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January 14, 2026

Company name: SATORI ELECTRIC CO., LTD.
Representative: Hiroyuki Satori
Representative Director, President
Securities Code: 7420
(Tokyo Stock Exchange Prime Market)
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Notice Regarding Absorption-Type Merger of Consolidated Subsidiary

Satori Electric Co., Ltd. (the "Company") hereby announces that, a decision was passed at the meeting of the Board of Directors held today, to absorb the consolidated subsidiary, Satori Pinics Co., Ltd., through an absorption-type merger (hereinafter "the Merger").

As this is an absorption-type merger involving a wholly owned subsidiary of the Company, certain disclosure items and details have been omitted.

1. Purpose of the Merger

Satori Pinics Co., Ltd. has primarily been engaged in the sale of products of the Panasonic Group. Through the management integration, we intend to consolidate customer contact points into our Company to provide one-stop services. In addition, by combining and selling Panasonic Group products together with products from other manufacturers, we aim to strengthen our demand creation capabilities. For these reasons, we have decided to carry out this merger.

2. Summary of the Merger

(1) Schedule of the Merger

Board of Directors' resolution approving the merger	January 14, 2026
Execution of the merger agreement	January 14, 2026
General meeting of shareholders of the Company for approval of the merger	April 24, 2026 (Scheduled)
Effective date of the merger	June 1, 2026 (Scheduled)

Note: This merger will be implemented as a short-form merger as provided for in Article 784, Paragraph 1 of the Companies Act with respect to Satori Pinics Co., Ltd., and therefore will be carried out without obtaining a resolution of the general meeting of shareholders to approve the merger agreement.

(2) Method of the Merger

The merger is conducted as an absorption-type merger, with the Company as the surviving company and Satori Pinics Co., Ltd. as the non-surviving company.

(3) Details of the Allocation Related to the Merger

The Company owns all of the outstanding shares of Satori Pinics Co., Ltd.. Accordingly, no consideration such as the issuance of new shares or the payment of merger consideration will be made in connection with this merger, and there will be no increase in capital.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of the Dissolved Company
Not applicable.

(5) Overview of the parties involved in The Merger

	Surviving company	Non-surviving company
(1)Company name	Satori Electric Co., Ltd.	Satori Pinics Co., Ltd.
(2)Address	1-14-10 Shiba, Minato-ku, Tokyo	1-14-10 Shiba, Minato-ku, Tokyo
(3)Name and title of representative	Representative Director and President, Hiroyuki Satori	Representative Director and President, Satoshi Iwasaki
(4)Business description	Distribution of integrated circuits(ICs), discrete semiconductors, general electronic components and electronic equipment, and related business.	Distribution of electronic parts, control parts, electronic equipment.
(5)Capital	2,611 million yen	310 million yen
(6)Date of establishment	July 10, 1947	June 1, 1969
(7)Number of issued stock	17,946,826	620,000
(8)End of fiscal year	May 31	May 31
(9)Major shareholders and shareholding ratio	<div> <div>The Master Trust Bank of Japan</div> <div>9.33%</div> </div> <div> <div>Custody Bank of Japan, Ltd.</div> <div>5.02%</div> </div> <div> <div>STR Management Co., Ltd.</div> <div>4.81%</div> </div> <div> <div>Sumitomo Mitsui Banking Corporation</div> <div>3.95%</div> </div> <div> <div>MUFG Bank, Ltd.</div> <div>3.93%</div> </div>	Satori Electric Co., Ltd. 100%
(10) Operating results and financial status for the most recent fiscal year		
Consolidated net assets	33,306 Million Yen(Consolidated)	930 Million Yen(non-consolidated)
Consolidated total assets	79,150 Million Yen(Consolidated)	2,636 Million Yen(non-consolidated)
Consolidated net assets per share	2,251.59 Yen(Consolidated)	1,500.56 Yen(non-consolidated)
Consolidated net sales	156,242 Million Yen(Consolidated)	6,162 Million Yen(non-consolidated)
Consolidated operating profit	3,993 Million Yen(Consolidated)	10 Million Yen(non-consolidated)
Consolidated Ordinary profit	3,052 Million Yen(Consolidated)	14 Million Yen(non-consolidated)
Profit attributable to owners of parent	2,524 Million Yen(Consolidated)	14 Million Yen(non-consolidated)
Consolidated earnings per share	175.99 Yen(Consolidated)	23.70 Yen(non-consolidated)

(5) Status after the Merger

There will be no changes to the Company's name, location, representative's title and name, business activities, capital, or fiscal year end as a result of the merger.

(6) Future Outlook

As this merger involves a wholly owned consolidated subsidiary of the Company, the impact on the Company's consolidated financial results will be minimal.