

*TRANSLATION FOR REFERENCE PURPOSE ONLY*

*This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.*

March 19, 2018



SATORI ELECTRIC CO., LTD.  
(Code No.7420, Tokyo Stock Exchange ,1st Section)  
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## **Announcement of the Establishment of the Subsidiary**

SATORI ELECTRIC CO.,LTD.(the company) today announced that the board of directors declared the establishment of a wholly owned subsidiary, SATORI SP TECHNOLOGY CO.,LTD..

### **1. Purpose of Establishment of the new subsidiary**

The Company is an electronics trading company, mainly engaged in the sales of electronic components and electronic equipment.

The company will focus on the growing storage business with the new subsidiary, as a "Total Storage Provider" (Flash Memory, SSD, HDD, Storage system, New storage device, etc.) proposing solutions to customers.

In the rapidly changing market of innovative storage technologies, the new subsidiary makes quick management discussions and provides professional technical support and consultation to customers.

By utilizing SATORI Group's global sales network for expanding the sales support capability, we will further strengthen our technical support to improve customer service and expand business.

### **2. Overview of New Subsidiary**

(1) Company Name	SATORI SP TECHNOLOGY CO., LTD.
(2) Head Office Location	1-14-10, Shiba, Minato-ku, Tokyo
(3) Representative	Representative Director President, Masahiko Koga
(4) Business Activities	Distribution,design and development of Electronics Products and consulting services
(5) Capital	¥ 350 million
(6) Date of Establishment	March 26, 2018 (plan)
(7) Fiscal year-end	May 31
(8) Major Share Ownership	SATORI ELECTRIC CO., LTD. 100%

### **3. Outlook**

The effects of the establishment of the new subsidiary on the consolidated business performance of the Company for the fiscal year ending May 31, 2018 will be insignificant.