluded between the Operating Subsidiary and Renesas Electronics Corporation (hereinafter "Renesas"). The details are as follows.

In addition, the Company provides notification regarding announcement of the forecast of the consolidated business results for the fiscal year ending March 31, 2027, which had hitherto been described as "pending."

1. Termination of the Agreement

(1) Timeline of termination of the Agreement

As announced in "Notice Concerning Notification of Termination of Authorized Distributor Agreement between Consolidated Subsidiaries and a Major Business Partner," dated April 2, 2026, the Operating Subsidiary had received a request from Renesas to terminate the Agreement.

Following an approach from Renesas, the Group advanced coordination with customers who have appreciated Renesas products for many years through the Operating Subsidiary, as well as discussions with Renesas. At the same time, the Operating Subsidiary filed with the Tokyo District Court for a temporary injunction seeking, among other things, to suspend termination of the Agreement, and proceeded with the relevant legal proceedings, with the aim of ensuring stable business value for customers. In the event, however, the Operating Subsidiary and Renesas reached a settlement, and the Agreement will accordingly be terminated as of March 31, 2027.

To minimize the burden on customers from the termination of the Agreement, the Group will work with customers for the successive transfer of authorized dealerships, in line with customers' inclinations. The Group will also continue to propose and provide products other than Renesas products, as well as AI and other solutions, striving to contribute to solutions for customer issues.

(2) Details of Transactions

Types of transactions	Net sales of Renesas products (Fiscal year ended March 31, 2026)	As share of the consolidated net sales of the Company (Fiscal year ended March 31, 2026)
Sourcing and sale of Renesas products	¥78,082 million	21.7%

2. Announcement of Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2027

The forecast of consolidated business results for the fiscal year ending March 31, 2027, which had been described as “pending” in “Consolidated Financial Review for the Year Ended March 31, 2026 [Japanese standards] (Consolidated)” dated May 14, 2026, is as follows.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	―	―	―	―	―
Updated forecast (B)	370,000	12,000	11,000	7,500	187.03
Difference (B−A)	―	―	―	―	
Rate of increase/decrease (%)	―	―	―	―	
(Reference) Business results in previous fiscal year (Fiscal year ended March 31, 2026)	359,948	10,128	8,930	7,440	185.59

The Group had hitherto listed the forecast of consolidated business results for the fiscal year ending March 31, 2027 as “pending,” due to the difficulty of reasonably calculating the impact on business results of the request from Renesas to terminate the Agreement. However, the Group has now calculated this forecast, based on a forecast of this impact, the consolidated business results for Q1 FY2027, and other information available as of this writing.

In the Device Business, a firm trend is anticipated. Although some business related to Renesas products is expected to end, a gradual market recovery is expected to continue as inventory adjustments ease, while demand for memory semiconductors is projected to expand. Similarly, in the Solution Business, while increases in prices of some materials raise concerns about impact on final product prices, IT-related investment is expected to continue to flourish among companies anticipating work-process transformation and increasing sophistication in AI use. Overall, the Group foresees continuation of a favorable operating environment.

The forecast of dividends for the fiscal year ending March 31, 2027 is unchanged from the forecast at the beginning of the fiscal year. The dividend is left unchanged from the previous fiscal year at ¥140 per share, consisting of an interim dividend of ¥70 per share and a year-end dividend of ¥70 per share.

In addition, as described in notices such as “Notice Concerning Formulation of the Key Points of a Five-year Business Plan,” dated May 13, 2024, the Group had prepared and published a medium-to-long-term business plan for the five-year period to March 31, 2029. The Group plans to publish an updated policy concerning this five-year business plan at a later date, taking into account matters such as the effects of the termination of the Agreement with Renesas and a look back at the management integration.