



February 6, 2018

To whom it may concern:

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## KAGA ELECTRONICS Revises Consolidated Performance Forecast and Dividend Forecast

KAGA ELECTRONICS CO., LTD. (TSE: 8154) (“the Company”) today announced the revision of its consolidated performance forecast for the fiscal year ending March 31, 2018 and dividend forecast, released on November 8, 2017, to reflect the recent performance as follows.

- Description -

### ● Revision of Consolidated Performance Forecast

Revised consolidated performance forecast for the year ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

|   | Net sales              | Operating income     | Ordinary income      | Profit attributable to owners of parent | Earnings per share |
|---|------------------------|----------------------|----------------------|---|--------------------|
| Previous forecast (A)                                 | Million yen<br>232,000 | Million yen<br>7,500 | Million yen<br>8,200 | Million yen<br>6,300                    | Yen<br>229.63      |
| Revised forecast (B)                                  | 232,000                | 8,000                | 8,700                | 6,450                                   | 235.10             |
| Difference (B-A)                                      | —                      | 500                  | 500                  | 150                                     | —                  |
| Difference (%)  | —                      | 6.7                  | 6.1                  | 2.4                                     | —                  |
| (Reference) Results for the year ended March 31, 2017 | 227,209                | 6,879                | 7,343                | 6,975                                   | 249.43             |

### Reason for the Revision

The overview of the first nine months of the fiscal year ending March 2018 showed that EMS business for electronic equipment and sales of semiconductors, our core businesses, as well as housing-related products increased favorably although the amusement machine-related market remained stagnant.

The Company reviewed its full-year forecast by taking into consideration such strong performance and carefully reflecting future uncertainties and concluded that it is expected to exceed the previous forecast, and accordingly the Company revised upward the full-year forecast as shown above.

● Revision of Dividend Forecast

|   | Annual dividend   |  |  |
|---|---|--|--|
|   | Interim   | Year-end   | Total  |
| Previous forecast<br>(Announced on<br>November 8, 2017) |   | 35.00 yen  | 65.00 yen<br>(Ordinary dividend: 60.00 yen)<br>(Extraordinary dividend: 5.00 yen)  |
| Revised forecast  |   | 40.00 yen<br>(Ordinary dividend: 35.00 yen)<br>(Extraordinary dividend: 5.00 yen)  | 70.00 yen<br>(Ordinary dividend: 60.00 yen)<br>(Extraordinary dividend: 10.00 yen) |
| Fiscal year ending<br>March 2018                        | 30.00 yen<br>(Ordinary dividend: 25.00 yen)<br>(Extraordinary dividend: 5.00 yen) |  |  |
| Fiscal year ended<br>March 2017                         | 25.00 yen<br>(Ordinary dividend: 20.00 yen)<br>(Extraordinary dividend: 5.00 yen) | 35.00 yen<br>(Ordinary dividend: 20.00 yen)<br>(Extraordinary dividend: 15.00 yen) | 60.00 yen<br>(Ordinary dividend: 40.00 yen)<br>(Extraordinary dividend: 20.00 yen) |

Reason for the Revision

Our basic policy is to maintain stable and continuous payment of dividends that reflect consolidated performance as well as to strengthen financial position and management foundation from a long-term perspective.

As described above, the Company's consolidated performance forecast for the fiscal year ending March 31, 2018 is expected to exceed the previous forecast, and, as shareholder returns, we decided to revise upward the year-end dividend to 40.00 yen per share by adding an extraordinary dividend of 5.00 yen to the previous forecast of 35.00 yen per share.

This, together with the interim dividend of 30.00 yen per share, will achieve an annual dividend of 70.00 yen per share, an increase of 10.00 yen per share from the previous year.

This matter will be proposed in the 50th Ordinary General Meeting of Shareholders to be held in June 2018.

(Note) The above forecast is based on the information currently available to the Company and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.