



May 16, 2022

Company name SANTEC CORPORATION
Representative Mototaka Tei,
President and CEO
(Code number: 6777)

The Board decision to start the preparations for transition to a holding company structure through a company split (“short-form” absorption-type split), establishment of split preparation companies, amendment to the company name, and partial amendments to the Articles of Incorporation

SANTEC CORPORATION (“SANTEC”) hereby announces that its Board of Directors resolved at the Board meeting on May 16, 2022 to start preparations for the transition to a holding company structure.

1. Background and purpose of the transition to a holding company structure

”Santec Group” consists of SANTEC, four overseas subsidiaries, and one overseas sub-subsidiary company. The Group's main business is the development, manufacturing and sales of optical components and optical measuring instruments. In the optical communication market, which is the main business field of SANTEC Group, capital investment by telecommunications carriers is steadily increasing due to the increase in global communication traffic. The reasons for such increase include the expansion of 5G communication networks and cloud services, as well as the rapid spread of telecommuting and web conferencing due to the COVID-19 Pandemic.

In such an environment, SANTEC Group has been expanding its business activities by introducing an in-house companies system *¹ as from the fiscal year ending March 2021 with the aim of accelerating growth by returning to the venture spirit.

SANTEC has decided to start preparations for the transition to a holding company structure with the aim of further clarifying responsibilities and authorities and creating an organizational structure that promotes business through quicker and bolder decision-making.

2. Summary of the transition to a holding company structure through a company split

(1) Procedures for transition

Santec will incorporate the following four split preparation companies (each a Split Preparation Company, and collectively the “Split Preparation Companies”) as its wholly-owned subsidiaries: santec AOC Corporation, santec LIS Corporation, santec OIS Corporation, and santec Japan Corporation. Santec plans to transfer, by means of company split, its AOC Company to santec AOC Corporation, its LIS Company to santec LIS Corporation, its OIS Company to santec OIS Corporation and its domestic distribution business and solution business to santec Japan Corporation.

SANTEC will maintain its listing status after such split as a holding company.

* 1 SANTEC's disclosure segments and In-House Companies

Disclosure segment	Name of Inhouse Company	Main business
Optical parts business	AOC Company (Advanced Optical Components)	Development, manufacture and sales of optical components
Optical measuring instrument business	LIS Company (Laser Instrument & System)	Development, manufacture and sales of wavelength tunable light sources and measuring instruments
	OIS Company (Optical Imaging & Sensing)	Development, manufacture and sales of OCT light sources, OCT systems, and medical equipment

(2) Establishment of Split Preparation Companies

As part of preparations for the transition to a holding company structure, SANTEC will establish the Split Preparation Companies.

Overview of each Split Preparation Company is as set forth below:

<santec AOC Corporation>

(1) Name	santec AOC Corporation	
(2) Location	5823, Nenjozaka, Okusa-Aza, Oaza, Komaki-city, Aichi	
(3) Title and name of the representative	Noboru Uehara, President and Representative Director (to-be)	
(4) Main business description	Development, manufacture and sales of optical components	
(5) Capital	1 million yen	
(6) Date of establishment	May 30 , 2022	
(7) Number of shares to be issued	100 shares	
(8) Fiscal year-end	March 31	
(9) Major shareholders and holding ratio	100% owned by SANTEC	
(10) Relationship between SANTEC and santec AOC Corporation	Capital relationship	As described in Item (9) above.
	Business relationship	santec AOC Corporation has not yet started business so that there are no business relationships with SANTEC.
	Personnel relationship	SANTEC will dispatch directors to santec AOC Corporation.

<santec LIS Corporation>

(1) Name	santec LIS Corporation.	
(2) Location	5823, Nenjozaka, Okusa-Aza, Oaza, Komaki-city, Aichi	
(3) Title and name of the representative	Taihei Miyakoshi, President and Representative Director (scheduled)	
(4) Main business description	Development, manufacture and sales of wavelength tunable light sources and measuring instruments	
(5) Capital	1 million yen	
(6) Date of establishment	May 30 , 2022	
(7) Number of shares to be issued	100 shares	
(8) Fiscal year	March 31	

(9) Major shareholders and holding ratio	100% owned by SANTEC	
(10) Relationship between SANTEC and santec LIS Corporation	Capital relationship	As described in Item (9) above.
	Business relationship	santec LIS Corporation has not yet started business so that there are no business relationships with SANTEC.
	Personnel relationship	SANTEC will dispatch directors to santec LIS Corporation.

<santec OIS Corporation>

(1) Name	santec OIS Corporation	
(2) Location	5823, Nenjozaka, Okusa-Aza, Oaza, Komaki-city, Aichi	
(3) Title and name of the representative	Keiji Isamoto, President and Representative Director (scheduled)	
(4) Main business description	Development, manufacture and sales of OCT light sources, OCT systems, and medical equipment	
(5) Capital	1 million yen	
(6) Date of establishment	May 30 , 2022	
(7) Number of shares to be issued	100 shares	
(8) Fiscal year-end	March 31	
(9) Major shareholders and holding ratio	100% owned by SANTEC	
(10) Relationship between SANTEC and santec OIS Corporation	Capital relationship	As described in Item (9) above.
	Business relationship	santec OIS Corporation has not yet started business so that there are no business relationships with SANTEC.
	Personnel relationship	SANTEC will dispatch directors to santec OIS Corporation.

<santec Japan Corporation>

(1) Name	santec Japan Corporation	
(2) Location	5823, Nenjozaka, Okusa-Aza, Oaza, Komaki-city, Aichi	
(3) Title and name of the representative	Taisei Kaneshiro, President and Representative Director (scheduled)	
(4) Main business description	Domestic sales business and solution business	
(5) Capital	1 million yen	
(6) Date of establishment	May 30 , 2022	
(7) Number of shares to be issued	100 shares	
(8) Fiscal year-end	March 31	
(9) Major shareholders and holding ratio	100% owned by SANTEC	
(10) Relationship between SANTEC and santec Japan Corporation	Capital relationship	As described in Item (9) above.
	Business relationship	santec Japan Corporation has not yet started business so that there are no business relationships with SANTEC.
	Personnel	SANTEC will dispatch directors to

	relationship	santec Japan Corporation.
--	--------------	---------------------------

(3) Schedule of the Split

Establishment of the Split Preparation Companies	May 30, 2022 (tentative)
The Board of Directors meeting to approve the absorption-type company split agreements	late August, 2022 (tentative)
Execution of the absorption-type company split agreement	late August, 2022 (tentative)
Ordinary General Meeting of Shareholders to approve the absorption-type company split agreement	late September, 2022 (tentative)
Effective date of the absorption-type company split	April 1, 2023 (tentative)

(4) Others

The details of the split, detailed matters after the transition to a holding company structure will be separately announced once it has been decided.

3. Amendment to the company name of SANTEC

(1) Reason for amendment

SANTEC intends to change its company name as part of preparations for the transition to the holding company structure.

(2) New name

santec Holdings Kabushiki Kaisha
(English name: santec Holdings Corporation)

(3) Effective date of amendment

April 1, 2023 (tentative)

4. Partial amendments to Articles of Incorporation

(1) Reason for amendments

As part of preparations for the transition to the holding company structure, SANTEC intends to change the company name to “santec Holdings Kabushiki Kaisha” and adjust its business purposes to the holding company structure. The amendments to the Articles of Incorporation shall become effective subject to the conclusion of the absorption-type split agreements and consummation of the absorption-type splits.

(2) Details of amendments

The details of the amendments are as per the Appendix below.

(3) Schedule

Ordinary General Meeting of Shareholders to amend the Articles of Incorporation	June 29, 2022 (tentative)
Effective date of the amendments to the Articles of Incorporation	April 1, 2023 (tentative)

Appendix(The amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>(Trade name) Article 1 The name of the Company shall be <u>santec Kabushiki Kaisha.</u></p> <p><u>2 The English name of the Company shall be SANTEC CORPORATION.</u></p> <p>(Purpose) Article 2 The purpose of the Company shall be <u>to engage in the following businesses.</u></p> <p>1. ~ 9. (Omitted)</p> <p>(New)</p> <p>Articles 3 to 40 (Omitted)</p> <p>Supplementary provisions</p> <p>1. ~ 2. (Omitted)</p> <p>(New)</p>	<p>(Trade name) Article 1 The name of the Company shall be <u>santec Holdings Kabushiki Kaisha and in English, it shall be santec Holdings Corporation.</u></p> <p>(Delete)</p> <p>(Purpose) Article 2 The purpose of the Company shall be <u>to control or manage companies and foreign companies which engage in the businesses stated in each of the following items, by means of holding shares or equity interests therein and to conduct businesses ancillary thereto.</u></p> <p>1. ~ 9. (Unchanged)</p> <p><u>2 The Company may engage in businesses stated in each items of the preceding paragraph, as well as in all business incidental or related thereto.</u></p> <p>Articles 3 to 40 (Unchanged)</p> <p>Supplementary provisions</p> <p>1. ~ 2. (Unchanged)</p> <p><u>(Transitional measures for the enforcement of the amendments)</u></p> <p><u>3. Amendments to Article 1 (Trade name) and Article 2 (Purpose) shall become effective subject to the consummation of the absorption-type split between the Company and each of santec AOC Corporation, santec LIS Corporation, santec OIS Corporation, and santec Japan Corporation. This Supplementary provision shall be deleted on the day immediately after the effective date of the said absorption-type splits.</u></p>

(Note) The foregoing amendments are quoted from the text of the resolution of the Board of Directors held on May 16 , 2022, and the amendments to be submitted to the 43rd Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2022 may be subject to some editorial changes.