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December 20, 2024

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Notice Regarding the Issuance of Zero Coupon Convertible Bonds Due 2031

Hosiden Corporation (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on December 3, 2024, issuance of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, tenkanshasaigata shinkabu yoyakuken-tsuki shasai) (the “Bonds”). The details are described below.

Background and Purpose of the Issuance of the Bonds

The Hosiden Group has contributed to the development of the electronics market by timely supplying high-quality products, backed by advanced technology and a complete quality management system, which are sought after by the market, at all times as an electronic component manufacturer.

The electronics industry, to which the Company belongs, is rapidly changing due to a bewildering pace of technological innovations such as digitalization and networking. Against such background, more promising products and technologies are created one after another. Smartphones, tablet devices and Internet-related devices are expected to witness the progress of high-speed communications and advanced features with a view to adapting to 6G, and grow further as they are combined with traditional consumer electronics/AV and gaming markets, and are expected to come into wider use rapidly. In the automotive-related business, CASE (Connected, Autonomous, Sharing, and Electricity) and ADAS (Advanced Driver-Assistance Systems) are entering a period of diffusion and expansion. As a result, the scale (type and quantity) of electronic components and devices used is expanding as onboard electronic devices become more sophisticated. In addition, significant growth is anticipated for the electronic component industry as a whole, in light of the expected growth in the markets for

medical/health/cosmetics-related devices and electronic devices for nursing care and countermeasures against frailty due to the increase in the number of elderly people, as well as the expected expansion of markets related to IoE for improving productivity, mainly in industrial devices.

Amid such trends, the Hosiden Group will make efforts to secure and expand net sales and profits on a consolidated basis and enhance corporate value by offering extensive product lineups, technological capabilities that cater to diverse customer needs, fine-tuned services centered on customer satisfaction. as an electronic component manufacturer.

In preparation for further increases in demand in the future, the Company has resolved to issue bonds with stock acquisition rights for the purpose of capital expenditure in order to promote research and development to respond to high value-added and expand production capacity. In addition, the Company will repurchase its shares of common stock with a portion of the proceeds from the issuance of the bonds with stock acquisition rights and strive to return profits to shareholders.

Use of Proceeds

We expect to use the net proceeds of the issue of the Bonds (estimated to be approximately JPY10.0 billion) as follows:

- (i) approximately JPY5.0 billion by the end of March 2026, as funds for capital expenditures, as well as upgrading existing facilities for automation and labor saving measures in the manufacturing of electro-mechanical and acoustic components;
- (ii) approximately JPY2.0 billion by the end of March 2026, for the construction of a new factory in Vietnam aimed at expanding production capacity for electro-mechanical components, through investments and loans to our subsidiary in Vietnam; and
- (iii) approximately ¥3.0 billion by the end of January 2025, towards the repurchase of our shares of common stock.

Issuance of the Bonds

Set out below is a brief summary of the terms of the Bonds:

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| 1. Securities Offered | ¥10,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>) |
| 2. Issue Price | 102.0% |
| 3. Closing Date | December 19, 2024 (London time) |
| 4. Coupon | 0% |
| 5. Redemption at Maturity | 100% |
| 6. Initial Conversion Price | ¥2,770 per Share, subject to adjustment in certain events set out in the conditions of the Bonds |

(Reference)

Share Price (Closing Price) on the Tokyo Stock Exchange on December 3, 2024	¥2,409
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Note: This press release has been prepared for the sole purpose of publicly announcing the information contained herein, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, the Bonds or the shares of common stock of the Company issuable upon exercise of the stock acquisition rights (together, the

“Securities”) in any jurisdiction (including the United States) in which such offer or solicitation is unlawful. The Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and, may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act; any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements. No public offering or registration of the Securities is being made in the United States.