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September 25, 2018

Company Name: Tabuchi Electric Co., Ltd.
Representative: President Toshihiro Kaihoshi
(Securities code: 6624 TSE First Section)
Contact: Masao Sasano
Corporate Director and CFO
Management Control Division
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Notice of execution of Memorandum of Understanding Concerning Support by Sponsor

As announced in "Notice Regarding Formal Application and Acceptance of Business Turnaround ADR Procedures" dated June 25, 2018, with the consent of the concerned parties the Company is currently working on formulating the business turnaround plan by the specified certification dispute resolution procedure based on the Industrial Competitiveness Enhancement Law. In order to proceed with formulation of this plan, we have proceeded with negotiations with candidate sponsor companies that can support the group in order to complement our credit enhancement and strengthen our financial base. We reached a resolution at the Board of Directors meeting held today and announce that we have signed an agreement with Diamond Electric MFG. Co., Ltd. (hereinafter the "Diamond Electric") for sponsorship support.

In the future, based on this agreement, we will conclude a formal contract with regards to the sponsor support as early as possible. While aiming to receive the investment from Diamond Electric by the middle of January 2019, we are continuing negotiations in good faith and we will evaluate the specific contents of the support. In addition, we are also considering receiving assistance by bridging loans etc. as necessary. Details regarding sponsor support will be announced in the future once decided.

We sincerely apologize again to our shareholders, financial institutions and everyone else concerned for the tremendous burden and inconvenience. We sincerely intend to work hard to realize this drastic business turnaround, so we ask for your continued support and cooperation going forward.

1. Outline of Sponsor Company (as of September 25, 2018)

① Company name	Diamond Electric MFG. Co., Ltd.
② Headquarters	1-15-27, Tsukamoto, Yodogawa-ku, Osaka 532-0026, Japan
③ Representative	President and CEO Member of the Board Yuuri ONO
④ Business area	Manufacture and sale of automotive equipment and electronic equipment
⑤ Capital	2,190 Million JPY
⑥ Established	June 17, 1940
⑦ Employees (Consolidated)	2,203 (as of March 31, 2018)
⑧ Stock listed	TSE Second section (Securities code: 6895)
⑨ Business Results and Financial Condition (as of March 31, 2018)	
Consolidated net assets	7,390 Million JPY
Consolidated total assets	34,783 Million JPY
Net assets per share	2,016.34 JPY
Consolidated sales	57,996 Million JPY
Consolidated operating income	2,439 Million JPY
Consolidated ordinary income	2,313 Million JPY
Net income attributable to parent company shareholders	1,019 Million JPY
After dilutive stock adjustment net income per share	279.78 JPY
Dividend per share	25 JPY

2. Future Prospects

The effect that the execution of the MOU will have on the consolidated financial results for fiscal year ending March 31, 2019 is currently uncertain, but the company will make an announcement once the estimated effect has been determined.