

Notice of Acquisition of Shares of Kyokuto Electric Co., Ltd. (Conversion into a Subsidiary)

Kaga Electronics Co., Ltd. (President & COO: Ryoichi Kado; headquarters: Chiyoda-ku, Tokyo; hereafter “the Company”), as announced in the press release "Basic agreement concerning sponsorship of civil rehabilitation of Kyokuto Electric Co., Ltd." dated August 31, 2020, hereby announces that it has acquired 100% of the shares of Kyokuto Electric Co., Ltd. (Representative Director: Yasuhiro Sawada; headquarters: Osaka; hereinafter “Kyokuto Electric”), which was established through a corporate split on November 2, 2020, and made it a consolidated subsidiary of the Company.

By leveraging the competitiveness of the EMS business, the Company aims to become the leading company in the industry in Japan by achieving the 500-billion-yen level of sales envisioned in the Medium-Term Management Plan. Furthermore, the Company will continue to expand the scale and improve the quality of the Group's management with the aim of becoming a company that can survive global competition with overseas companies with sales of trillion yen.

1. Outline of Kyokuto Electric Co., Ltd.

1) Name	Kyokuto Electric Co., Ltd.	
2) Address	6-2-1 Shinmori, Asahi-ku, Osaka-shi, Osaka	
3) Name and title of the representative	Representative Director and Chairman Motonori Toshinari Representative Director and President Yasuhiro Sawada	
4) Business description	Manufacture of safety breakers, power leakage circuit breakers, and DC switching device Electronic equipment EMS Business	
5) Capital	99 million yen	
6) Established	November 2, 2020	
7) Executive officers	Representative Director and Chairman (part-time)	Motonori Toshinari (concurrently serves as Director, Division Manager of EMS Business Division of the Company)
	Representative Director and President	Yasuhiro Sawada
	Managing Director	Akitoshi Ochi (seconded from the Company)
	Director (part-time)	Mitsuhiro Ihara (concurrently serves as General Manager of Automotive Sales Department No.2, Electronics Sales Division of the Company)
	Corporate Auditor (part-time)	Hiroaki Maruyama (concurrently serves as Executive Officer, Deputy General Manager of Administration Headquarters)

2. Effect on performance

The effect of this matter on the Company's consolidated performance for the fiscal year ending March 31, 2021, is expected to be insignificant. However, we will provide prompt notification if there are any matters that must be disclosed in the future.

■Inquiries concerning this matter

Kaga Electronics Co., Ltd.

Ichiro Shirai, General Manager □

Investor Relations and Public Relations Office

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