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May 20th, 2024

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  
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## Notice of change in Consolidated Subsidiary (Conversion of Sub-subsidiary etc. into Subsidiary)

Satori Electric Co., Ltd. (hereinafter “the Company”) hereby announces that it has resolved, at the Board of Directors Meeting held on May 20, 2024, to convert Satori Pinics Co., Ltd. (hereinafter “Pinics”), a wholly owned subsidiary of the Company’s subsidiary Satori SP Technology Co., Ltd. (hereinafter “SPT”), into a wholly owned subsidiary.

### 1. Purpose of the change

By acquiring the shares of Pinics currently held by SPT and making Pinics a wholly-owned subsidiary, the Company aims to reduce operational burdens and further improve the efficiency of group management.

There will be no change in the scope of consolidation of the Company as a result of this share transfer.

### 2. Overview of the Sub-subsidiary Company to be converted into a subsidiary

(1) Company Name	Satori Pinics Co., Ltd.
(2) Location of head office	1-14-10 Shiba, Minato-ku, Tokyo
(3) Job title and name of representative	Representative Director and President, Satoshi Iwasaki
(4) Business Description	Distribution of electronic parts, control parts, electronic equipment, etc.
(5) Capital	310 million yen
(6) Date of establishment	June 1, 1969
(7) Major shareholders and ownership ratios	Satori SP Technology Co., Ltd., 100%
(8) Relationship with the Company	
Capital relationships	Pinics is 100% owned by SPT, in which the Company owns 85% of the share.

Personnel relationships	2 Directors of the Company, concurrently serve as Directors of Pinics. 1 employee of the Company, concurrently serve as an auditor of Pinics		
Transactional relationships	The Company conducts transactions with Pinics, including the sale and purchase of goods and the lending of funds.		
Applicable status to related parties	It is a 100% subsidiary of the Company.		
(9) Operating results and financial conditions for the preceding three fiscal years			
Fiscal Year	Fiscal year ending May 31, 2021	Fiscal year ending May 31, 2022	Fiscal year ending May 31, 2023
Net Assets	821 million yen	548 million yen	767 million yen
Total Assets	4,434 million yen	3,413 million yen	3,632 million yen
Net Sales	8,322 million yen	7,810 million yen	9,495 million yen
Ordinary Profit	211 million yen	254 million yen	315 million yen
Net Income	146 million yen	174 million yen	217 million yen

### 3. Overview of the transferor (the Subsidiary company)

(1) Company Name	Satori SP Technology Co., Ltd.		
(2) Location of head office	1-14-10 Shiba, Minato-ku, Tokyo		
(3) Job title and name of representative	Representative Director and President, Naruhiko Mizukoshi		
(4) Business Description	Development, design, distribution, import/export, maintenance, and consulting of electronic components		
(5) Capital	350 million yen		
(6) Date of establishment	March 26, 2018		
(7) Net Assets	1,118 million yen,		
(8) Total Assets	12,431 million yen		
(9) Major shareholders and ownership ratios	Satori Electric Co., Ltd., 85% Panasonic Corporation, 15%		
(10) Relationship with the Company			
Capital relationships	The Company owns 85% of the shares.(15% of the shares owned by Panasonic Corporation)		
Personnel relationships	2 Directors of the Company, concurrently serve as Directors of SPT. 1 employee of the Company, concurrently serve as an auditor of SPT		
Transactional relationships	The Company conducts transactions with SPT, including the sale and purchase of goods and the lending of funds.		
Applicable status to related parties	It is a subsidiary of the Company.		

#### 4. Number of shares acquired, acquisition value, and shareholdings in Pinics before and after the acquisition

(1) Number of shares owned by Satori before the acquisition	None (Proportion of voting rights 0%)
(2) Number of shares to be acquired by Satori	620,000 shares
(3) Acquisition value	1,057 million yen
(4) Number of shares to be owned by Satori after the acquisition	620,000 shares (Proportion of voting rights: 100.0%)

#### 5. Timetable

(1) Board of Directors resolution date	May 20, 2024
(2) Date of signing of the agreement	May 20, 2024
(3) Date of closing	June 1, 2024(Scheduled)

#### 5. Outlook

This transaction is an internal transaction within the Group and the impact of this transaction on consolidated financial results will be minor.