



Date: November 6, 2019

To Whom It May Concern

Company Name: Sanken Electric Co., Ltd.  
Representative: Takashi Wada  
Representative Director, President  
Code No.: 6707 (the TSE, 1st Section)  
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## Notice of Merger with a Consolidated Subsidiary (Simplified Merger/Short Form Merger)

Sanken Electric Co., Ltd. (the “Company”) announces that its Board of Directors at the meeting held on November 6, 2019 resolved to merge with and absorb Sanken Logistics Co., Ltd. (“SKL”), a wholly-owned consolidated subsidiary of the Company. The merger is expected to take effect on April 1, 2020. Since the merger is an absorption-type merger of a 100% owned subsidiary of the Company, certain information is disclosed only in a summarized form.

### 1. Purpose of the Merger

Our logistics subsidiary Sanken Logistics Co., Ltd. (SKL) operates logistics business within our group. The Company decided to expand the outsourcing of logistics operations and merge with SKL by absorption with the aim of further logistics optimization.

### 2. Outline of Merger

#### (1) Schedule of Merger

The Board of Directors’ meeting adopting a resolution on merger: November 6, 2019  
Execution of agreement and plan of merger: November 6, 2019  
Effective date of merger: April 1, 2020 (scheduled)

#### (2) Method of Merger

The merger is an absorption-type merger, setting the Company as the surviving entity and SKL as the dissolving entity.

The merger is the company won't hold general meeting of shareholders for approval of the merger as the merger is the simplified merger provided for in paragraph 2 of Article 796 of the Corporation Law for the Company.

#### (3) Allocation of Consideration for Merger

Since the merger is an absorption-type merger of a wholly owned subsidiary by the Company, there will be no issuance of new shares or allocation of money, etc. due to the merger.

#### (4) Treatment of New Share Subscription Rights and Bonds with New Share Subscription Rights of be involved in the merger

Not applicable.

### 3. Outline of Companies involved in the merger

	Surviving entity	Dissolving entity								
(1) Corporate Name	Sanken Electric Co., Ltd.	Sanken Logistics Co., Ltd.								
(2) Address of Head Office	3-6-3 Kitano, Niiza-shi, Saitama-ken	1-13-7 Nakano, Niiza-shi, Saitama-ken								
(3) Title and Name of Representative	Representative Director and President: Takashi Wada	Representative Director and President: Seiichi Muramoto								
(4) Business	Manufacture and sales of electronic components such as semiconductor devices	Logistics and warehouse management operations in the Group								
(5) Capital	¥20,896 million	¥80 million								
(6) Date of Incorporation	September 5, 1946	May 1, 2007								
(7) Number of shares issued	25,098,060 shares	1,600 shares								
(8) Fiscal Year End	March 31	March 31								
(9) Major shareholders and their ownership ratio - As of the end of March 2019 -	<table border="0"> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>8.38%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>7.15%</td> </tr> <tr> <td>Saitama Resona Bank, Limited</td> <td>4.79%</td> </tr> <tr> <td>BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC).</td> <td>4.18%</td> </tr> </table>	Japan Trustee Services Bank, Ltd. (Trust Account)	8.38%	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.15%	Saitama Resona Bank, Limited	4.79%	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC).	4.18%	Sanken Electric Co., Ltd. 100%
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(10) Results of Operations and financial position for the previous fiscal year										
Fiscal Year	Fiscal Year 2018 (Consolidated)	Fiscal Year 2018 (Non-consolidated)								
Net assets	78,541 million	125 million								
Total assets	188,192 million	271 million								
Net assets per share	2,405.01 yen	78,253.17 yen								
Net sales	173,650 million	646 million								
Operating profit	10,531 million	40 million								
Ordinary profit	9,173 million	41 million								
Profit attributable to owners of parent	3,967 million	24 million								
Net income per share	163.70 yen	15,510.93 yen								

### 4. Post-merger changes

There shall be no change in the corporate name, business line, address of head office, representative, capital amount and fiscal year end of the Company after the merger.

### 5. Financial impact of the merger

Since the merger is an absorption-type merger of a 100% owned subsidiary of the Company, and its impact on the Company's consolidated results will be insignificant.