

August 5, 2021

Name of Company	KAGA ELECTRONICS CO., LTD.
Representative	Ryoichi Kado, President & COO (Stock Code: 8154 Tokyo Stock Exchange, First Section)
Contact	Eiji Kawamura, Managing Director Head of Administration Headquarters Tel: 03-5657-0111

Notice regarding Share Repurchase through ToSTNeT-3

(Purchase of Own Shares in Accordance with the Provisions of Articles of Incorporation
Pursuant to Article 165, Paragraph 2 of the Companies Act)

KAGA ELECTRONICS CO., LTD. (hereinafter, “the Company”), has decided, at the Board of Directors meeting held on August 5, 2021, to repurchase shares of its common stock and to establish a specific method of purchasing own shares, pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act. Details are as follows.

1. Reason for Repurchase

To enable flexible execution of capital policies in response to business environment changes

2. Method of Repurchase

The Company will place a purchase order for its shares through brokerages on the Tokyo Stock Exchange Trading Network Off Auction Own Share Repurchase Trading System (ToSTNeT-3) for the 8:45 a.m. session on August 6, 2021 (no changes to the trading system or trading time will be made), at a price equal to the closing price of 2,983 yen of its common shares on the first section of the Tokyo Stock Exchange on August 5, 2021. The purchase order will be limited to this trading hour only.

3. Details of Repurchase

- | | |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| (1) Class of shares to be repurchased | Common shares |
| (2) Total number of shares to be repurchased | Up to 1,300,000 shares
Ratio to the total number of shares outstanding (excluding treasury shares): 4.73% |
| (3) Aggregate repurchase amount | Up to 3,877.9 million yen |
| (4) Announcement of the results | After trading at 8:45 a.m. on August 6, 2021 |

(Note 1) The maximum number of shares to be repurchased will not be changed. Depending on market conditions, however, there is a possibility that the Company will not make any purchase or will only make a partial purchase.

(Note 2) The purchase will be conducted by matching sell orders equivalent to buy orders according to the allocation method prescribed by the Tokyo Stock Exchange.

4. Other

The Company has proposed to SANKYO CO., LTD. (President & COO: Akihiko Ishihara), the major and largest shareholder of the Company, the repurchase of a portion of the Company's common stock* held by has also indicated its intention to apply for this share repurchase. Depending on the result, a “change of major shareholders” may occur.

*1.Number of shares held by excluding treasury shares as of March 31, 2021: 3,824,000 shares

*2.Ratio to the total number of shares outstanding (excluding treasury shares) as of March 31, 2021: 13.92%

(For reference)

Shareholding status as of March 31, 2021

- | | |
|--------------------------------------------------------------|-------------------|
| (1) Number of shares outstanding (excluding treasury shares) | 27,474,407 shares |
| (2) Number of treasury shares | 1,227,711 shares |