Financial Results Presentation for Q1 FY2027

SERENDIP HOLDINGS

SERENDIP HOLDINGS CO., LTD.

Securities Code: 7318

August 18, 2026

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1. Overview of the New Segments and Financial Results
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In Line with the Medium-Term Management Plan: Increasing Investment Allocation to High-Growth, High-Profitability Businesses

・Expand our stable core manufacturing business into new sectors and overseas markets, while actively investing in high-margin growth areas such as Digital Transformation (DX), robotics, and AI.

Before change

Investment Ratio **30%**

Investment Ratio **70%**

SERENDIP Investment Portfolio (SIP)

Solutions Business

Investment ratio **35%**

High-growth, high-margin domain

Drives group-wide productivity gains; high-value-added business

Prototyping & design
Engage in upstream product development to create added value

Next-gen manufacturing solutions
Software, AI, IT talent and consulting to support productivity gains

Smart factory (physical AI)
Automation equipment, robots, image recognition, AI-powered next-gen manufacturing solutions

Manufacturing Business

Investment ratio **65%**

Stable-earnings, foundational domain

Highly competitive globally, with a robust supply chain

Across auto-parts makers
Auto-parts suppliers generating stable earnings

Construction machinery
Enter robust supply chains to build a new growth foundation

Establishing a new pillar
Aerospace/ medical devices and other growth areas

Group Companies

・The manufacturing business, a stable foundation, supports sustainable growth and new value creation.

SERENDIP HOLDINGS

High-growth, high-margin domain

Solutions Business

Prototyping & design

Apex
Turning your ideas into reality.

■ **Design**
Development-stage prototyping & design

Ladybird

■ **Beauty-tech**
Beauty-device development, manufacturing & sales

Manufacturing DX

天竜精機株式会社
TENRYUSEIKI CO.,LTD.

Factory-automation equipment manufacturing

AXTRIA

Staffing, DX consulting & contract development

SERENDIP ROBO X

Collaborative-robot deployment support & productivity improvement support

Stable-earnings, foundational domain

Manufacturing Business

Auto-parts makers

UNICREA

■ **Metal press processing**
Precision parts manufacturing

SerenAC
MITSUIYA
Excell

■ **Resin molding**
Interior/exterior parts and ducts — development & manufacturing of resin-molded products

SURTECKARIYA

■ **Plating**
Surface treatment

Construction machinery

NIKKEN

Construction-machinery parts & lined steel pipe manufacturing & sales

Expanding into new domains

Summary of Consolidated Results for Q1 FY2027

・Full-year contributions from SURTECKARIYA lifted revenue to approximately 1.7× the prior-year level.
・Manufacturing Business earnings offset temporary volatility in the Solutions Business.
・Adjusted EBITDA increased, supported by the full-year contribution from SURTECKARIYA.

Net sales (Record high)	Operating profit (Record high)	Ordinary profit (Record high)
15,872 million yen	**530 million yen**	**625 million yen**
YoY +69.8%	YoY +0.3%	YoY +12.2%
Q1 FY2026 9,345 million yen	Q1 FY2026 529 million yen	Q1 FY2026 557 million yen

Profit attributable to owners of parent	Adjusted EBITDA* (Record high)	Number of M&A Deals Closed (YTD)
321 million yen	**1,151 million yen**	**1 Deal**
YoY -10.1%	YoY +24.5%	
Q1 FY2026 357 million yen	Q1 FY2026 925 million yen	FY2026 1 Deal

Note:
Adjusted EBITDA = Operating profit + goodwill amortization + depreciation + non-recurring M&A-related expenses.

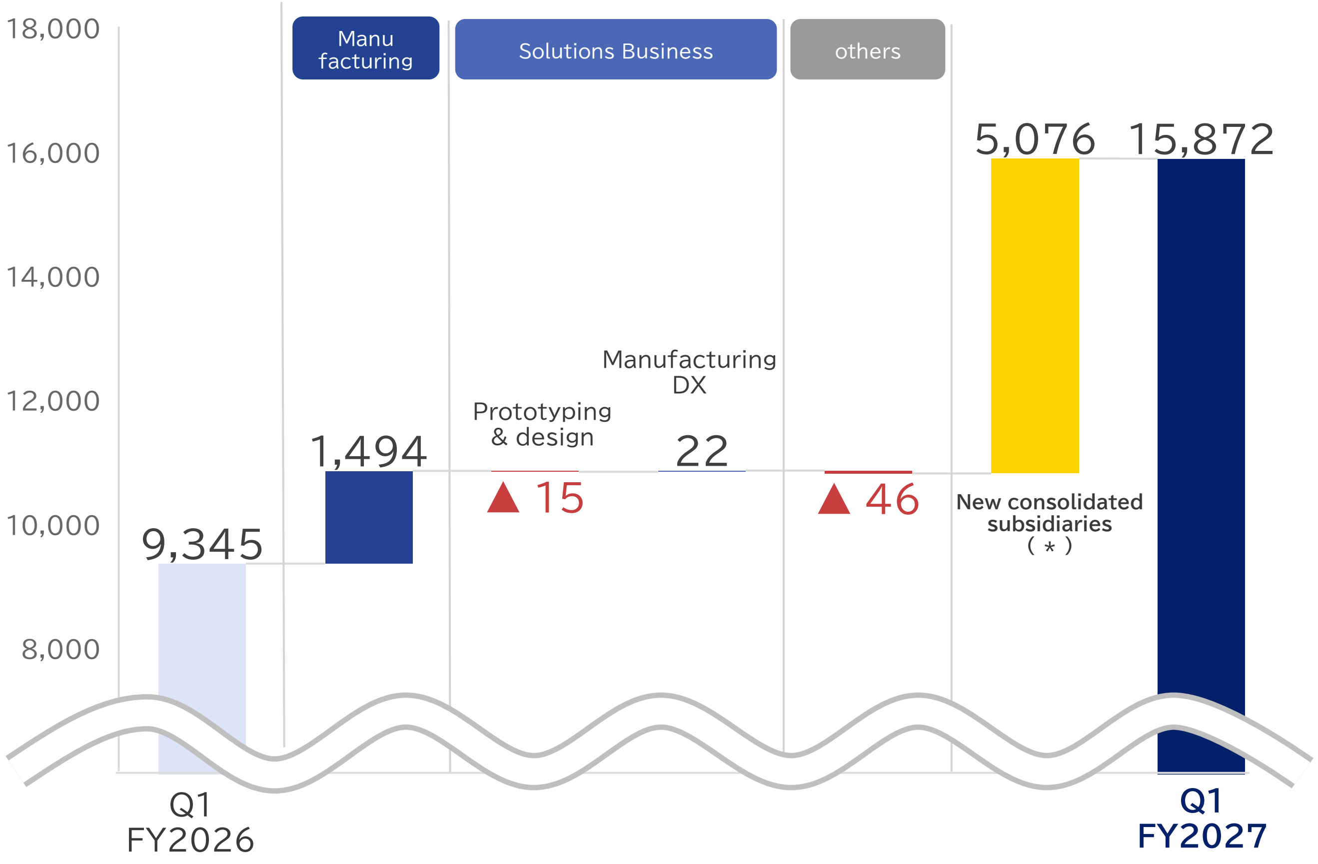
Net Sales by Segment and Analysis of Consolidated Net Sales Fluctuation

- Manufacturing Business grew strongly on SURTECKARIYA's full-year contribution and higher sales at Mitsuiya Industrial and EXCELL.
- RoboX rose 2.5x year on year on project expansion.

Unit:Millions of yen	Q1 FY2026	Q1 FY2027	YoY
Manufacturing Business	8,061	14,620	+81.4%
UNICREA	2,683	2,795	+4.2%
Mitsuiya Industrial	2,552	3,005	+17.8%
EXCELL Group	2,825	3,772	+33.5%
SURTECKARIYA Group	—	5,075	—
Solutions Business	1,258	1,250	-0.6%
Prototyping & design	595	587	-1.3%
Apex(Apex×Trisys)	488	473	-3.1%
LADYBIRD	107	113	+5.6%
Manufacturing DX	662	677	+2.3%
Tenryu Seiki	254	219	-13.8%
AXTRIA	362	342	-5.5%
SERENDIP RoboX	45	115	+155.6%
Others	247	267	+8.1%
SERENDIP HOLDINGS	189	256	+35.4%
SERENDIP Financial Service	57	10	-82.5%

Notes:
- Standalone results include intercompany sales and transfers; therefore, the sum of standalone results may not reconcile with segment totals.
- Effective from Q1 FY2027, the Company revised its segment classification. Prior-year figures have been restated accordingly.
- Trisys merged with Apex in October 2025. Prior-year figures have been presented on a combined basis for comparability.
- The consulting business was transferred to SERENDIP RoboX in August 2025 and to AXTRIA in April 2026. Prior-year and current Q1 results have been restated to reflect the current organizational structure.

Fluctuation Analysis



* New consolidated subsidiaries represent SURTECKARIYA Group.

Profits by Segment and Analysis of Consolidated Operating Profit Fluctuation

・UNICREA lifted profit through cost improvements and greater in-house production.
・EXCELL posted lower profit on one-time Czech withdrawal costs, with no carryover into Q2.
・Stable Manufacturing Business earnings offset temporary swings in the Solutions Business.

Unit:Millions of yen	Q1 FY2026	Q1 FY2027	YoY
Manufacturing Business	478	750	+56.9%
UNICREA	31	108	+248.4%
Mitsuiya Industrial	138	225	+63.0%
EXCELL Group	307	216	-29.6%
SURTECKARIYA Group	—	204	—
Solutions Business	16	-220	—
Prototyping & design	61	-23	—
Apex(Apex×Trisys)	64	-8	—
LADYBIRD	-2	-14	—
Manufacturing DX	-34	-192	—
Tenryu Seiki	-17	-79	—
AXTRIA	8	-101	—
SERENDIP RoboX	-25	-12	—
Others	34	13	-61.8%
SERENDIP HOLDINGS	20	20	+0.0%
SERENDIP Financial Service	14	1	-92.9%

Notes:
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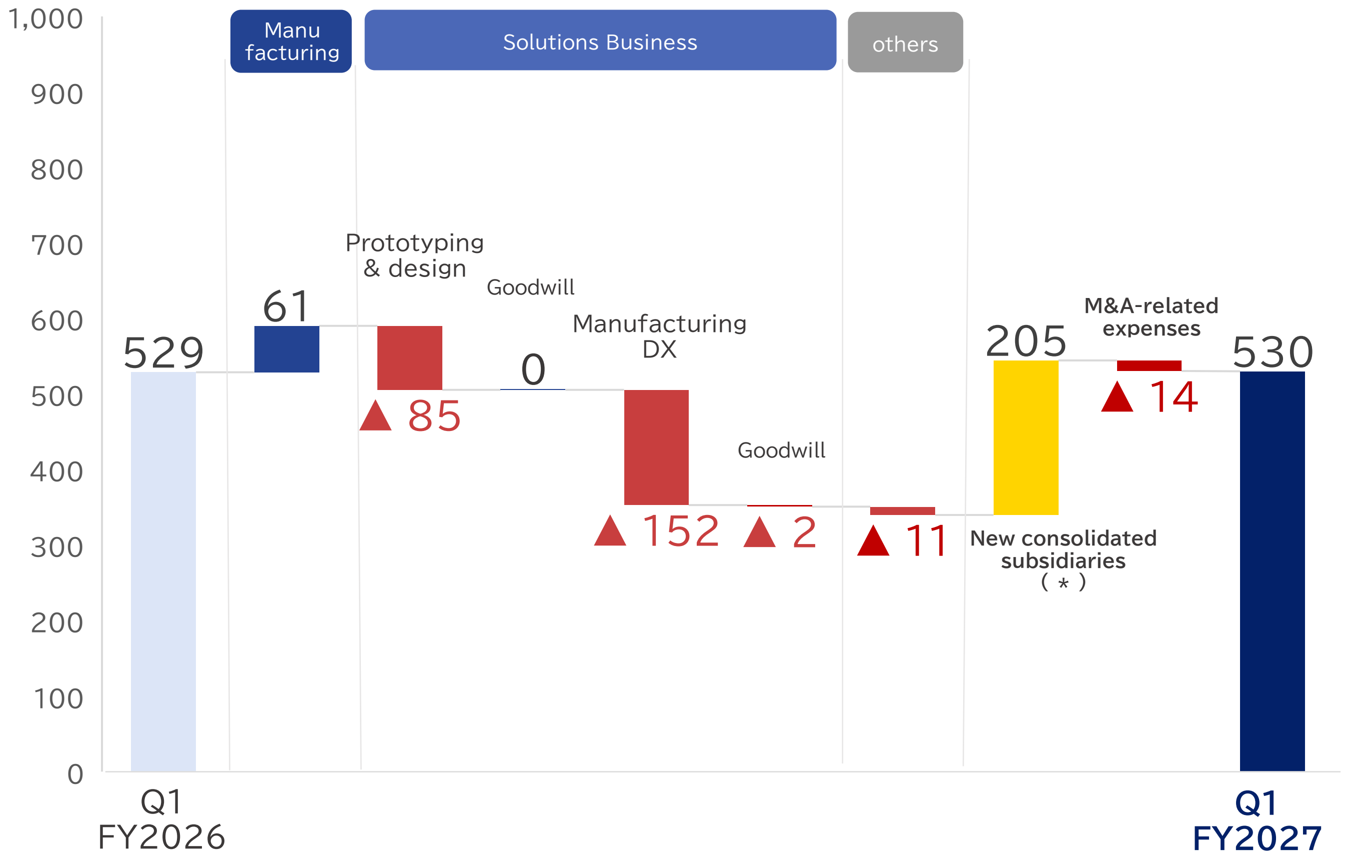

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Summary of Consolidated Balance Sheet

・Equity-to-asset ratio declined, mainly reflecting mark-to-market valuation of securities held.

Unit:Millions of yen	FY2026	Q1 FY2027	Change
Assets	57,655	58,987	+1,331
Current Assets	28,824	30,499	+1,675
Non-current Assets	28,831	28,487	-343
Liabilities	40,592	39,997	-594
Current Liabilities	24,761	24,387	-374
Non-current Liabilities	15,830	15,610	-219
Net Assets	17,063	18,989	+1,926
(Equity)	(13,486)	(13,365)	(-121)
Equity-to-asset ratio	23.4%	22.6%	-0.8pp

Full-Year Forecast for FY2027

- The Manufacturing Business is expected to offset the partial softness in the Solutions Business; the full-year consolidated forecast (disclosed on May 14, 2026) is unchanged.
- The full-year forecast does not include the results of the newly consolidated subsidiary (Nikken Sangyo); a revision is planned in the second half of FY2027.

Unit:Millions of yen	Forecast for FY2027	Results for FY2026	Change	Change (%)
Net sales	64,000	51,163	12,837	+25.1%
Adjusted EBITDA	6,000	4,572	1,428	+31.2%
Operating profit	3,500	2,189	1,311	+59.8%
(Operating profit margin)	(5.4%)	(4.3%)	-	
Ordinary profit	3,300	2,418	882	+36.4%
Profit attributable to owners of parent	2,200	4,147	-1,947	-47.0%

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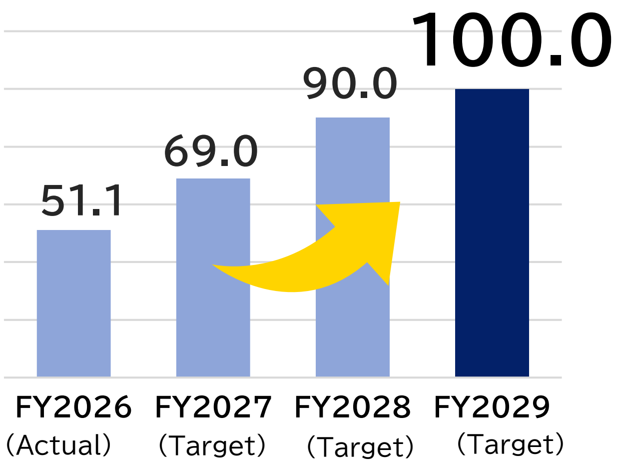
Medium-Term Management Plan “SERENDIP Challenge 1000”
Toward JPY 100.0 billion in Net Sales

Net Sales

JPY 100.0 bn
— FY2029 target

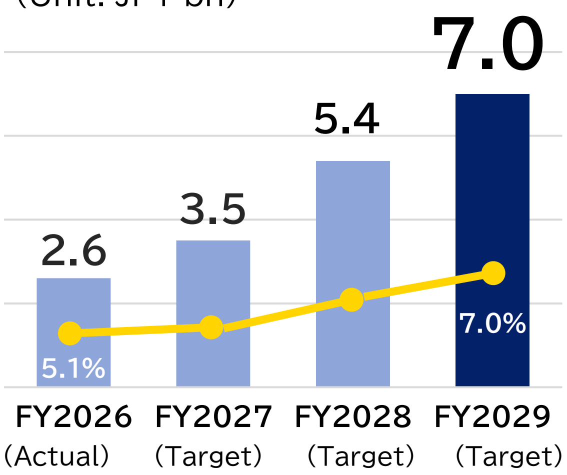
M&A-driven discontinuous growth together with organic growth of existing businesses — the most important top-line indicator.



Adjusted Operating Profit / Margin

JPY 7.0 bn [7.0%]
— FY2029 target

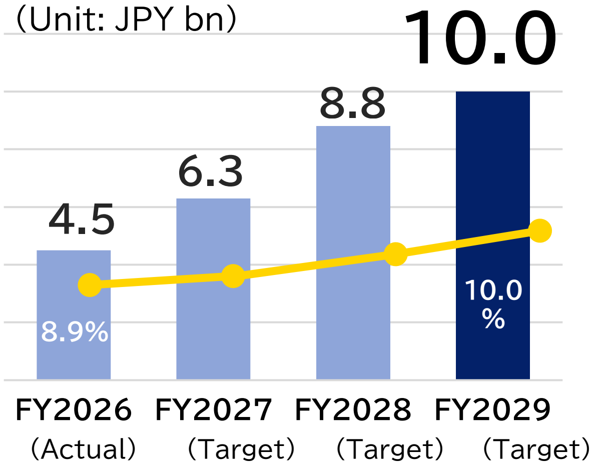
Adjusted operating profit = Operating profit + goodwill amortization + M&A-related expenses (excl. non-recurring M&A factors).



Adjusted EBITDA

JPY 10.0 bn [10.0%]
— FY2029 target

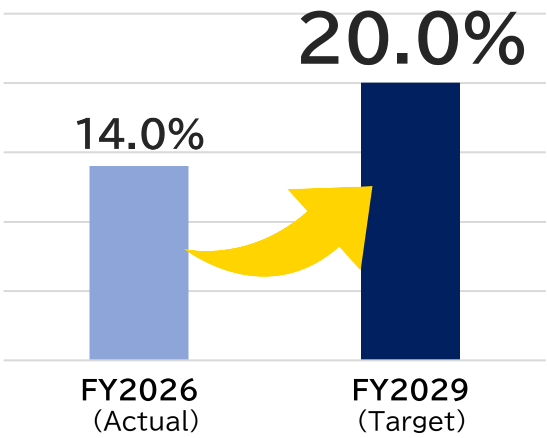
Adjusted EBITDA = Adjusted operating profit + depreciation. An indicator of cash-generating (earnings) power.



Adjusted ROE

20.0%
— FY2029 target

Adjusted ROE = Adjusted net incom (net income + goodwill amortization + M&A-related expenses - gain on bargain purchase). A key indicator c capital efficiency and shareholder value.

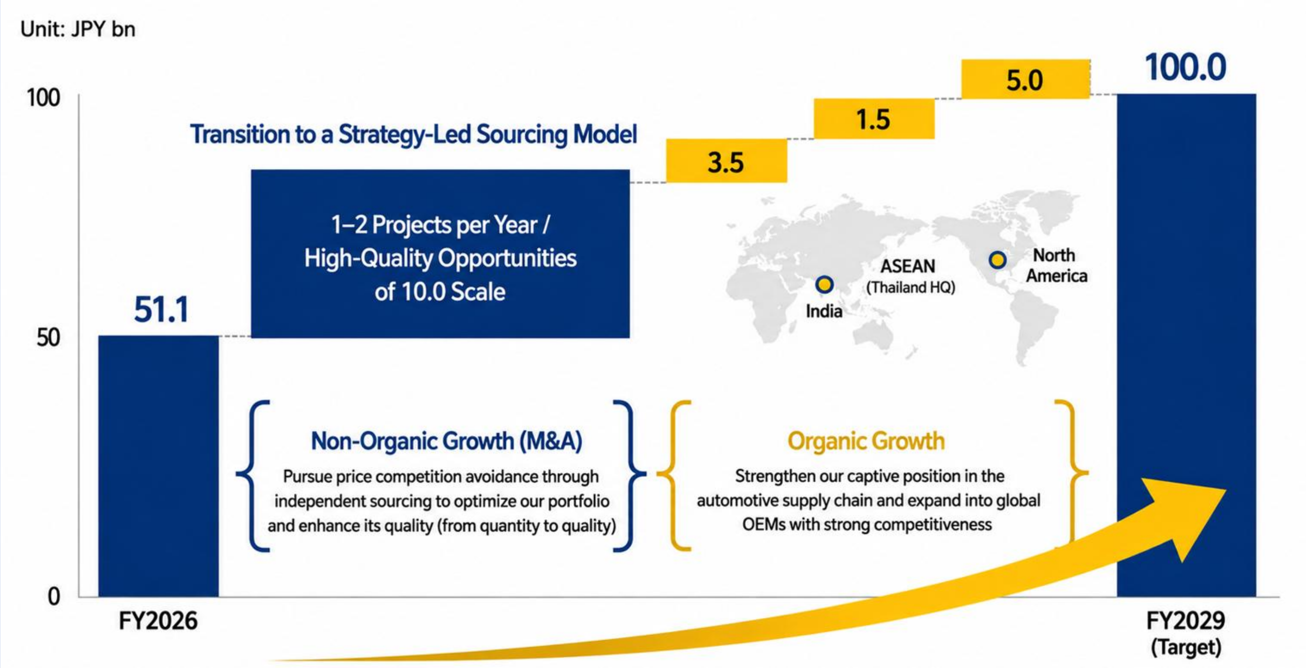


Toward Net Sales of JPY 100.0 billion through Discontinuous and Organic Growth

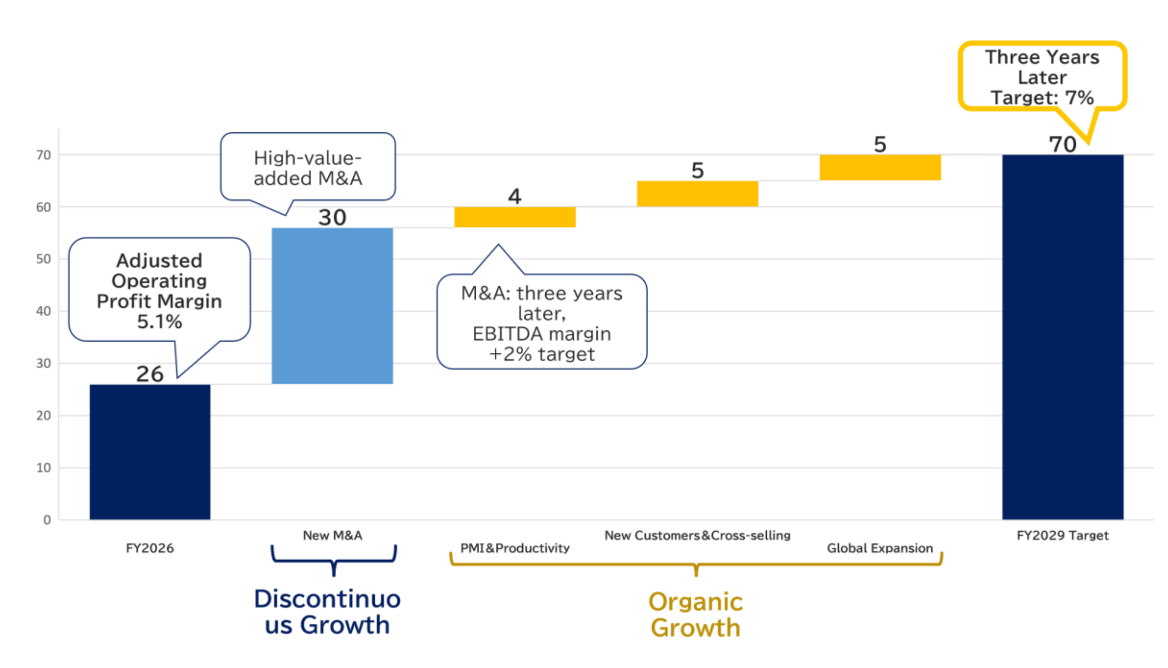
・Win deals through "strategy-led sourcing," while driving existing-business expansion through "evolution into a unit supplier" and global expansion.

・Double net sales by pursuing both in parallel, and achieve a 7% adjusted operating profit margin through discontinuous (M&A) and organic growth.

Path to JPY 100.0 bn in Net Sales



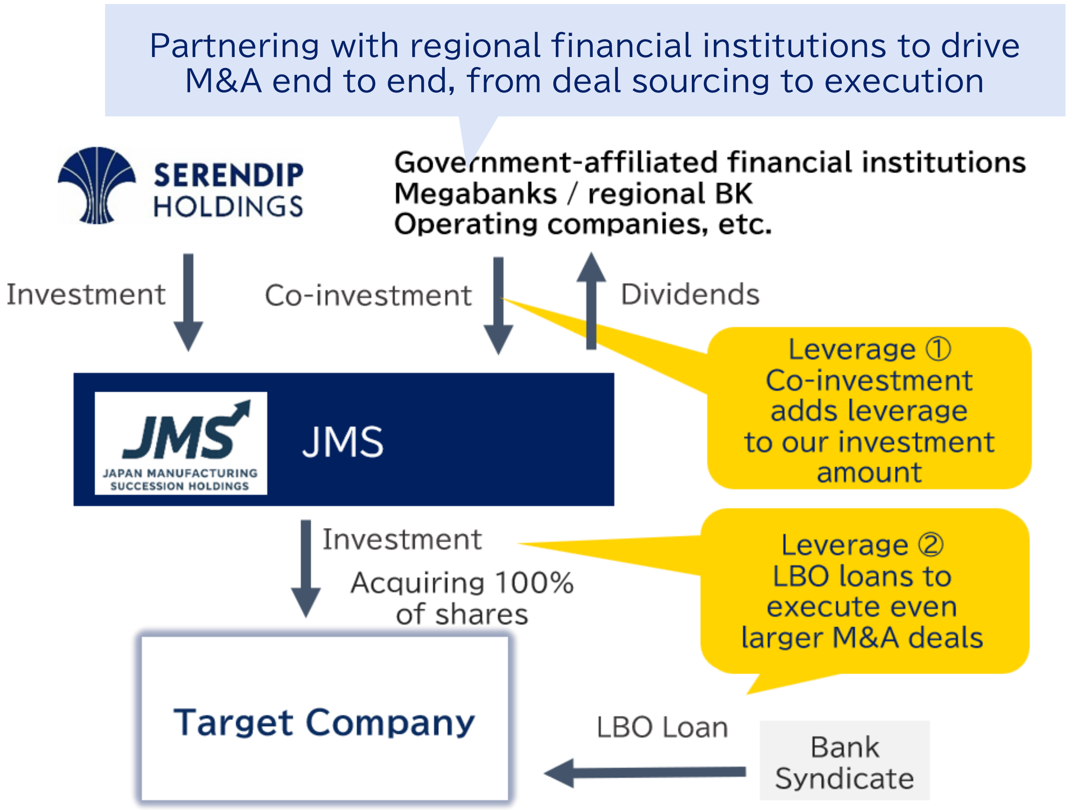
Path to a 7% Adjusted Operating Profit Margin



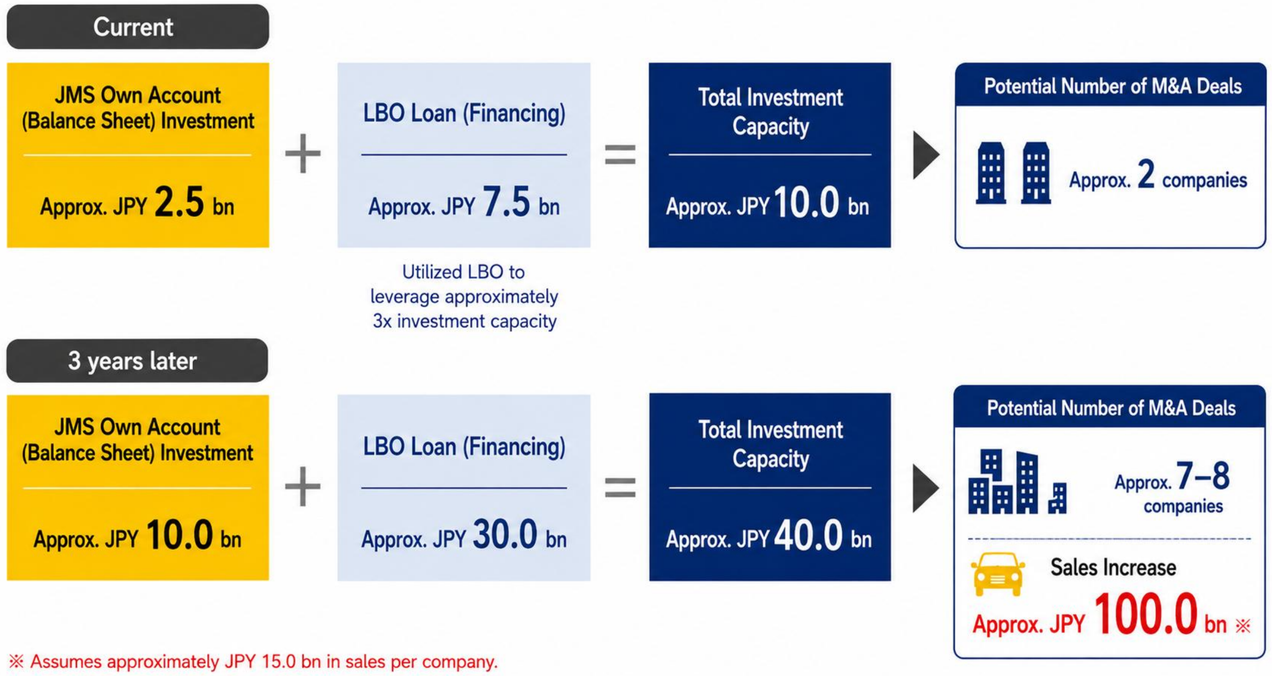
Financial Strategy: Building a Financing Platform to Accelerate M&A

- Established Japan Manufacturing Succession Holdings Co., Ltd. (JMS) in June 2026.
- Shifting from a deal-by-deal target-fund model to a comprehensive financing platform.
- Building a framework for the continued execution of large-scale M&A that would have been difficult for us to achieve alone.

High Leverage × Financial Institutions



Feasible acquisition scale (est. acquisition price: JPY 5.0 bn per deal)



Entry into a New Domain: JMS's First Investment: Nikken Sangyo (Construction Machinery)

・Entry into the construction machinery sector, a growth area adjacent to the automotive industry where our structural-component and processing technologies can be leveraged.

NIKKEN

1. Entry into the new sector of construction machinery
2. Entry into the robust supply chain of construction machinery manufacturers
3. First base in the Kansai region

Expansion from Automotive to Construction Machinery

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

NIKKEN

【Major customers】

- Kobelco Construction Machinery
- Hitachi Construction Machinery Tierra
- Sekisui Chemical
- Yanmar
- Komatsu
- Sumitomo Construction Machinery
- Tadano

etc.

Cross-Referral Opportunities

Revenue Growth Through Cross-Selling

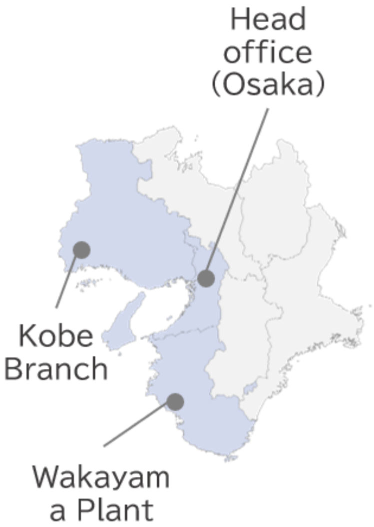
SERENDIP GROUP

The Company's customer base

Expansion into New Customer Segments

The Group's First Base in the Kansai Region

To be used by the entire Serendip Group as a base for developing new customers in western Japan



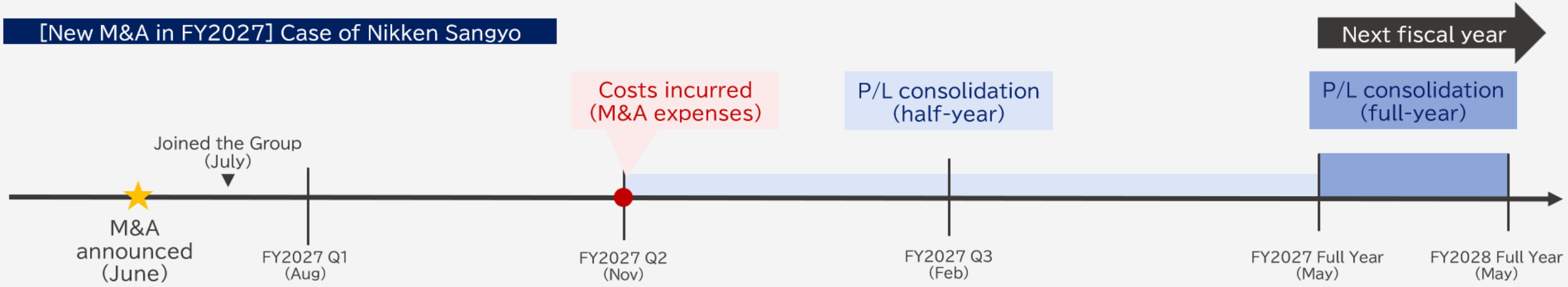
New customer acquisition in western Japan

Expansion of sales and supply networks
(greater sales and supply capability)

Expansion of sales area

Lagged Effect of M&A :
Timing of Earnings Consolidation for Nikken Sangyo

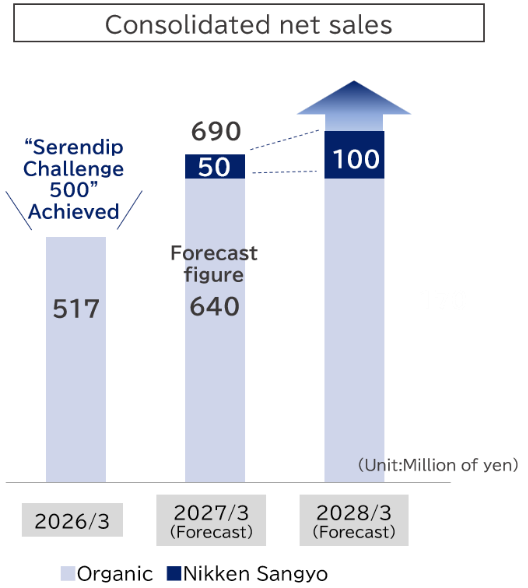
・M&A-related expenses (which affect operating profit) are recognized ahead of earnings contribution.

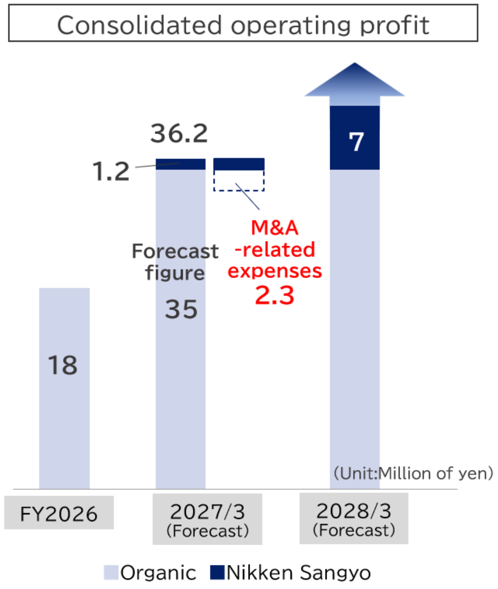


Unit:Millions of yen

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

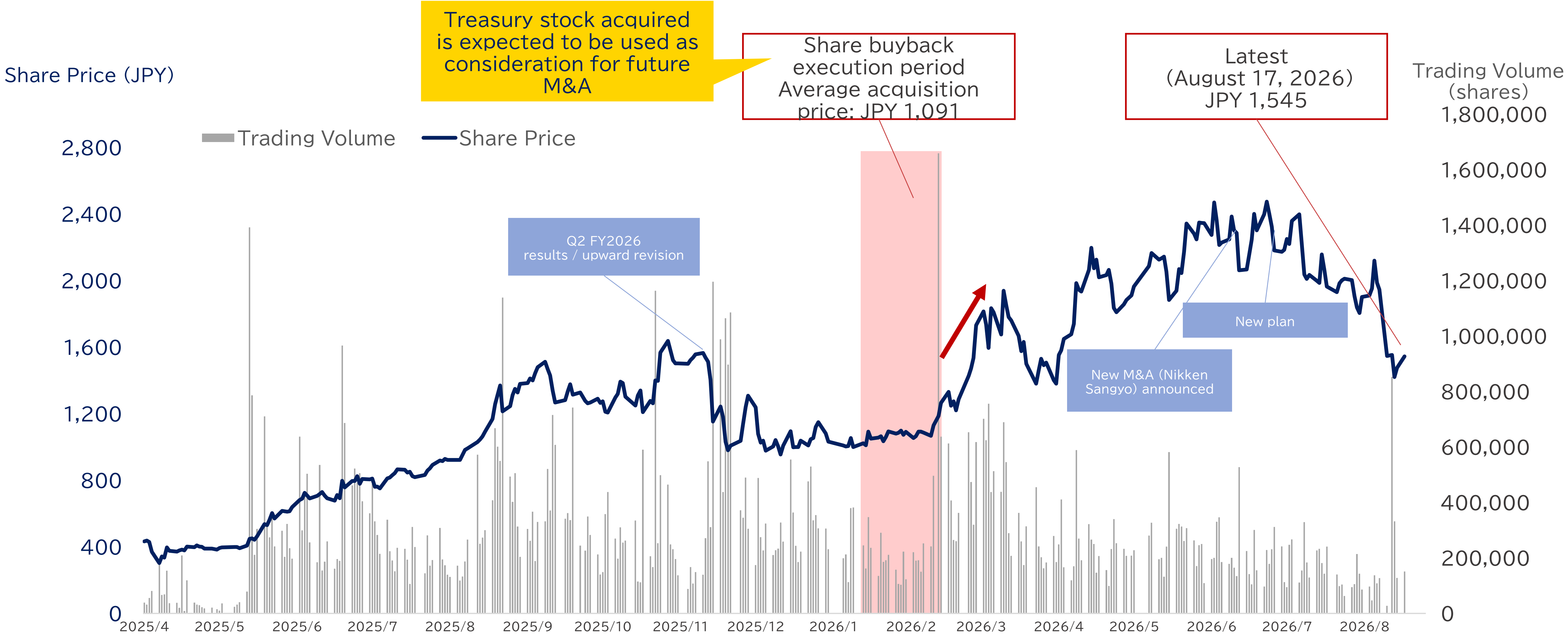
*The figures above are before the M&A





Shareholder Returns：Share Buyback Executed

・Executing share buybacks flexibly when the shares are judged undervalued, comprehensively considering the share price level, market environment, and capital efficiency.



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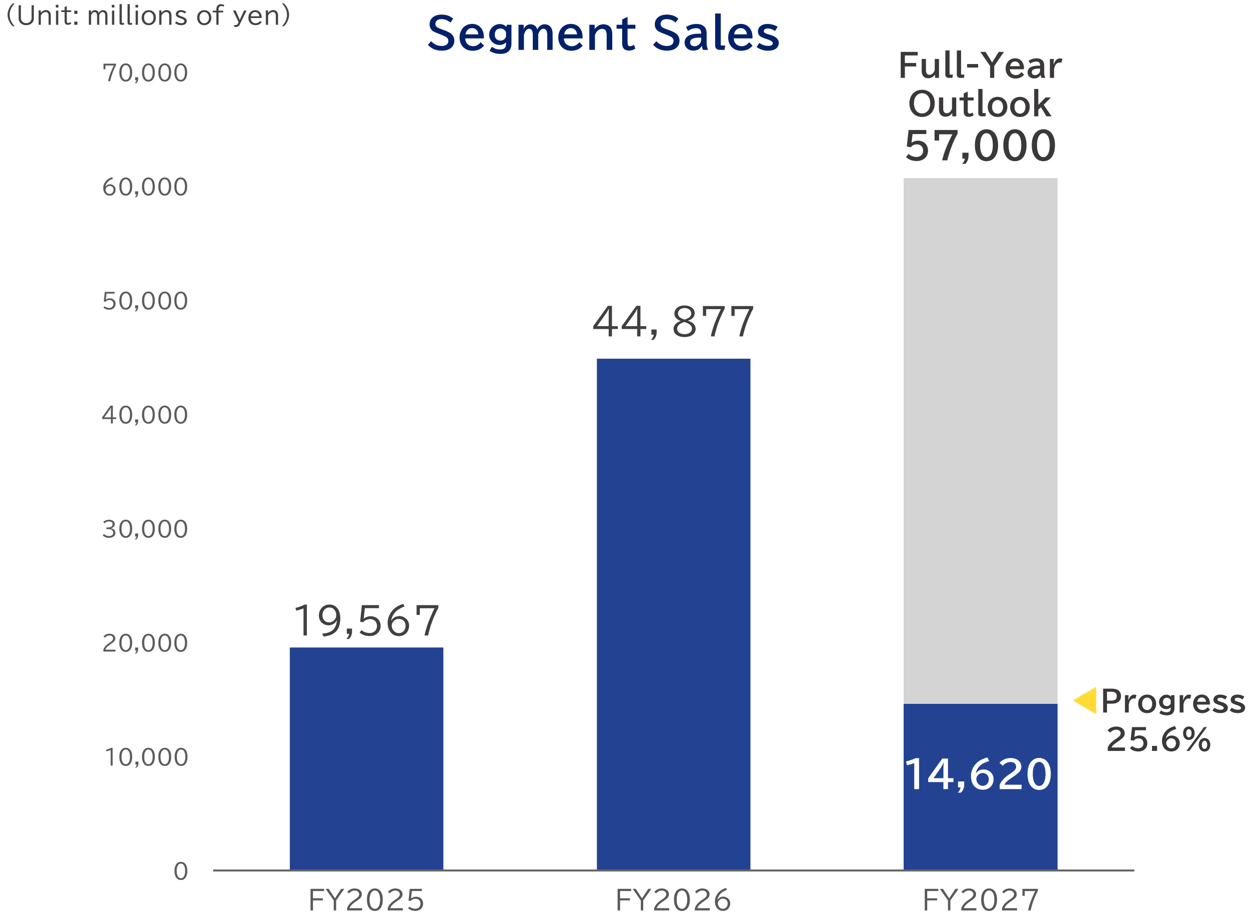
【FY2027 Forecast】 Sales and Profit Forecasts by New Segment

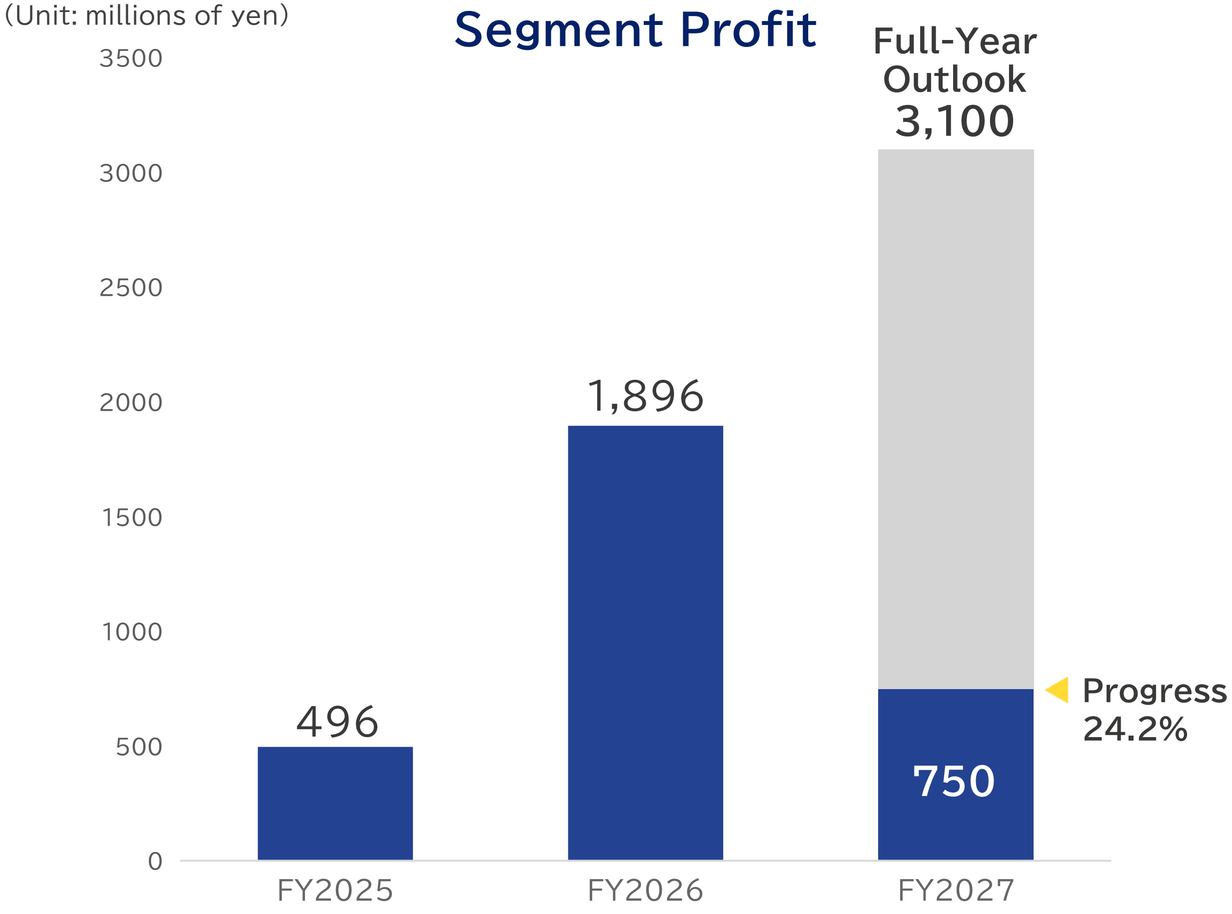
(Unit: millions of yen)	Segment Sales				Segment Profit			
	FY2027 Forecast	FY2026 Actual	Change	Change (%)	FY2027 Forecast	FY2026 Actual	Change	Change (%)
Manufacturing Business	57,000	44,877	+12,123	+27.0%	3,100	1,896	+1,204	+63.5%
Solutions Business	7,000	6,299	+701	+11.3%	400	280	+120	+42.3%

Notes:
(1) Includes intersegment sales and transfers.
(2) Segment classification was revised from Q1 FY2027.
(3) The FY2027 forecast is unchanged from the full-year consolidated forecast announced on May 14, 2026.

【Manufacturing Business】 Performance Trends and Progress

・Mitsuiya Industrial and EXCELL outperformed plan; Manufacturing Business revenue remained on track.
・EXCELL incurred a one-time cost on closure of an overseas office, offset by UNICREA’s profit contribution.





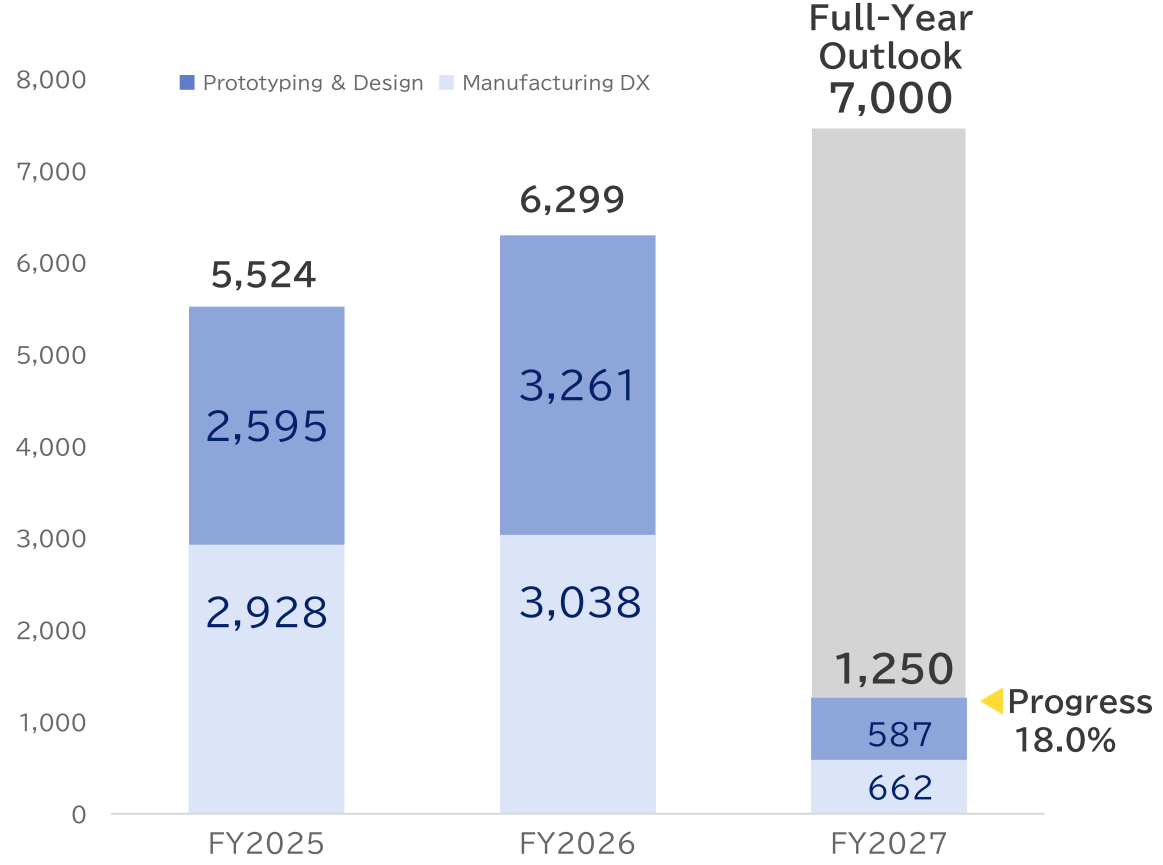
Notes: Includes intersegment sales and transfers.
FY2025 and FY2026 are shown under the new segment classification.

【Solutions Business】Performance Trends and Progress

・RoboX orders progressed as planned, while AXTRIA experienced a delay in revenue recognition.
・Q1 profit was affected by one-time costs, but the full-year order book remained solid.

(Unit: millions of yen)

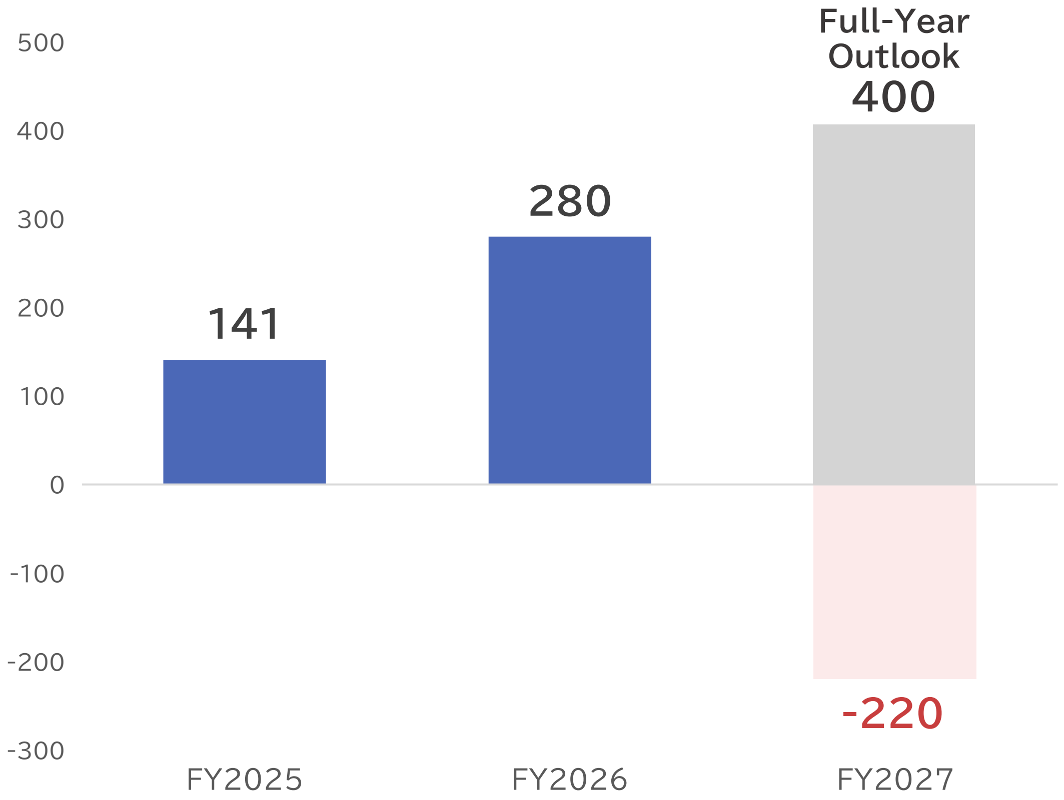
Segment Sales



Notes: Includes intersegment sales and transfers.
FY2025 and FY2026 are shown under the new segment classification.

(Unit: millions of yen)

Segment Profit

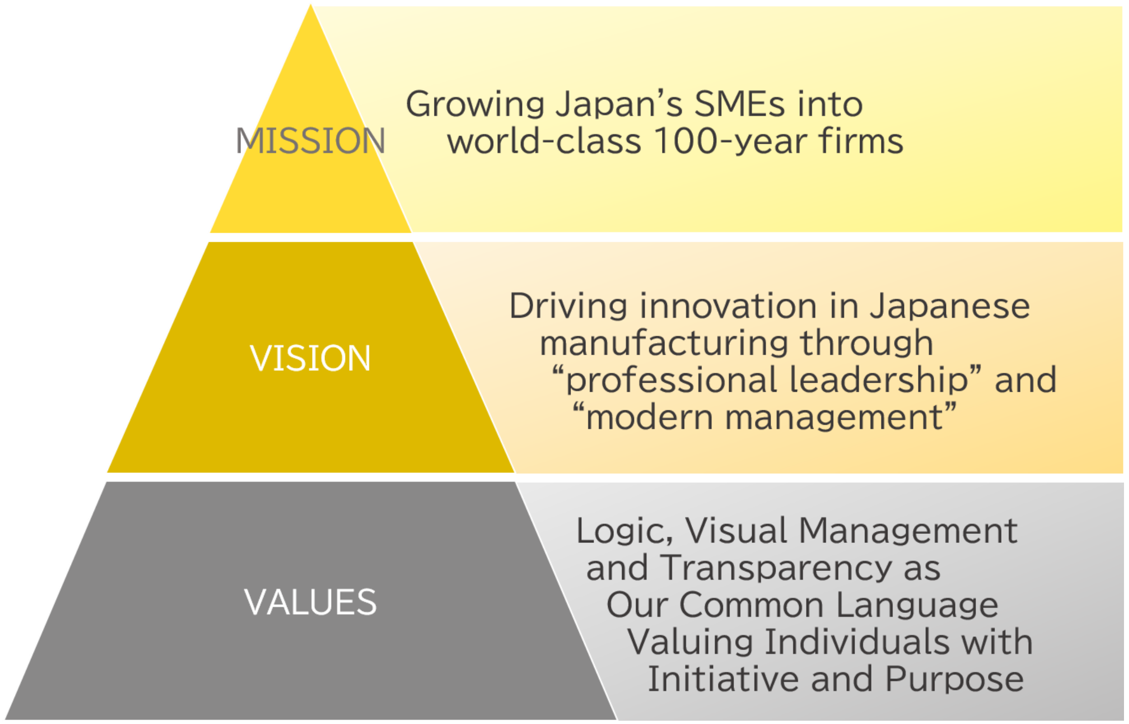


Company Overview

Name	SERENDIP HOLDINGS Co., Ltd.
President / CEO	Ari Takeuchi
Main Office	Nagoya Itochu Building 1-5-11 Nishiki, Naka-ku, Nagoya, Aichi, JAPAN
Establishment	August 2006
Capital	1,164.61 million yen (as of Mar 31, 2026)
Stock Exchange Listing	Tokyo Stock Exchange Growth Market: 7318
Employees (including full-time, contract, and part-time staff)	Parent: 38 (as of June 30, 2026) Group: 3,705 (as of June 30, 2026)
Fiscal Year	Year from April 1 to March 31

Note: The decrease in the standalone employee count reflects the transfer of consulting personnel to Serendip RoboX and AXTRIA.

Our Mission, Vision & Values



Our Representative: Ari Takeuchi

From childhood, inspired by his great-grandfather, Meitaro Takeuchi (founder of Komatsu Ltd.), he aspired to become an entrepreneur.

- 1994: Joined Nifty Corporation
- 1999: Joined Tokai Research & Consulting (now Mitsubishi UFJ Research & Consulting Co., Ltd.)
- 2001: Joined SAP Japan Co., Ltd.
- 2006: Joined Oracle Corporation Japan
- 2011: Joined Simplex Consulting Inc. (now Simplex Inc.)
- 2014: Became President of SERENDIP Holdings
- 2023: Became President and CEO of SERENDIP Holdings

Our Mission

Transform Japan's small- and medium-sized manufacturers into world-class, long-lasting enterprises through business succession via M&A.

"From the philosophy I learned from my great-grandfather to pursuing succession-oriented M&A"

Meitaro Takeuchi

"Quality knows no borders; industry is the foundation of a prosperous nation."

1. Streamlining and Modernizing Management

At age 26, Meitaro was entrusted by his father with the management of the Yoshitani Coal Mine. He implemented thorough **technological innovation and streamlining** to maximize in-house production and reduce costs. He established a modern production system by introducing the latest technology of the time.

2. Business Diversification and M&As

In addition to mining, he was involved in peripheral businesses such as casting, forging, and mold making.
He then entered the machinery industry. One of his founded companies was Karatsu Iron Works in Karatsu, Saga, which produced machine tools.
Another was **Komatsu Iron Works** in Komatsu, Ishikawa, which produced mining machinery. He also **expanded his business by acquiring coal mines and other mines across Japan** one after another.
He also invested in Kwaishinsha Motor Car Works, which later became a manufacturer of an early Japanese car brand "DATSUN," **paving the way for the dawn of Japan's automobile industry**.

3. Learning from Abroad and Promoting R&D

He traveled to Europe to visit mines, machinery factories, shipyards, and the Paris Universal Exposition. There, he keenly felt the technological gap between Japan and the West. After returning to Japan, he launched numerous businesses and promoted the domestic production of machinery and other equipment.

4. Reviving Local Cities

Both Karatsu and Komatsu have not left their birthplace. Meitaro wanted to return the favor to the cities and make them prosperous cities by remaining there. Also, he believed that local young people were honest, locating factories at local cities could contribute to Japan, and good items could recognize no border.

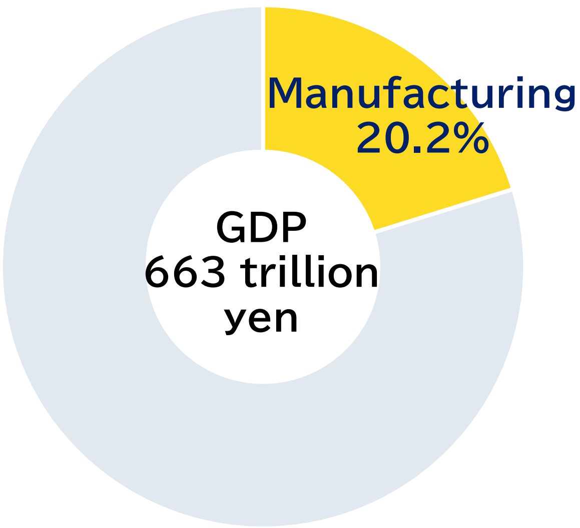
5. Education

"Developing people is the foundation of a company and also the cornerstone for building a nation."Donations of human resources, equipment, and funds to Kochi Technical High School and Waseda University School of Science and Engineering

Revitalization & Business Succession: Challenges and Market Opportunities Surrounding Japan's Manufacturing Industry

・By taking over small- and medium-sized manufacturers through third-party succession, SERENDIP resolves business succession issues while

・focusing on the significant potential for productivity gains through capital investment and group management.

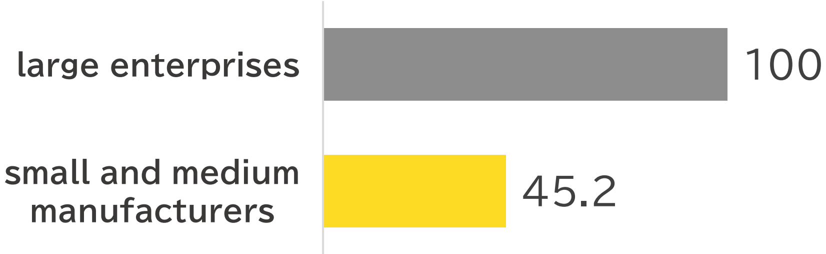


Manufacturing's share of Japan's GDP is a high 20.2%, and small- and medium-sized enterprises support about 40% of its sales — a vital foundation.
Still retains global competitiveness.

Source: Cabinet Office "National Accounts (SNA)" and Ministry of Economy, Trade and Industry "2025 White Paper on Manufacturing Industries" (estimated values).

About half of all companies lack a successor. Domestic M&A deals reached a record high in 2025. The aging of owners and lack of successors are serious challenges, and demand for third-party succession is growing.

Source: Teikoku Databank "National "Successor Absence Rate" Trend Survey (2025)", RECOF Data.



Productivity comparison (large enterprises = 100)

The productivity of small and medium manufacturers is about half that of large enterprises. Aging equipment and undeveloped DX create a large productivity gap, but investing capital here is expected to raise productivity.

Source: Small and Medium Enterprise Agency "White Paper on Small and Medium Enterprises 2024".

Manufacturing Business Succession Platform

・3 bases create a virtuous cycle that accelerates growth, and the profit and cash generated fund

・the next M&A and sustainable growth investments.

Ⅰ. M&A Execution Platform

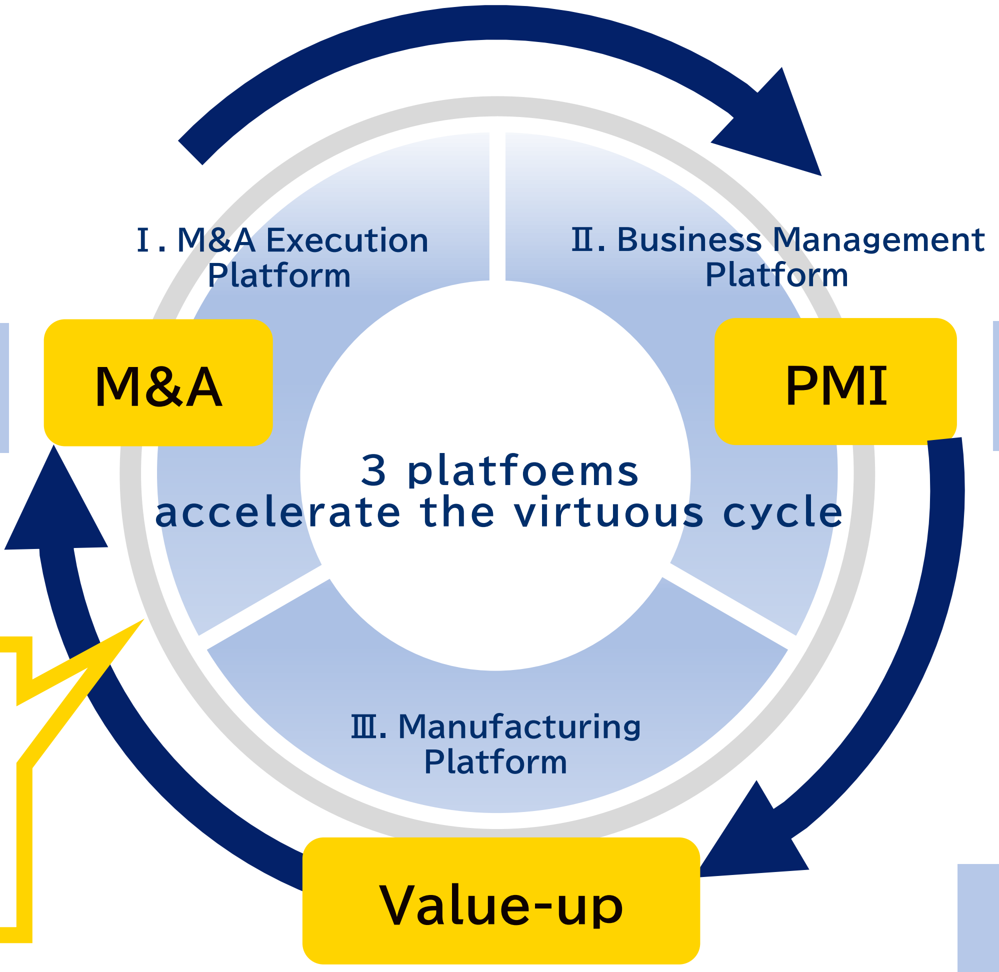
Based on the "SERENDIP Investment Portfolio" policy, executing the entire M&A process (M&A channel development,
M&A strategy planning/execution). Supplies new growth drivers to the group.

SERENDIP Investment Standard

Ⅱ. Business Management Platform

To maximize the value of the entire group, a unified and standardized management system is introduced through team management by professional executives.Identify waste, inconsistency, and overburden, and eliminate them to reduce costs.

SERENDIP Management Standard



As the virtuous cycle accelerates,
M&A and growth-investment resources increase, enabling further growth

Ⅲ. Manufacturing Platform

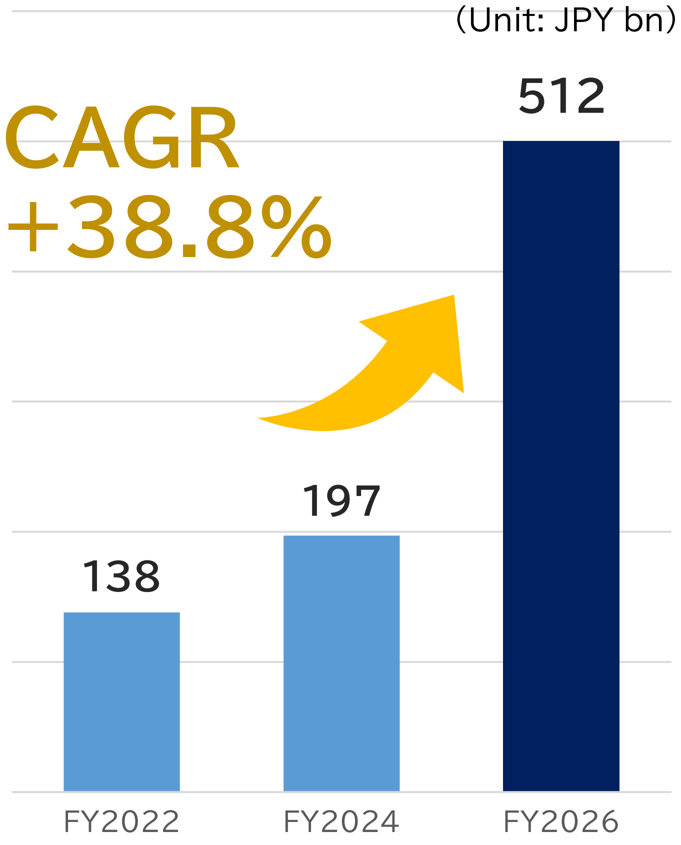
Raising shop-floor productivity through smart factories, R&D-driven challenges in high-value-added domains, and expanding the customer base via cross-selling across the group and overseas expansion — pursuing sustainable value-up.

SERENDIP Value-up Standard

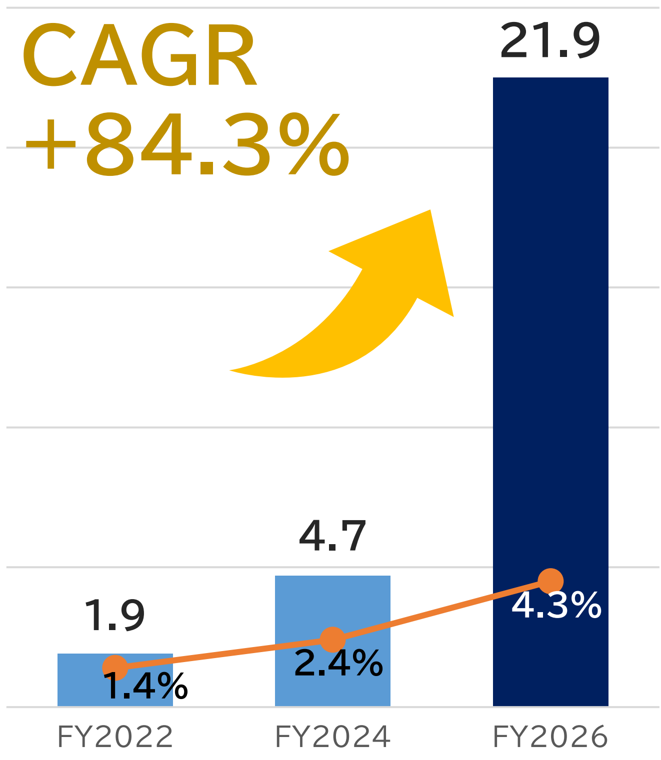
Trajectory Since Listing: SERENDIP Challenge 500 Overwhelming Growth Proven by Its Achievement

・Starting from business revitalization, SERENDIP has pursued M&A of manufacturers to tackle the social challenge of business succession, achieving strong growth. **By achieving Challenge 500 1 year ahead of schedule, it realized a high CAGR (compound annual growth rate) and built a foundation for growth.**

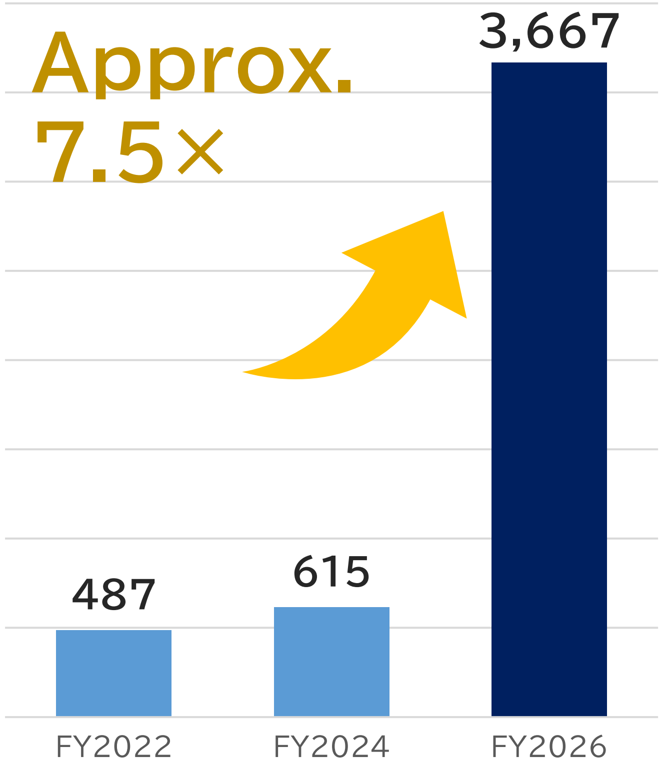
Trend in Net Sales



Trend in Operating Profit



Trend in Headcount



*Adjusted EBITDA = operating profit + goodwill/depreciation + one-time M&A costs.

Comparison with Peers (Serial Acquirers):PMI and Roll-up Create Value

- Beyond discontinuous growth, PMI and on-site reform drive sustainable growth.
- Not merely stacking subsidiaries — roll-up integration elevates management across the entire group.

■M&A Market Positioning

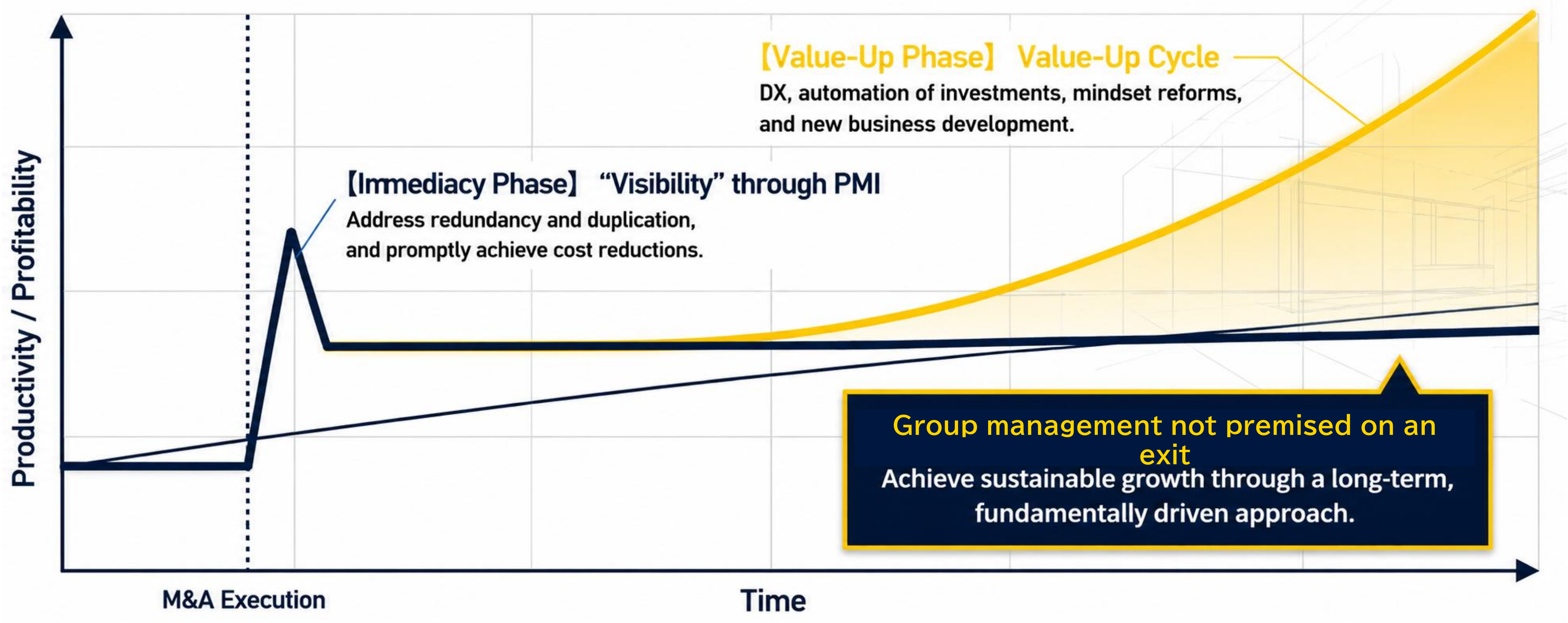
Elements needed for growth

		SERENDIP HOLDINGS	Peers (Serial Acquirers)	PE Funds
PMI (Integration & growth support)	Management reform (PMI)	✓ Employee development + external hires	△ Relies on internal or specific talent	×
	Roll-up & in-group integration	✓ Group-wide integration & synergy creation	× Stacking individual companies	×
Value-up (Value enhancement)	Manufacturing improvement & transformation know-how	✓ Many from consulting & operating companies	△ Mostly from finance	×
	R&D strengthening to create new businesses	✓ Continuously creates new businesses	×	×

PMI and Productivity Improvement: Balancing Discontinuous Growth with Organic Growth

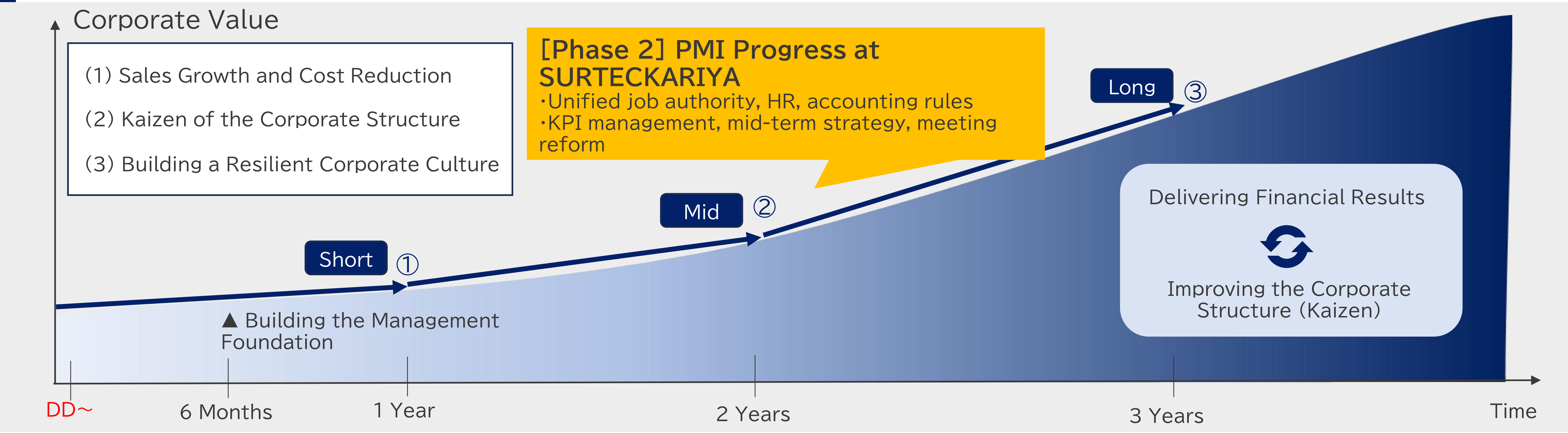
・Serendip Holdings pursues not only “discontinuous growth” through M&A and fast-acting PMI, but also long-term

・investment and reform that can only be achieved with a long-term perspective, emphasizing “organic growth” that develops its group companies.



Through our Manufacturing Business Succession Platform, we grow highly profitable and competitive mid-sized and small manufacturing companies

PMI Progress：Timeline of Milestones and Earnings Contribution



Phase 1 Executing the Serendip PMI Standard

Phase 2 Establishing the Serendip PMI Standard

● Embedding the Standard

- **Team management**
  Form a 2-4 person pro management team; share our vision and reform plan
- **Rollout of the PMI Standard**
  Apply standardized know-how to new M&A deals

● Management Reform and Shop-Floor Improvement

- **Top-line growth**
  Group synergies and cross-selling
- **Structural reform**
  IoT and robotics for labor savings
- **Reallocation to growth**
  Concentrate resources in R&D

● Visualization

- **Promoting visualization**
  Data-driven mindset change for shop-floor staff and management
- **Productivity and quality gains via back-office reform**
  Standardization, DX, shared services, and talent utilization

✓ Standardize PMI to enhance reproducibility

✓ Improve the corporate structure at a group-wide level

✓ Visualize operations and management to accelerate decision-making

Track Record of Sales and Profit Improvement at Each Company through Post-M&A PMI

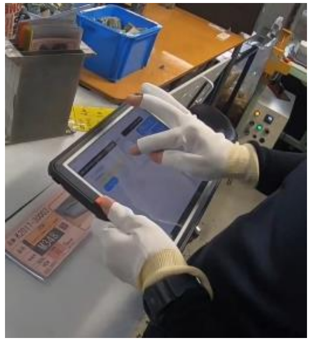
・Note: amounts are in million yen

Category	Company	Type	Item	Pre-acquisition FY	2 yrs after M&A	Growth rate
Revival	天竜精機株式会社 TENRYUSEIKI CO.,LTD. M&A: 2014	Stock (Sub.)		FY2014	FY2016	
			Sales	2,059	2,357	+14%
			Op. profit	△12	151	+151 million yen
Revival	SATO (now UNICREA) M&A: 2015	Stock (Sub.)		FY2015	FY2017	
			Sales	5,993	6,656	+11%
			Op. profit	△268	137	+405 million yen
Revival	MITSUIYA M&A: 2018	Stock (Sub.)		FY2018	FY2020	
			Sales	7,478	8,540	+14%
			Op. profit	6	108	+102 million yen
Non-revival	Apex (Turning your ideas into reality.) M&A: 2022	Stock (Sub.)		FY2022	FY2024	
			Sales	1,447	1,856	+28%
			Op. profit	68	140	+72 million yen
Non-revival	Kyoritsu 株式会社協立製作所 M&A: 2017	flow type		FY2017	FY2019	
			Sales	468	573	+22%
			Op. profit	104	153	+49 million yen Sold

Value Enhancement Phase： Case Study of Mitsuiya Industrial

Smart Factory Strategy

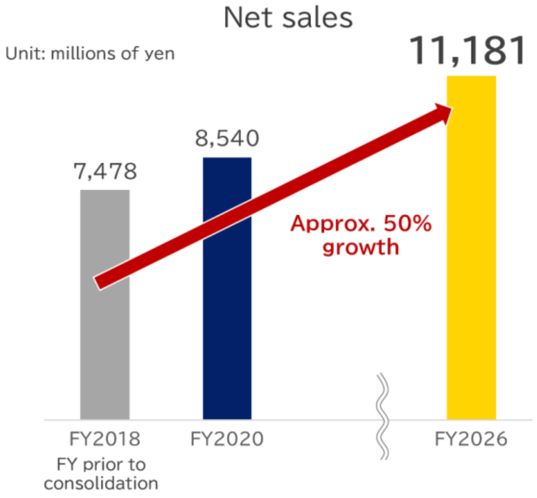
▼ From Analog to Digital

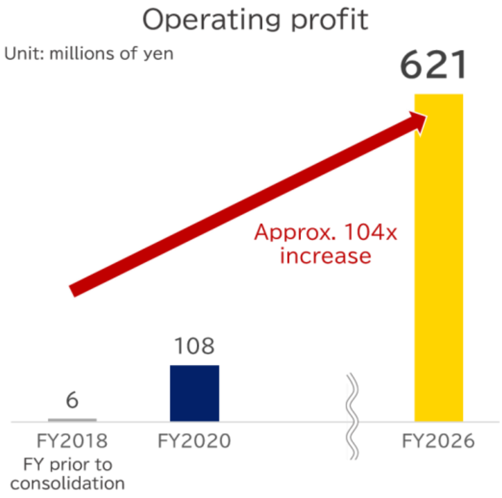


▼ A Shop Floor Where Robots Play an Active Role

Doubling productivity through thorough labor savings

Operating profit leaps from 6 million yen to 621 million yen

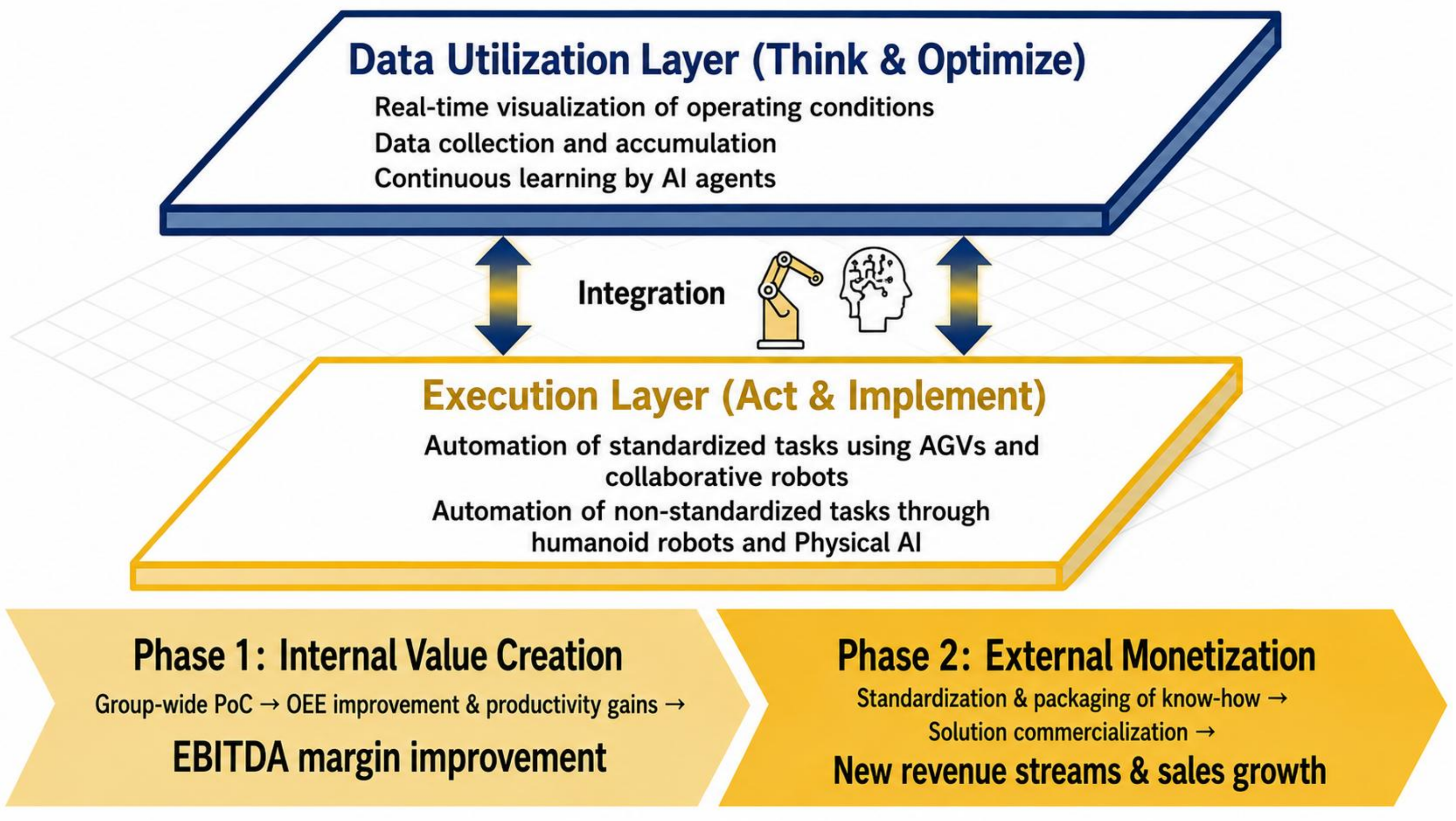




Overview of the Smart Factory Strategy

・Raising productivity at our own group plants by integrating data utilization and execution, and developing the accumulated know-how into a new revenue pillar through future external sales.

A Value Creation Model Combining In-House Improvement and Solution Development

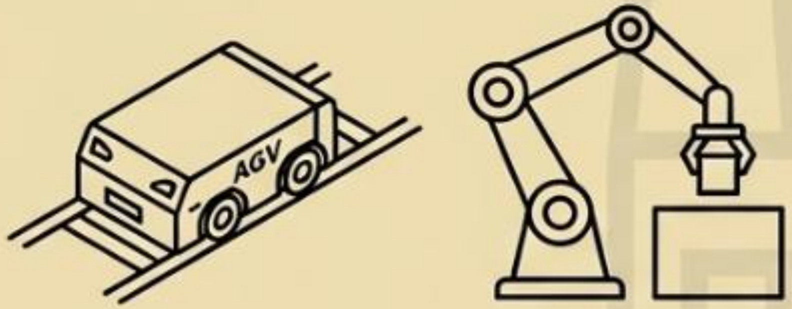


＊"Future Factory" in the previous medium-term plan, Challenge 500, has been renamed "Smart Factory" to use a more widely understood term.

Physical AI Implementation Strategy

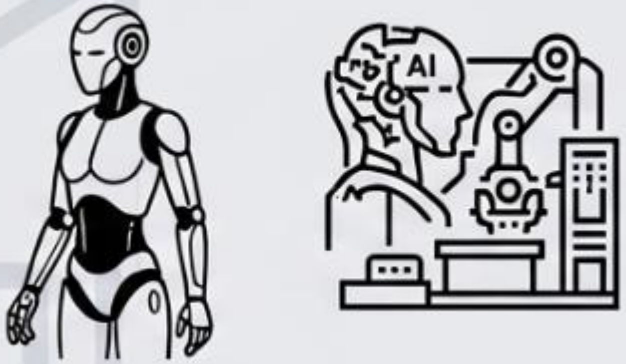
・Piloting physical AI at our own group plants to advance automation and labor savings, moving beyond routine tasks to non-routine tasks. The know-how accumulated will then be commercialized as an external solution service.

Proven Applications



- Automation of logistics and material-handling processes using AGVs and other autonomous transport robots
- Automation and labor-saving of standardized tasks using collaborative robots

Next-Generation Applications



- Automation of non-standardized tasks using humanoid robots and Physical AI
- Application to versatile processes requiring flexible decision-making and human-like judgment

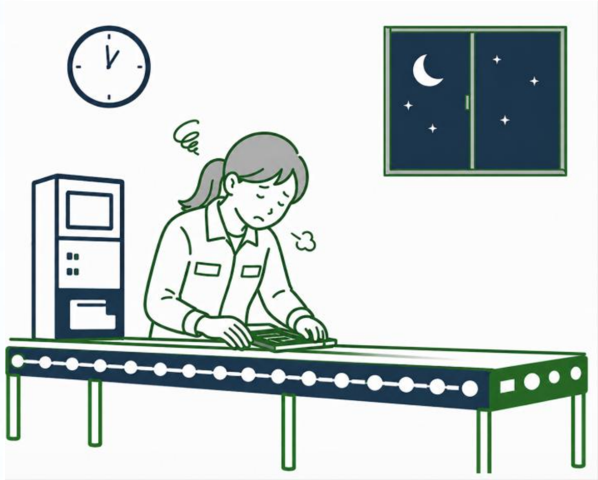
Targeting net sales of JPY 1.1 bn in this domain in FY2029

Case Study:Launch of the Automated Mold Cleaning and Assembly Project

・Connecting the expertise of RoboX, AXTRIA, and Tenryu Seiki from PoC to equipment implementation.

Before (Challenge)

Night-shift operations



Solution through Collaboration among Three Group Companies

RoboX

Robotics & VisionPoC & System Design

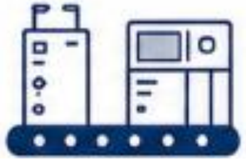
×

AXTRIA

Detailed design & simulation support

×

Tenryu Seiki

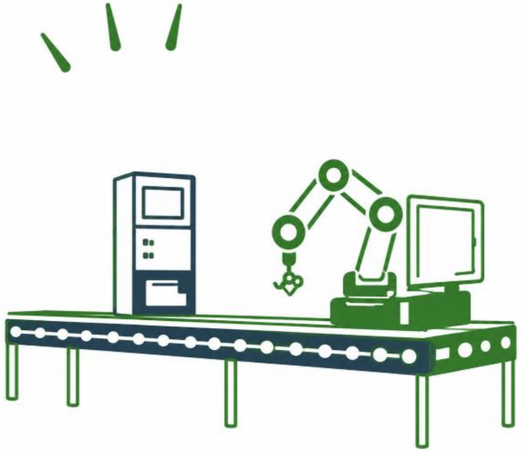


Equipment & Manufacturing Hardware & Maintenance

PoC results applied to equipment design

After (Results)

Stable operation without night-shift work



Toward a Stable & Efficient Production System

Case Study：Borderless Expansion Beyond the Barriers of Keiretsu, Technology, and Country

・Building on group integration, we build a cross-cutting sales, development, and supply structure that transcends the barriers of keiretsu, technology, and country ― accelerating growth.

Core: SERENDIP Automotive

1. Cross the keiretsu barrier

Sell beyond the keiretsu

2. Cross the technology barrier

Connect technologies to sell value

Metal processing | Resin molding | Surface treatment | Module

3. Cross the national barrier

Go beyond borders to capture markets

Cross-sell expansion×Stronger module proposals×Global market development = a borderless growth model

Borderless expansion dramatically accelerates our growth as a unit supplier

Roll-Up and Intra-Group Integration：Evolving into a Unit Supplier

•Evolving from single-part processing into a unit supplier through intra-group integration and roll-up M&A, enhancing added value and profitability.

Aggregation of Single-Part Processors

Roll-Up M&A & In-Group Integration
Sharing best practices and advancing production technology

Unit Supplier Group

In-group integration → **Group-wide module proposals** → Higher product value-added → Securing pricing power → **Higher profit margin**

・Delivering high-value-added products by combining technologies
・Greater integration and stronger competitiveness
・Promoting module proposals driven by customer value such as environmental performance, electrification (EV), and comfort

Shifting to EBITDA-Focused Management

・Positioning EBITDA as a key KPI to support the use of leverage and improvement in ROE, starting from cash-generating capability.

Operating Profit

＋ **D&A**
Heavy capital investment; no cash outflow

＋ **Goodwill**
Profit pressured by successive M&A; no cash outflow

＋ **M&A Expenses**
New M&A costs depress earnings power

＝ **Adjusted EBITDA**
True cash power

EBITDA as Three Core Metrics

(1) Cash-generating capability (EBITDA margin: 10% target)

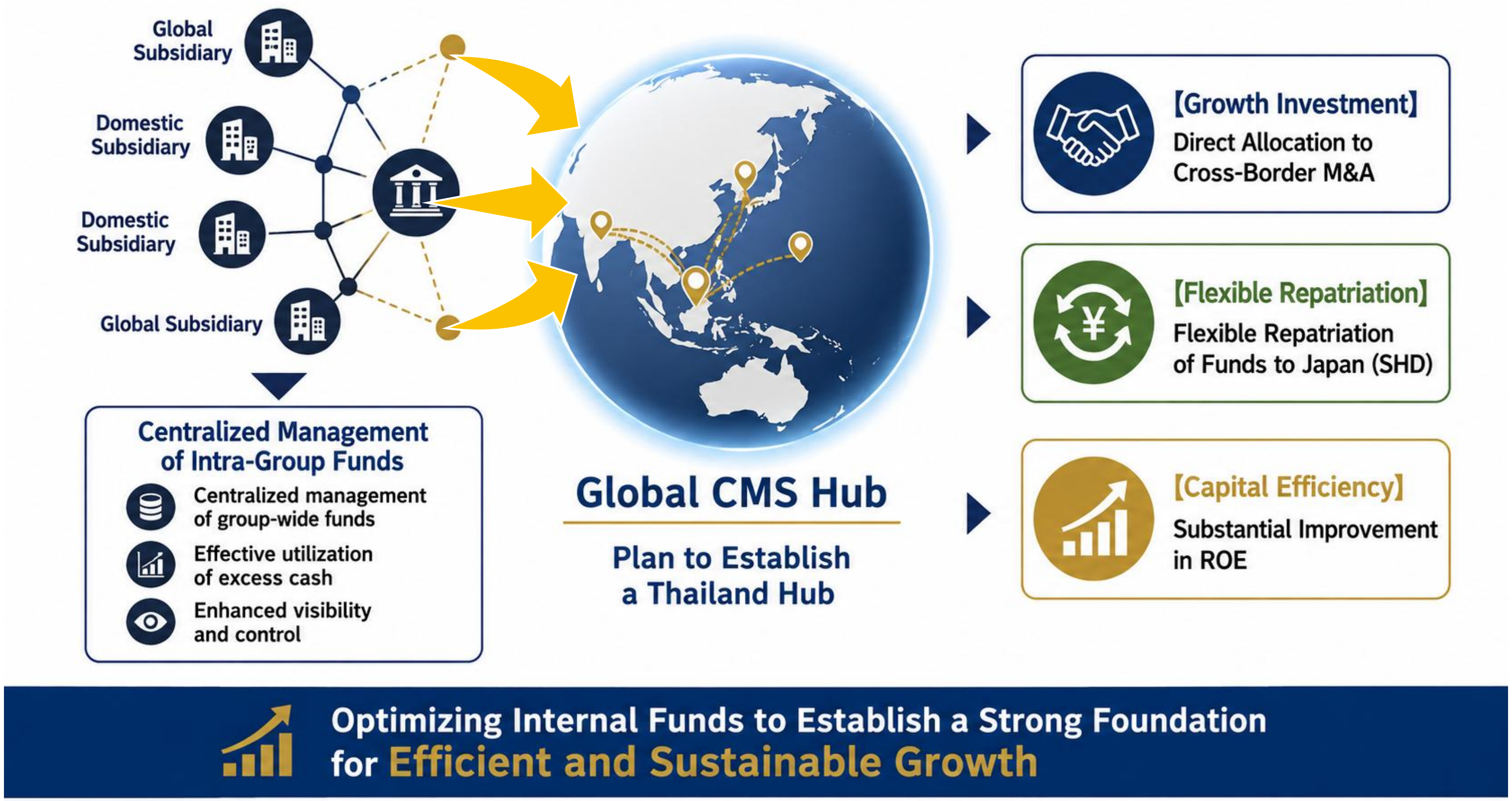
(2) Investment decisions (deal selection by EV/EBITDA)

(3) Leverage management (Net Debt/EBITDA: within 3.0x)

Target KPI: Shifting to a High-Margin Structure — EBITDA Margin 8.9% → 10.0%
・Sustained expansion through PMI (capital investment and R&D) while maintaining consistency with operating cash flow

Financial Strategy: Evolution of CMS (Cash Management System)

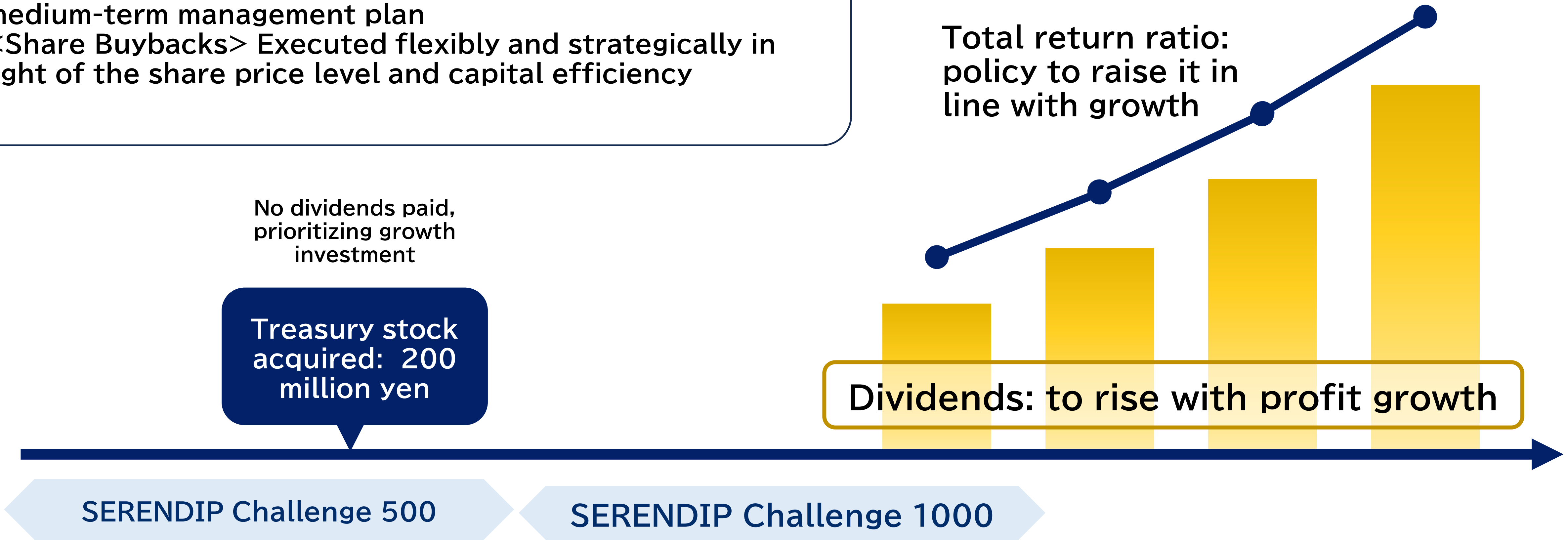
・Evolving from a domestic CMS to a global CMS to recycle funds held overseas into growth investments, achieving sustained improvement in capital efficiency and ROE.



Financial Strategy:Shareholder Returns

・Policy to raise the total return ratio in line with the growth phase, taking into account profit growth and capital efficiency.

<Dividends / Shareholder Benefits> To be implemented (planned) in line with the likelihood of achieving the medium-term management plan
<Share Buybacks> Executed flexibly and strategically in light of the share price level and capital efficiency



Purpose of the Share Buyback：Use as M&A Currency

・Acquiring treasury stock with a view to using it as consideration for future M&A.

・Balancing strategic M&A and capital investment on a stable cash-generating base to continuously enhance corporate value.

A Virtuous Cycle of Growth and Returns: M&A Strategy Leveraging Share Buybacks

Official Social Media and Information Channels

・Strengthening timely and easy-to-understand communication through X (formerly Twitter), YouTube, and note, plus transcripts published on logmi Finance.

X (formerly Twitter)

Account ID: @SERENDIP_HD

note

YouTube

logmi Finance

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