

February 26, 2018

For immediate release

Company name: SHINKAWA LTD.  
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(Code 6274 in the First Section of the Tokyo Stock Exchange)  
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## Notice of Acquisition: Pioneer FA

We, SHINKAWA LTD. (hereinafter “Shinkawa”), officially announce that we, by the meeting of the Board of Directors on February 26, 2018, will acquire Pioneer FA Corporation (hereinafter “Pioneer FA”) as a fully controlled subsidiary.

### **1. Background**

Shinkawa is responsible for the development, manufacturing, and sales of semiconductor manufacturing equipment to semiconductor and electrical makers on the global stage, as well as providing after-sales services. In recent years, the key drivers behind the cloud computing, IoT, and AI targeted semiconductor markets have been shifting to high accuracy, low cost solutions. To support this great industrial change, technologies must be improved in order to provide a diversified selection of semiconductor packaging in a timely manner. In anticipation of this new era known as the “Fourth Industrial Revolution”, last year we introduced our midterm management plan, “Challenge Shinkawa 2020”, aiming to lead worldwide bonding technologies. The three bases of this plan are the growth of existing business, creating new business value, and focusing on the growth and enrichment of our staff-members and engineers at a global level.

Pioneer FA’s roots trace back to PIONEER CORPORATION’s production technology center, which was among the core institution of the company’s innovation. With PIONEER’s experience of over 30 years in factory automation, they provide mounting and inspection devices for electrical components used in smartphones and automobiles, as well as production technology solutions. With a focus on understanding the customer and offering new added value and an abundance of experience and technological strength in the field of mounting and inspection equipment, they are a distinguished leader in crystal device and camera module manufacturing equipment markets. Using their industry know-hows and cutting-edge ideas, they also provide offerings in the markets of highly accurate LEDs, MEMS, and FPDs.

We strongly believe that the high level of technology, flexibility, and manufacturing capabilities of Pioneer FA will add great value to our existing high speed, high accuracy semiconductor bonding technology business platform. Furthermore, by providing solutions for both pre- and post-process, we believe that our competitive advantage in the electronics market shall rise to new heights, resulting in a mutually beneficial outcome for both companies.

Additionally, we shall benefit from a shared customer based and production capabilities. For example, using our direct sales network, low cost structure, and overseas factories, we believe that Pioneer FA will be able to expand its offerings overseas, creating new business opportunities, particularly in the Asian market.

This acquisition is in alignment with our company’s goals of improving customer satisfaction and providing added value. Combining our resources with those of Pioneer FA’s, we shall take advantage of synergies in order to continue our global expansion. While maintaining the individuality and integrity of both groups, we will dramatically move forward as a new group company and work to create new industry value.

## **2. Outline of a subsidiary to be acquired (Pioneer FA)**

(1)	Company name	Pioneer FA Corporation		
(2)	Location	7-1 Chiyoda 5-chome, Sakado-shi, Saitama 350-0286, Japan		
(3)	Name and Title of representative	Hiroschi Kobayashi, President and Representative Director		
(4)	Principal business	Designing, manufacturing and retailing mounting devices, assembly machines and inspection devices for a multiple of electronic components. Developing and retailing software for each type of production.		
(5)	Stated capital	353 million yen		
(6)	Date of Incorporation	October 31, 1995		
(7)	Major shareholders and percentage of ownership	PIONEER CORPORATION 100%		
(8)	Relationship between the company and publicly listed company	Capital Relationship	There is no capital relationship to be mentioned between Pioneer FA and Shinkawa.	
		Personnel Relationship	There is no personnel relationship to be mentioned between Pioneer FA and Shinkawa.	
		Transactional Relationship	Shinkawa provides semiconductor equipment to Pioneer FA.	
(9)	Business Performance and Financial Conditions for the Last Three Years (Non-consolidated)			
	Fiscal Years Ended	March 31, 2015	March 31, 2016	March 31, 2017
	Net Assets	1,542 million yen	1,433 million yen	1,522 million yen
	Total Assets	2,714 million yen	3,161 million yen	3,243 million yen
	Net Assets Per Share of Common Share	220,315 yen	204,781 yen	217,438 yen
	Sales	3,464 million yen	4,338 million yen	3,988 million yen
	Operating Profit	21 million yen	207 million yen	224 million yen
	Ordinary Profit	18 million yen	212 million yen	238 million yen
	Net Income	(37 million yen)	141 million yen	159 million yen
	Net Income Per Share of Common Share	(5,219 yen)	20,179 yen	22,656 yen

## **3. Outline of the party from whom shares are being acquired**

(1)	Company name	PIONEER CORPORATION	
(2)	Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo 113-0021, Japan	
(3)	Name and Title of representative	Susumu Kotani, President and CEO	
(4)	Principal business	Manufacture and sale of car electronics products	
(5)	Stated capital	91,732 million yen (as of March 31, 2017)	
(6)	Date of Incorporation	May 8, 1947	
(7)	Net assets	86,789 million yen (as of March 31, 2017)	
(8)	Total assets	281,786 million yen (as of March 31, 2017)	
(9)	Major shareholders and percentage of ownership (as of March 31, 2017)	Mitsubishi Electric Corporation	7.49%
		NTT DOCOMO, INC.	6.92%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	5.33%
		Japan Trustee Services Bank, Ltd. (Trust Account)	4.04%
		BNP Paribas Securities Services	2.88%
		Luxembourg/JASDEC/Henderson HHF SICAV	
		Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.34%
		State Street Bank and Trust Company	2.21%
		State Street Bank and Trust Company 505103	1.76%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.74%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.48%		

(10)	Relationship between the company and publicly listed company	Capital Relationship	There is no capital relationship to be mentioned between Pioneer and Shinkawa.
		Personnel Relationship	There is no personnel relationship to be mentioned between Pioneer and Shinkawa.
		Transactional Relationship	There is no transactional relationship to be mentioned between Pioneer and Shinkawa.
		Related Party Relationship	Pioneer is not a related party of Shinkawa.

#### **4. Number of shares to be acquired, value of the acquisition and status of shares held before and after the acquisition**

(1)	Number of shares held before the acquisition	0 shares (Number of voting rights held: 0) (Percentage of voting rights held: 0%)
(2)	Number of shares to be acquired	7,000 shares (Number of voting rights held: 7,000)
(3)	Value of the acquisition	Common Shares of Pioneer FA 2,100 million yen Fees for advisors, etc. (estimated) 30 million yen Total (estimated) 2,130 million yen
(4)	Number of shares held after the acquisition	7,000 shares (Number of voting rights held: 7,000) (Percentage of voting rights held: 100%)

#### **5. Schedule**

(1)	Resolution of the Board of Directors Meeting	February 26, 2018
(2)	Execution of the Agreement	February 26, 2018
(3)	Closing date	June 1, 2018 (scheduled)

#### **6. Outlook**

Shinkawa is currently investigating the impact that this share acquisition may have on its consolidated business performance. The company will promptly disclose any items related to this matter for which disclosure is deemed necessary.

There will be no effect on the consolidated business forecasts for the fiscal year ending March 2018.