August 29, 2024

To All

Company name: ALPS ALPINE CO., LTD.
Representative: Hideo Izumi,
Representative Director, President & CEO
(Code No.: 6770 TSE Prime Market)
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Notice of Power Inductor Business Transfer

We hereby announce that our Board of Directors resolved on August 29, 2024 to transfer our power inductor business to Delta Electronics (Japan), Inc. an affiliate of Delta Electronics, Inc. (Delta Group and its Head office: Taipei, Taiwan; Chairman and CEO: Ping Cheng), and has executed a definitive agreement (the "Definitive Agreement") with Delta Electronics (Japan), Inc. (Office: Minato-ku, Tokyo; Representative: CHIENHAO HUA).

1. Reason for this business transfer

In our efforts to enhance corporate value, we aim to achieve a P/B ratio of 1x or more by FY2027 (fiscal year ending March 31, 2028), the period of our third medium-term management plan, which will begin in the next fiscal year (fiscal year ending March 31, 2026). In this context, as part of our growth strategy to transform our business portfolio, we are promoting management efficiency by sorting out focused businesses from non-focused businesses in order to invest management resources in a concentrated manner.

Our power inductor business has secured a position in a specific market based on our proprietary magnetic technology. However, with the existence of many electronic component manufacturers in this component business area, we considered that it would be difficult to capture future growth in the global market as a whole with our proprietary technology alone.

In addition, we have determined that in our medium- to long-term direction, synergies with other technologies and products are weak and that we must aim to maximize growth opportunities by maximizing the use of our proprietary magnetic technology under a new partner.

In selecting a partner, we determined that Delta Group, which has many business transactions with us, has built a long-term relationship of trust with us, and is an industry leader in power supply-related products, would be the best choice to address the data center demand, which is expected to grow significantly in the future. This will be the greatest attraction to us, which can maximize the use of the business and magnetic materials and enjoy economies of scale, and Delta Group, which has been focusing on the unique performance of the magnetic materials.

We are confident that we will be able to improve the efficiency of our capital and increase our corporate value by investing the funds acquired through this business transfer in areas such as the areas we will focus on strengthening in the electronic components field.

2. Outline of the Business Transfer

(1) Description of Business to be Transferred.

Business related to research and development, manufacturing and sales of power inductors, including products for the next-generation semiconductor memory market such as DDR (Double Data Rate) DIMM (Dual Inline Memory Module), and magnetic materials used for such products.

(2) Name of the reportable segment in which the business to be transferred is included

Sensor & Communication Segment

(3) Operating results of the subject business in the immediately preceding fiscal year (Millions of Yen)

	Power Inductor Dept. (a)	Financial year ended March 31, 2024 (b)	Ratio (a/b)
Net Sales	2,988	964,090	0.3%
Gross Profit	1,073	166,072	0.6%
Operation Income	274	19,711	1.4%

(4) Asset items and amounts in the subject project (as of the end of March 2024) (Millions of Yen)

Assets	
Item	Book value
Inventories	379
Non-current asset	1,146
Total	1,525

(5) Outline of other transactions including legal form

The information will be announced at the time the business transfer agreement is signed. (scheduled for late September 2024).

(6) Transfer price and method of settlement.

Transfer price

Total purchase price of approximately US$71mil (to be finalized by the 7th operation day of the transfer due to adjustment of fixed assets and inventory amounts).

Settlement method

Lump-sum settlement of the payment amount excluding the retained amount on the transfer execution date (15% of the total purchase amount is deposited as the retained amount).

3. Outline of the company to which the business will be transferred.

(1)	Company Name	DELTA ELECTRONICS (JAPAN), INC.	
(2)	Address	2-1-14 Minato-ku Shibadaimon, Tokyo 105-0012, Japan	
(3)	Title and name of representative	Representative: CHIENHAO HUA	
(4)	Business	Import, sales and export of information and telecommunications equipment and components, industrial automation business, energy infrastructure business, renewable energy-related business and solution business-related	
(5)	Capital Stock	280 million of Yen	
(6)	Date of Establishment	June, 1991	
(7)	Net Assets	NTD 1,097,156,000 (JPY 5,051,362,799) as of 2023/12/31	
(8)	Total Assets	NTD 3,271,481,000 (JPY 15,062,067,219) as of 2023/12/31	
(9)	Major Shareholders and Shareholding Ratio	DELTA ELECTRONICS INC. : indirect shareholdings of 100%	
(10)	Relationship between the listed company and the company in question	Capital ties	Na
		Personal relations	Na
		Business relations	Na
		Related Party Status	Na

4. Schedule

(1) Date of resolution by the Board of Directors	August 29, 2024
(2) Date of conclusion of business transfer agreement	End of September 2024 (Plan)
(3) Effective date (execution date of this business transfer)	Beginning of January 2025 (Plan)

5. Outline of Accounting Treatment

The Company plans to process the transaction in accordance with the "Accounting Standard for Business Divestitures" and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.

6. Outlook for the future

The Company expects to record an extraordinary profit in its consolidated financial results for the fiscal year ending March 31, 2025 as a result of this business transfer, but the details of the subject to be transferred are still under negotiation and the amount is currently under scrutiny. We will promptly announce any matters that should be publicly announced.

-End of News Release-