



February 19, 2024

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Notice regarding acquisition of shares in MAGnetIC Holding B.V. (The Netherlands) to make it a subsidiary

Satori Electric Co., Ltd. (“Satori” or “the Company”) hereby announces that it has resolved, at the Board of Directors Meeting held on February 19, 2024, to acquire 80.0% of issued shares in MAGnetIC Holding B.V. (“MH BV”), a Dutch company engaged in semiconductor design business, and make it a subsidiary of the Company. The details of the above are explained below.

1. Purposes of Satori’s acquisition of the shares in MH BV

Main business of MH BV is semiconductor circuit design, IP sales and wafer sales. Its specialty is circuit design using self-developed analog IP cores, and it cooperates with major semiconductor manufacturers and fabless companies to develop custom ICs. With its unique technical strength and expertise, MH BV is able to design high-performance analog and mixed-signal systems that can be widely used in mobile, industrial and consumer applications, providing high-quality solutions optimized for specific applications.

This acquisition aims to create synergies by incorporating semiconductor design technology and excellent semiconductor design engineers of MH BV, and combining them with our strong customer base and long-cultivated sales capabilities. Additionally, we aim to expand and enhance our business portfolio, while strengthening our solution capabilities to better address customers' needs.

In addition, with this acquisition, the Company will further promote global expansion, starting from the European and Japanese market, and gradually enter markets such as China, Taiwan, South Korea, America, and India to create synergy, achieve further global evolution and growth, and increase corporate value.

2. Description on acquisition of shares in MH BV

The Company will acquire 13,440 shares in MH BV, representing 80.0% of the total number of shares issued, to make MH BV a subsidiary of the Company. This acquisition includes purchasing 6,340 shares from SystematIC design Holding B.V. (“SDH”), the asset management company of the founders of MH BV representing 37.7%, and purchasing 7,100 shares from Zeeuws Investeringsfonds B.V. (“Zeeuws”), the investment fund, representing 42.3% (the “Transaction”).

3. Overview of new subsidiary (MH BV)

(1)	Name	MAGnetIC Holding B.V.	
(2)	Location	Elektronicaweg 20, 2628 XG, Delft, the Netherlands	
(3)	Job title and name of representative	Chief Executive Officer, Richard Visee	
(4)	Description of business	Semiconductor circuit design, and sales of IP and Wafer, etc. (Mainly Analog Mixed-Signal)	
(5)	Share capital	872,261 euro	
(6)	Date of establishment	November 21, 2014	
(7)	Major shareholders and ownership ratios	SDH: 57.7% Zeeuws: 42.3%	
(8)	Relationship between the Company and said company	Capital relationship	N/A
		Personnel relationship	N/A
		Business relationship	N/A
		Related party relationship	N/A
(9)	Consolidated operating results and consolidated financial positions of said company for the last year (Unit: thousand euro)		
	As of / Fiscal year ended	Dec. 31st 2022	
	Consolidated net assets	1,548	
	Consolidated total assets	2,386	
	Consolidated net sales	3,805	
	Consolidated operating profit	555	

Note: After making MH BV a consolidated subsidiary, we plan to change the name of MH BV to SystematIC design B.V.

4. Overview of the counterparty of the share acquisition

.<SDH>

(1)	Name	Systematic Design Holding B.V.	
(2)	Location	Elektronicaweg 20, 2628 XG, Delft, the Netherlands	
(3)	Job title and name of representative	Visee Beheer B.V. (Managing Director : R.W. Visee) Gert van der Horn Beheer B.V. (Managing Director : G. van der Horn)	
(4)	Description of business	Participation in and financing of companies. Financial holding activities.	
(5)	Share capital	20,000 euro	
(6)	Date of establishment	May 29, 2001	
(7)	Major shareholders and ownership ratios	Visee Beheer B.V (50%) and Gert van der Horn Beheer B.V. (50%)	
(8)	Relationship between the Company and said company	Capital relationship	N/A
		Personnel relationship	N/A
		Business relationship	N/A
		Related party relationship	N/A

.<Zeeuws>

(1)	Name	Zeeuws Investeringsfonds B.V.	
(2)	Location	Edisonweg 37 D1, 4382 NV, Vlissingen, the Netherlands	
(3)	Basis of establishment, etc.	Besloten Vennootschap established in the Netherlands	
(4)	Purpose of formation	Investment company	
(5)	Date of formation	August 13, 2012	
(6)	Total investment amount	8 million euro	
(7)	Investors, investment ratio, and overview of investors	1. Investment fund of the regional development agency NV Economic Impulse Zeeland. 2. ZIGZAG foundation. 3. Several private investors.	
(8)	Overview of operating partners	Job title and name of representative	Segestio B.V. (Managing Director : J.P.F. Sebregts)
(9)	Overview of Japanese agent	N/A	
(10)	Relationship between the Company and said fund	N/A	

Note: At the request of the counter party, some details are omitted from the disclosure.

5. Number of shares acquired, acquisition value, and shareholdings in MH BV before and after the acquisition

(1) Number of shares owned by Satori before the acquisition	None
(2) Number of shares to be acquired by Satori	13,440 shares
(3) Acquisition value	Common stock of MAGnetIC Holding B.V. : around 12 million euro Satori has taken sufficient procedures to verify the appropriateness of the value by getting third-party due diligence appropriately conducted.
(4) Number of shares to be owned by Satori after the acquisition	13,440 shares (Proportion of voting rights: 80.0%)

6. Timetable

(1) Board of Directors resolution date	February 19, 2024
(2) Date of signing of the agreement	February 19, 2024
(3) Date of closing	To be advised

Note: The Transaction is subject to the necessary approval from the governmental authority in the Netherlands and therefore the closing date is not fixed at this stage.

7. Future outlook

After the closing of the Transaction, MH BV is expected to become a consolidated subsidiary of the Company. Although the impact of the acquisition on consolidated financial results is minor at this time, we believe that it will contribute to improving our enterprise value in the medium to long term. If any event that should be disclosed occurs going forward, the Company will promptly disclose such information.