

**Notice Regarding Reorganization within Kaga Electronics Group
(Absorption-Type Merger Between Consolidated Subsidiaries)**

KAGA ELECTRONICS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President & COO: Ryoichi Kado; hereinafter “the Company”) hereby announces that, effective April 1, 2026, we will implement a Group reorganization to absorb our consolidated subsidiary, EXCEL CO., LTD. (hereinafter “Excel”), in the form of an absorption-type merger, with our consolidated subsidiary KAGA DEVICES CO., LTD. (hereinafter “Kaga Devices”) as the surviving company.

Please note that since the reorganization is an intra-group reorganization between wholly-owned subsidiaries of the Company, some disclosure items and details have been omitted from this announcement.

1. Objectives of the Merger

Kaga Devices was established in 1991 as a consolidated subsidiary of the Company. In 2013, it absorbed ADM COMPANY, the sales agent of a U.S. semiconductor manufacturer acquired by the Company, through an intra-group reorganization. Kaga Devices started as a special agent handling Mitsubishi Electric. Today, its line card includes semiconductors and electronic components from overseas manufacturers, such as image sensors from OmniVision Technologies, Inc. (U.S.); wireless communication products from Nordic Semiconductor ASA (Norway) and Quectel Wireless Solutions Co., Ltd. (China); and FPGAs from Efinix, Inc. (U.S.). It now distributes a wide range of competitive products in Japan and abroad. Kaga Devices operates sales offices in Tokyo and Osaka in Japan, as well as in Hong Kong, Shenzhen, Shanghai, and Bengaluru (India) overseas.

Excel became a consolidated subsidiary of the Company in April 2020 through an acquisition. It has strong capabilities in the LCD device domain, handling products from manufacturers such as Sharp Corporation (Japan) and Truly International Holdings Limited (Hong Kong), and currently operates sales offices in Tokyo, Osaka, Nagoya, Mito, Matsumoto, and Numazu in Japan, as well as in Shanghai, Shenzhen, Hong Kong, Taiwan, and Bangkok (Thailand) overseas.

Under the Medium-Term Management Plan 2027 which started in the current fiscal year and sets out the basic policy of “enhancing corporate value through management that emphasizes profitability and capital efficiency”, the Company aims to further reinforce the profitability of the Group through the expansion of the electronic components business, its core business, by putting business portfolio management into practice.

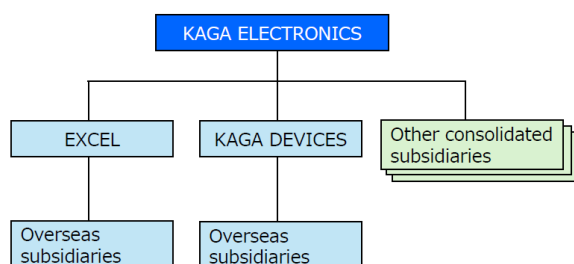
In line with this policy, the merger is to be carried out with the objective of organically integrating Kaga Devices and Excel, creating synergies in the device sales businesses conducted by the two companies, and promoting the reallocation of their respective management resources, thereby further improving management efficiency.

2. Outline of the Merger

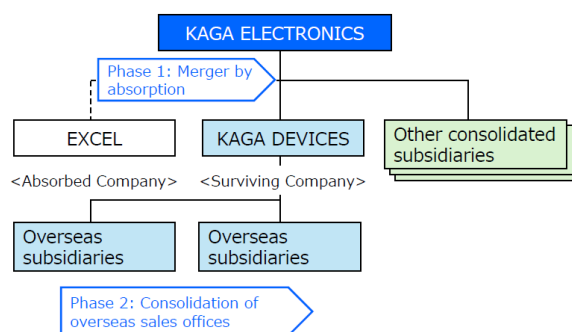
■ Scheme of the merger

In Phase 1, which commences in April 2026, Kaga Devices will succeed to all of Excel's businesses and will consolidate Excel's headquarters functions and domestic and international sales organizations under Kaga Devices. In Phase 2, which is targeted to commence in September 2026, the consolidation of the overseas subsidiaries of both companies will be conducted step by step in countries and regions where their operations overlap.

< Current Status >



< Post-Reorganization >



■ Merger schedule

- Effective date: April 1, 2026 (scheduled)

3. Outline of the Parties to the Merger (as of March 31, 2025)

	Surviving Company	Absorbed Company
Company name	KAGA DEVICES CO., LTD.	EXCEL CO., LTD.
Established	April, 1991	July, 1961
Capital	395,200 thousand yen	400,000 thousand yen
Representative	Katsutoshi Suzuki Representative Director, President	Mitsuhiro Ikeda President
Head Office	20 Kandamatsunagacho, Chiyoda-ku Tokyo	Same as on the left
Major suppliers and products handled	Mitsubishi Electric (power semiconductors), Omnivision (image sensors), Nordic (semiconductors), etc.	Sharp, Truly (LCD panels), Alps Alpine (sensors, switches), etc.
Number of Employees	79	104
Stockholder	KAGA ELECTRONICS CO., LTD.:100%	Same as on the left
<Ref: Financial condition and operating results of the most recent fiscal year (fiscal year ended March 2025)>		
Net assets	395,200 thousand yen	8,111,000 thousand yen
Total Assets	5,504,000 thousand yen	10,802,000 thousand yen
Net sales	8,912,000 thousand yen	15,313,000 thousand yen
Operating income	263,000 thousand yen	371,000 thousand yen
Ordinary income	383,000 thousand yen	351,000 thousand yen
Net income	351,000 thousand yen	238,000 thousand yen

(Note) Since both Kaga Devices and Excel are unlisted consolidated subsidiaries, no consolidated financial statements are prepared. Accordingly, all figures shown in the above table are presented as reference information based on the stand-alone financial statements of the two companies.

4. Post-Merger Status

	Surviving Company
Company name	KAGA DEVICES CO., LTD.
Capital	395,200 thousand yen
Representative	Mitsuhito Ikeda Representative Director, President Katsutoshi Suzuki Representative Director, Executive Vice President
Head Office	20 Kandamatsunagacho, Chiyoda-ku Tokyo
Main Business	Sales of electronic components, electronic devices, etc.
Stockholder	KAGA ELECTRONICS CO., LTD.:100%

5. Future Outlook

As this is a reorganization between the Company's consolidated subsidiaries, the impact on the Company's consolidated financial results will be immaterial. We believe that the synergies created by the merger will contribute to improving its consolidated performance in the future.

■ Inquiries from news media

KAGA ELECTRONICS CO., LTD.

(URL : <https://www.taxan.co.jp/en/>)

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