



May 10, 2024

To whom it may concern,

Company name: SATORI ELECTRIC CO., LTD.
Representative: Hiroyuki Satori,
Representative Director, President
Securities Code: 7420
(Tokyo Stock Exchange Prime Market)
Contact: Koji Suwahara,
Director, Managing Executive Officer
Phone: +81-3-3451-1040

(Correction of notation)

**Notice regarding company split (simple incorporation-type company split)
and stock transfer of newly established company**

Satori Electric Co., Ltd. hereby announces that it has made corrections to “Notice regarding company split (simple incorporation-type company split) and stock transfer of newly established company” which was announced on May 9, 2024 at 1:00 p.m. (JST), as follows, The updated section is underlined.

1.Reason for corrections

Made mistake of Current / Non-current classification

2.Details of corrections

I . Company split

3. Overview of the business to be split

(3)Items and book value of assets and liabilities to be split (As of May 31, 2023)

【Before corrections】

Assets		Liabilities	
Item	Book Value	Item	Book Value
<u>Current assets</u>	185 million yen	<u>Current liabilities</u>	85 million yen
Total	185 million yen	Total	85 million yen

【After corrections】

Assets		Liabilities	
Item	Book Value	Item	Book Value
<u>Non-current assets</u>	185 million yen	<u>Non-current liabilities</u>	85 million yen
Total	185 million yen	Total	85 million yen

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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Notice regarding company split (simple incorporation-type company split) and stock transfer of newly established company

Satori Electric Co., Ltd. (hereinafter “the Company”) hereby announces that it has resolved, at the Board of Directors Meeting held on today, to transfer the trigger switches business for power tools and gardening equipments(hereinafter “this Business”) to a newly established wholly-owned subsidiary through a company split (hereinafter “the Company Split”) , and to transfer all the shares of the newly established company to OTAX Co., Ltd. (hereinafter "OTAX") (hereinafter "the Share Transfer"), and have concluded a share transfer agreement today as follows. Please note that certain disclosure items and details have been omitted from the disclosure, because the Company Split is a simple incorporation-type company split involving only the company.

Purpose of the Company Split and the Share Transfer

The Company is actively promoting business portfolio management as part of its initiatives to maximize corporate value, as disclosed in its consolidated financial results briefing for the 2nd quarter of the fiscal year ending May 2024 on January 16, 2024. The company has been reviewing its business portfolio, with the aim of enhancing sales growth and capital profitability for the entire group over the medium to long term. In this process, with the intention of leveraging the strengths of this Business, such as its technological capabilities and robust customer relationships, the Company has decided to transfer the operation of the Business to OTAX. OTAX, renowned for its strengths as a manufacturer and distributor of industrial switches, aligns well with its objectives, and the Company anticipate that this transfer will further enhance the growth of this Business. After discussions with OTAX regarding the succession of this business, a stock transfer agreement has been concluded today.

The Company will transfer this Business to OTAX through the Company Split and the Share Transfer. In addition, in conjunction with the Company Split and Share Transfer, among the contracts related to this business, contracts to which our subsidiary, Hong Kong Satori Co., Ltd. is a party, will also be transferred to OTAX's Hong Kong subsidiary.

I. Company split

1. Summary of the Company Split

(1) Schedule of the Company Split

Date of resolution at the meeting of the Board of Directors	May 9, 2024
Date of conclusion of the agreement	May 9, 2024
Commencement date (Effective date)	August 30, 2024 (scheduled)
New record date (date of money delivery)	August 30, 2024 (scheduled)

(Note)As this Company Split falls under the category of a simplified incorporation-type company split as defined in Article 805 of the Companies Act, this Company Split will be carried out without the approval of a general meeting of shareholders.

(2) Form of the Company Split

This is a simple incorporation-type company split in which the Company is the splitting company and SHIBA Co., Ltd. (hereinafter “SHIBA”) is the newly established company.

(3) Details of allotment related to the Company Split

Upon this Company Split, the newly established company will issue common stock 100 shares, all of which will be allocated and delivered to the splitting company, the Company.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Company Split

Not applicable.

(5) Increase or decrease in share capital due to the Company Split

There will be no increase or decrease in capital due to this Company Split.

(6) Rights and obligations to be succeeded by succeeding company

As of the effective date of this Company Split, the newly established company will succeed the assets, liabilities, and contractual status of our business, including employment contracts, as well as the rights and obligations associated therewith, as specified in the incorporation-type company split plan. In addition, the succession of debts will be based on the method of debt assumption without liability.

(7) Prospect of fulfillment of obligations

It is believed that this Company Split will pose no question to the prospect of the fulfillment of obligations to be borne by the new company after the effective date of this Company Split.

2. Overview of companies involved in the Company Split

	Splitting Company (As of November 30, 2023)	New Company (As of August 30, 2024)
(1) Company Name	Satori Electric Co., Ltd.	SHIBA Co., Ltd.
(2) Location of head office	1-14-10 Shiba, Minato-ku, Tokyo	Yokohama-shi, Kanagawa
(3) Job title and name of representative	Representative Director and President, Hiroyuki Satori	-
(4) Business Description	Distribution of integrated circuits(ICs), discrete semiconductors, general electronic components and electronic equipment, and related business.	Development, design, manufacture, and sales of trigger switches for power tools and gardening equipment
(5) Capital	2,611 million yen	80 million yen
(6) Date of establishment	July 10, 1947	August 30, 2024 (Scheduled)
(7) Total number of shares issued	17,946,826	100
(8) Fiscal year-end	May 31	March 31

(9)	Major shareholders and ownership ratios	The Master Trust Bank of Japan 9.02% Custody Bank of Japan, Ltd. 5.73%	Satori Electric Co., Ltd. 100%
10)	Financial position and operating results for the most recent fiscal year		
	As of / Fiscal year ended	May 31, 2023	
	Consolidated net assets	34,945 million yen	
	Consolidated total assets	81,556 million yen	
	Consolidated net assets per share	2,052.73 yen	
	Consolidated net sales	146,336 million yen	
	Consolidated operating profit	3,791 million yen	
	Profit attributable to owners of parent	2,257 million yen	
	Consolidated earnings per share	137.22 yen	

Note: The new company will be established by the Company on August 30, 2024 (scheduled). The name of the new company is scheduled to be changed by OTAX after the stock transfer is executed.

3. Overview of the business to be split

(1) Description of business division to be split

Development, design, manufacture, and sales of trigger switches for power tools and gardening equipment.

(2) Operating results of business division to be split (May 31, 2024 forecast)

Net sales 2,790 million yen

(3) Items and book value of assets and liabilities to be split (As of May 31, 2023)

Assets		Liabilities	
Item	Book Value	Item	Book Value
<u>Non-current assets</u>	185 million yen	<u>Non-current liabilities</u>	85 million yen
Total	185 million yen	Total	85 million yen

Note: The actual amounts of assets and liabilities to be split will be determined after adding or subtracting any increase or decrease up to the effective date of the Company Split (August 30, 2024) to the above amounts.

4. Status of the company after this Company Split

After this Company Split, there will be no changes to the Company's name, location, representative's title and name, business content, capital, or fiscal year-end.

II. Stock transfer

1. Overview of the newly established company

Please refer to the information about the newly established company described in "I-2. Overview of companies involved in the company Split."

2. Overview of the counterparty

(1)	Name	OTAX Co., Ltd.
(2)	Location	1215 Nippacho, Kohoku-ku, Yokohama-shi, Kanagawa

(3)	Job title and name of representative	Representative Director, President and CEO, Shukei Tomita	
(4)	Description of business	Manufacture and sales of industrial switches, terminal blocks, connectors, medical equipment, and metal processing products (aluminum)	
(5)	Share capital	979 million yen	
(6)	Date of establishment	October 25, 1976	
(7)	Net assets	2,957 million yen (As of March 31, 2023)	
(8)	Total assets	9,272 million yen (As of March 31, 2023)	
(9)	Major shareholders and ownership ratios	Shukei Tomita, 23.6% Kaga Electronics Co., Ltd. 21.8% TNT Investment Holdings Limited 10.4% Others 44.2%	
(10)	Relationship between the Company and said company	Capital relationship	N/A
		Personnel relationship	N/A
		Business relationship	N/A
		Related party relationship	N/A

3. Number of shares to be transferred, transfer price, and status of owned shares before and after transfer

(1)Number of shares held before transfer	100 shares (Percentage of voting rights held 100%)
(2)Number of shares transferred	100 shares (100%)
(3)Transfer price	100 million yen
(4)Number of shares held after transfer	0 share (Percentage of voting rights held : 0%)

4. Schedule of the transaction

Please refer to "I-1. Summary of the Company Split. (1) Schedule of the Company Split and the Share Transfer"

5. Future outlook

The impact of this transaction on the consolidated results will be minor. If any matter to be disclosed arise in the future, the Company will promptly disclose them.