

July 29, 2008

Name of Company: KAGA ELECTRONICS CO., LTD.
Stock Code: 8154
Stock Exchange Listing: Tokyo Stock Exchange, First Section
Headquarters: 2-2-9, Hongo, Bunkyo-ku, Tokyo
Representative
Title: President & COO
Name: Tomohisa Tsukamoto
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Title: Senior Managing Director, Finance &
Administration Headquarters
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Notice Concerning Result of Tender Offer to Purchase Shares of ADM Inc. and Change in Subsidiary

Kaga Electronics Co., Ltd. ("the Company" hereafter), in accordance with a resolution approved on June 27, 2008 by its board of directors, conducted a tender offer that started on June 30, 2008 to purchase the shares of ADM Inc. ("target company" hereafter) through a tender offer ("tender offer" hereafter). The tender offer ended on July 28, 2008 and the result was as follows.

At the same time, the Company is announcing that the target company is to become a consolidated subsidiary based on the result of the tender offer.

I. Result of the tender offer

1. Summary of purchase

(1) Name of target company
ADM Inc.

(2) Stock, etc. to be purchased

Type of stock, etc.	1) Planned purchase converted to stock	2) Minimum planned purchase converted to stock	3) Maximum planned purchase converted to stock
Stock certificates	1,647,300 shares	1,444,000 shares	1,647,300 shares
Stock acquisition rights	—	—	—
Convertible bonds	—	—	—
Trust beneficiary rights (stock certificates, etc.)	—	—	—
Depository receipts (stock certificates, etc.)	—	—	—
Total	1,647,300 shares	1,444,000 shares	1,647,300 shares

Notes:

1. The Company will not purchase any shares submitted for sale if the number of shares submitted is less than the minimum planned purchase converted into the number of shares (1,444,000 shares, the “Minimum Purchase” hereafter). If the number of shares submitted is more than the maximum planned purchase converted into the number of shares (1,647,300 shares, the “Maximum Purchase” hereafter), the Company may not purchase all or part of the number of shares that exceeds the Maximum Purchase. In this case, the Company will purchase or otherwise acquire shares using the proportional purchase method prescribed in Article 27-13, Paragraph 5 of the Law and Article 32 of the Cabinet Office Ordinance concerning Disclosures for Tender Offers by Parties Other Than Issuers for Stock Certificates, Etc. (the “Ordinance” hereafter).
2. The tender offer includes numbers of shares that are less than one trading unit (tangen). However, stock certificates must be provided when submitting these shares for sale. (But there is no need to provide stock certificates if the stock certificates are held by Japan Securities Depository Center, Inc. (“JASDEC” hereafter) through the tender offer agent (as defined in item (11) below).)
3. The Company does not plan to use the tender offer to purchase treasury stock held by the target company.

(3) Tender offer period

June 30, 2008 (Monday) through July 28, 2008 (Monday) (20 business days)

(4) Purchase, etc. price

950 yen per share

2. Result of tender offer

(1) Shares submitted

Type of stock, etc.	Planned purchase converted to stock	Minimum planned purchase converted to stock	Maximum planned purchase converted to stock	Shares submitted	Purchase converted to stock
Stock certificates	1,647,300 shares	1,444,000 shares	1,647,300 shares	2,234,001 shares	1,647,300 shares
Stock acquisition rights	—	—	—		—
Convertible bonds	—	—	—		—
Trust beneficiary rights (stock certificates, etc.)	—	—	—		—
Depository receipts (stock certificates, etc.)	—	—	—		—
Total	1,647,300 shares	1,444,000 shares	1,647,300 shares	2,234,001 shares	1,647,300 shares

(2) Shares purchased

The total number of shares, etc. submitted (2,234,001 shares) has reached the Minimum Purchase and exceeded the Maximum Purchase. Therefore, as was stated in the tender offer public announcement and tender offer official documents, the Company will not purchase all or

part of the number of shares exceeding the maximum. Accordingly, the Company will purchase or otherwise acquire shares using the proportional purchase method prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Law.

(3) Change in ownership of stock, etc. following the tender offer

Voting rights associated with stock, etc. held by the Company prior to tender offer, etc.	None	(Pct. of stock, etc. held prior to tender offer, etc.: 0%)
Voting rights associated with stock, etc. purchased using tender offer	16,473	(Pct. of stock, etc. held after tender offer: 51.00%)
Number of voting rights held by all target company shareholders	32,296	

Notes:

1. The number of voting rights held by all target company shareholders is the number of voting rights of all shareholders, etc. as listed in target company's Securities Report (submitted January 29, 2008) for the fiscal year that ended in October 2007 (33rd accounting period). However, the Company may purchase shares in amounts of less than one trading unit using this tender offer. As a result, when calculating the pct. of stock, etc. held before and after the tender offer, etc., the voting rights (4) associated with shareholdings of less than one trading unit (a total of 400 shares) as stated in the Securities Report have been added to target company's total number of voting rights, resulting in a total of 32,300 voting rights.
2. The pct. of stock, etc. held before and after the tender offer, etc. has been rounded to the nearest hundredths place.

(4) Calculations for purchases, etc. using the proportional purchase method

The total number of shares, etc. submitted (2,234,001 shares) exceeded the Maximum Purchase. Therefore, as was stated in the tender offer public announcement and tender offer official documents, the Company had the option of not purchasing all or part of the number of shares that exceeded the Maximum Purchase. Accordingly, the Company purchased or otherwise acquired shares using the proportional purchase method prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Law and Article 32 of the Cabinet Office Ordinance concerning Disclosures for Tender Offers by Parties Other Than Issuers for Stock Certificates, Etc..

Using the proportional method caused the total number of shares to be purchased from shareholders, etc. responding to the tender offer to become less than the Maximum Purchase due to rounding of the number of shares less than one trading unit (100 shares). As a result, the number of shares to be purchased was increased by adding one trading unit (but the resulting increase cannot exceed the number of shares originally submitted by each shareholder) beginning with the shareholder who lost the largest number of shares to rounding until the Maximum Purchase was reached. However, this process resulted in a number of shares that was more than the Maximum Purchase because there were many shareholders, etc. who lost the same number of shares to rounding and all these shareholders wanted to sell the additional shares. A drawing was held for these shareholders, etc. to determine which ones can sell the

additional shares while preventing total tender offer purchases from falling below the Maximum Purchase.

(5) Aggregate cost of purchase, etc. 1,564 million yen

(6) Method of settlement

1) Name and head office of financial instrument dealer, bank, etc. used for tender offer purchases, etc. (tender offer agent)

Nikko Cordial Securities Inc.

3-3-1 Marunouchi, Chiyoda-ku, Tokyo

2) Start of settlements August 1, 2008 (Friday)

3) Method of settlement

After completion of the tender offer period, the Company will promptly send by postal mail notices of purchase, etc. to the addresses or locations of shareholders, etc. (or to agents for foreign shareholders, etc.) who submitted stock for sale. Purchases will be made using cash. Payments for stock submitted under the tender offer will be made promptly by the tender offer agent after the starting date of payments as instructed by each shareholder, etc. to the location designed by the shareholder, etc. (or the agent for foreign shareholders, etc.).

3. Policy following tender offer

Since the tender offer will result in the Company's acquisition of the majority of the target company's voting rights, the target company will become a consolidated subsidiary of the Company. The board of directors of the target company will approve a resolution to hold an extraordinary shareholders meeting in September 2008. At this meeting, resolutions will be submitted for the election of directors and corporate auditors named by the Company. The number of directors and corporate auditors (including individuals without executive positions at the target company) will be half of the total number of directors and auditors plus one director and auditor respectively. A president and representative director will be selected from among the directors named by the Company. In the alliance contract, the two companies have agreed on the procedures needed to hold the extraordinary shareholders meeting and directors meetings to take these and other actions. The Company will participate in the management of the target company by sending directors and in other ways. The objective is to use the alliance to quickly capture synergies that can contribute to growth at both companies and produce other benefits. The Company also plans to build a close and friendly relationship with the target company based on the spirit of cooperation in order to achieve sustained growth.

4. Outlook

The Company is currently examining the effect of this tender offer on its consolidated and non-consolidated performance in the fiscal year ending in March 2009. An announcement will be made if there is a need to revise forecasts or disclose other information.

5. Availability of copies of tender offer official documents for viewing

Kaga Electronics Co., Ltd.

2-2-9 Hongo, Bunkyo-ku, Tokyo

Jasdaq Securities Exchange, Inc.
1-4-9 Nihonbashi-Kayabacho, Chuo-ku, Tokyo

II. Change in subsidiary

1. Reason for change

Since the Company has acquired a majority (51.00%) of the voting rights of the target company through the tender offer, the target company is to become a consolidated subsidiary.

2. Profile of target company

- 1) Name ADM, Inc.
2) Representative Hiroo Yamasaki, President and Representative Director
3) Head office 2-6-12 Minami-Honmachi, Chuo-ku, Osaka
4) Established February 6, 1975
5) Activities Purchase and sale of electronic devices and components
6) Fiscal year Ends October 31
7) Employees 108 (October 31, 2007), excluding employees on assignment to other companies and temporary staff
8) Major business sites Eastern Japan Headquarters (Chiyoda-ku, Tokyo), Fukuoka Office (Fukuoka)
9) Capital 560,330 thousand yen
10) Shares issued 3,230,000

11) Major shareholders and pct. of shares held (October 31, 2007)

Hiroo Yamasaki, 30.78%
Takahide Kobayashi, 8.05%
Hiroko Yamasaki, 5.88%
Japan Trustee Services Bank, Ltd. (trust account), 4.18%
The Bank of Tokyo-Mitsubishi UFJ, Ltd., 1.86%
The Master Trust Bank of Japan, Ltd., 1.84%
State Street Bank and Trust Company 505025, 1.10%
Mizuho Bank, Ltd., 0.93%
Resona Bank, Ltd., 0.93%
Nippon Life Insurance Company, 0.93%
Mitsubishi UFJ Capital Co., Ltd., 0.93%

12) Financial highlights

Consolidated

(yen in millions)

Years ended October 31	2006	2007
Net sales	19,475	21,765
Gross profit	1,799	1,835
Operating income	328	270
Ordinary income	342	259
Net income	190	77
Total assets	8,298	7,812
Net assets	4,229	4,096

Non-consolidated

(yen in millions)

Years ended October 31	2006	2007
Net sales	19,378	21,678
Gross profit	1,719	1,770
Operating income	307	254
Ordinary income	325	226
Net income	156	45
Total assets	8,240	7,731
Net assets	4,175	4,012
Dividend per share (yen)	22	22

*The above figures are based on the Securities Report filed by the target company on January 29, 2008.

3. Timetable

August 1, 2008 (Friday) Start of tender offer purchases

4. Outlook

The Company is currently examining the effect of this tender offer on its consolidated and non-consolidated performance in the fiscal year ending in March 2009. An announcement will be made if there is a need to revise forecasts or disclose other information.