



September 26, 2024

To whom it may concern

Company Name: Sumitomo Electric Industries, Ltd.  
Representative: Osamu Inoue, President  
(Ticker Code: 5802; Tokyo, Nagoya, Fukuoka)  
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**Notice of Absorption Merger (Simplified/Short Form Merger) of Wholly-Owned  
Subsidiary (Broad Net Mux)**

Sumitomo Electric Industries, Ltd. announces that its Board of Directors resolved, at a meeting held today, to conduct an absorption merger (the "Merger") of Broad Net Mux Corporation ("BNMUX"), its wholly owned subsidiary. The effective date of the Merger is scheduled for April 1, 2025.

Since this is an absorption merger of a wholly owned subsidiary of Sumitomo Electric, some disclosure items and details are omitted.

1. Purpose of the Merger

BNMUX, a wholly owned subsidiary of Sumitomo Electric, provides equipment repair and maintenance service for CATV stations and telecommunications carriers. Established in 1999, BNMUX had been engaged in equipment sales, installation, and maintenance services for CATV stations. In 2014, BNMUX transferred its equipment sales and installation business, excluding maintenance services, to Sumitomo Electric, and in 2015, took over the maintenance service business for telecommunications carriers from Sumitomo Electric Networks Co., Ltd. BNMUX has since operated as a specialized provider of maintenance services for a decade.

The recent diversity and sophistication in telecommunication and broadcasting services have escalated the need for advanced technological assistance in product maintenance. Furthermore, the demand for predictive maintenance solutions, such as AI-assisted detection of potential malfunctions, has surged. To address this growing need, Sumitomo Electric has decided to merge with BNMUX. This strategic move will allow Sumitomo Electric to enhance cooperative efforts with the product development department to boost customer satisfaction and solidify its business competitiveness. Sumitomo Electric's Broadband Networks Division, which specializes in broadcast-related products, will achieve integrated operations from development to maintenance, with the aim of streamlining the customer support system through collaboration with the construction and installation department.

2. Summary of the Merger

(1) Merger Schedule

Date of resolution by the Board of Directors	September 26, 2024
Date of contract	September 26, 2024
Effective date	April 1, 2025

(Note) This is a simplified merger as defined in Article 796, Paragraph (2) of Companies Act for Sumitomo Electric and a short-form merger as defined in Article 784, Paragraph (2) of the same act for BNMUX, thus will be conducted without obtaining approval at a general meeting of shareholders.

(2) Merger method

BNMUX will be dissolved in the absorption merger with Sumitomo Electric as the surviving stock company.

(3) Allotment of shares related to the merger

Since this is a merger with a wholly owned subsidiary of Sumitomo Electric, there will be no issuance of new shares, increase in capital stock, or delivery of cash.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the disappearing company

BNMUX has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Overview of the parties to the Merger

	The company surviving the absorption-type merger	The company disappearing in the absorption-type merger
(1) Name	Sumitomo Electric Industries, Ltd.	Broad Net Mux Corporation
(2) Location	Sumitomo Building, 4-5-33 Kitahama, Chuo-ku, Osaka, 541-0041, Japan	Rivage Shinagawa, 4-1-8, Konan, Minato-ku, Tokyo, 108-0075, Japan
(3) Name and title of representative	Osamu Inoue, President	Ko Kanno, Representative Director and President
(4) Business	Environment & Energy Infocommunications Automotive Electronics Industrial Materials & Others	Maintenance services for CATV and telecommunications carriers
(5) Capital stock	99,737	480
(6) Established	December 10, 1920	January 11, 1999
(7) Total shares issued	793,940,571	9,600
(8) Fiscal year end	March 31	March 31
(9) Number of employees	(Non-consolidated) 6,995 (March 2024)	(Non-consolidated) 22 (March 2024)
(10) Main banks	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation

(11) Largest shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. 17.68% Custody Bank of Japan, Ltd. 9.87% Nippon Life Insurance Company 3.17%			Sumitomo Electric Industries, Ltd. 100%		
(12) Operating results and financial status for the past three years						
	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Consolidated total net assets	2,052,938	2,110,819	2,431,888	1,024	1,036	1,016
Consolidated net assets	3,807,390	4,013,008	4,365,397	1,435	1,403	1,367
Consolidated shareholders' equity per share (yen)	2,269.31	2,436.14	2,830.82	106,619	107,918	105,858
Consolidated net sales	3,367,863	4,005,561	4,402,814	1,170	1,243	1,174
Consolidated operating income	122,195	177,443	226,618	138	155	131
Consolidated ordinary income	138,160	173,348	215,341	138	156	131
Profit attributable to owners of the parent	96,306	112,654	149,723	94	107	87
Consolidated earnings per share (yen)	123.49	144.45	191.98	9,817	11,115	9,056

(Unit: Million yen, except where otherwise noted)

#### 4. Status of Sumitomo Electric after the Merger

(1) Trade name, business, head office address, representative, capital stock, and fiscal year end

There will be no change as a result of the Merger.

(2) Future outlook

The impact of the Merger on Sumitomo Electric's financial results, both consolidated and non-consolidated, is expected to be negligible.

Concluded

(Reference) Forecast of and actual consolidated financial results for respective current (announced on August 1, 2024) and previous fiscal years

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Profit attributable to owners of the parent
Forecast for the current fiscal year (ending March 31, 2025)	4,600,000	250,000	243,000	145,000
Actual results for the previous fiscal year (ended March 31, 2024)	4,402,814	226,618	215,341	149,723

(Unit: Million yen)