



# **Business Results Presentation**

**for the First Quarter of FY ending March 2018**

**August 8, 2017**

**KAGA ELECTRONICS CO., LTD.**  
**(TSE 1st section, 8154)**

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# **Consolidated Performance for the First Quarter of FY2018**

# Financial Highlights

## (Year on Year Comparison)

(Million yen)

	FY2017 1Q	FY2018 1Q	Y o Y
Net sales	52,221	56,174	3,953
Gross profit	6,795	7,882	1,087
Gross profit margin	13.0%	14.0%	1.0%
Selling, general and administrative expenses	6,030	5,793	-237
Operating income	765	2,088	1,323
Ordinary income	608	2,205	1,597
Profit attributable to owners of parent	1,396	1,750	354

# Financial Highlights by Business Segment (Year on Year Comparison)

(Million yen)

		FY2017 1Q	FY2018 1Q	Y o Y	
Electronic components	Net sales	39,237	41,721	2,484	EMS business for electronic equipment in Japan and overseas showed a favorable growth.
	Segment income	623	1,539	916	
Information equipment	Net sales	10,116	11,132	1,016	Sales of housing-related products showed a favorable growth.
	Segment income	105	358	253	
Software	Net sales	477	448	-29	Operating margin declined despite focused efforts to produce computer graphics animation, develop software and applications, and develop VR and AR.
	Segment income	75	-0	-75	
Others	Net sales	2,391	2,872	481	Sales of arcade amusement machines and golf products in Japan showed solid growth.
	Segment income	-70	152	222	
Total		52,221	56,174	3,953	* Figures of each segment income are not inter-segment adjusted other than total.
		765	2,088	1,323	

# Consolidated Balance Sheet

(Million yen)

	March 31, 2017	June 30, 2017	Y o Y		March 31, 2017	June 30, 2017	Y o Y
Current assets	103,684	100,803	-2,881	Current liabilities	50,242	47,181	-3,061
Cash and deposits	26,423	27,803	1,380	Notes and accounts payable - trade	37,553	34,845	-2,708
Notes and accounts receivable - trade (*)	52,009	46,959	-5,050	Short-term loans payable	4,883	4,992	109
Inventories	19,325	20,589	1,264	Others	7,806	7,344	-462
Others	5,925	5,452	-473	Non-current liabilities	9,576	9,632	56
Non-current assets	22,067	23,148	1,081	Long-term loans payable	4,603	4,114	-489
Property, plant and equipment	11,745	11,871	126	Others	4,973	5,518	545
Intangible assets	841	790	-51	Total liabilities	59,819	56,813	-3,006
Investments and other assets	9,479	10,486	1,007	Shareholders' equity	64,481	65,271	790
Total assets	125,751	123,952	-1,799	Capital stock	12,133	12,133	0
				Capital surplus	13,912	13,912	0
				Retained earnings	40,476	41,265	789
				Treasury shares	-2,040	-2,040	0
				Valuation and translation adjustments	1,391	1,800	409
				Non-controlling interests	59	66	7
				Total net assets	65,932	67,138	1,206
				Total liabilities and net assets	125,751	123,952	-1,799

(\*) Notes and accounts receivable - trade **includes** electronically recorded monetary claims - operating



# **Consolidated Performance Forecasts for FY2018**

# Consolidated Performance Forecasts

Comparison of consolidated statement of income (FY2017 results vs FY2018 forecasts)

(Million yen)

	FY2017 (Results)	FY2018 (Forecasts)	Y o Y
Net sales	227,209	230,000	2,791
Gross profit	31,225	31,500	275
Gross profit margin	13.7%	13.7%	—
Selling, general and administrative expenses	24,346	24,500	154
Operating income	6,879	7,000	121
Ordinary income	7,343	7,500	157
Profit attributable to owners of parent	6,975	5,500	-1,475



# ROE Forecast (Y o Y Comparison)

(Yen)

	FY2017	FY2018 (Forecasts)	Y o Y
Earnings per share (EPS)	249.43	200.47	-48.96
Dividend per share	60	60	±0
Ordinary dividend	40	60	+20
Extraordinary dividend	20	—	—
Return on equity (ROE)	10.9%	8.1%	-2.8%

# Consolidated Forecasts by Business Segment

(Million yen)

		FY2017	FY2018	Y o Y
			(Forecasts)	
Electronic components	Net sales	171,227	175,000	3,773
	Segment income	4,917	5,350	433
Information equipment	Net sales	42,547	42,000	-547
	Segment income	1,491	1,400	-91
Software	Net sales	3,159	3,000	-159
	Segment income	528	450	-78
Others	Net sales	10,274	10,000	-274
	Segment income	-212	-200	12
Total		227,209	230,000	2,791
		6,879	7,000	121

\* Figures of each segment income are not inter-segment adjusted other than total.

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for our customers”**



**20 Kandamatsunagacho, Chiyoda-ku, Tokyo 101-8629**

**Contact: Secretarial & Public Relations Office**

**TEL: +81-3-5657-0106**

**FAX: +81-3-3254-7133**

**E-mail: [webmaster@taxan.co.jp](mailto:webmaster@taxan.co.jp)**

**<http://www.taxan.co.jp>**

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.