

May 12, 2020

Name of Company: KAGA ELECTRONICS CO., LTD.  
Stock Code: 8154 Tokyo Stock Exchange, First Section  
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## KAGA ELECTRONICS Revises Earnings Forecast and Dividend Forecast

KAGA ELECTRONICS CO., LTD. (TSE: 8154; hereinafter, “the Company”) has revised its consolidated earnings forecast and dividend forecast for the fiscal year ended March 31, 2020, released on February 6, 2020, in light of recent earnings trends, as shown below:

### Details

#### ●Revision of earnings forecast

Revisions to consolidated earnings forecasts for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	(yen)
Previous forecast (A)	442,000	9,000	9,000	5,000	182.17
Revised forecast (B)	443,000	10,000	10,000	5,800	211.29
Difference (B-A)	1,000	1,000	1,000	800	—
Percent change (%)	0.2	11.1	11.1	16.0	—
(Reference) Results for the fiscal year ended March 31, 2019	292,779	7,570	7,859	8,014	292.07

#### [Reasons for revisions]

Although some overseas EMS production bases in countries including China and Malaysia temporarily suspended operations in accordance with the guidance of national and regional governments in response to the spread of the novel coronavirus infection, orders were achieved ahead of schedule from customers who were concerned about parts procurement shortages. As a result, the Company expects net sales to exceed the previous forecast.

The Company also expects income to surpass the previous forecasts because gross margin increased as a result of higher net sales combined with a general ban on domestic and overseas business travel in response to measures issued by Japan and other governments to prevent the spread of the new coronavirus, including voluntary restraint and lockdowns, and the success of cuts in non-urgent spending.

●Revision of dividend forecast

	Annual dividends		
	Second quarter end	Year-end	Total
Previous forecast (Announced February 6, 2020)		30 yen	60 yen
Revised forecast		40 yen (Ordinary dividend 30 yen) (Special dividend 10 yen)	70 yen (Ordinary dividend 60 yen) (Special dividend 10 yen)
Dividends for the current fiscal year	30 yen		
Dividends for the previous fiscal year (Fiscal year ended March 31, 2019)	35 yen (Ordinary dividend 30 yen) (Commemorative dividend 5 yen)	45 yen (Ordinary dividend 40 yen) (Special dividend 5 yen)	80 yen (Ordinary dividend 70 yen) (Commemorative dividend 5 yen) (Special dividend 5 yen)

[Reasons for revisions]

The Company has positioned the return of profits to shareholders as one of the most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation with a long term perspective, has the basic policy of maintaining stable and ongoing dividends to all shareholders in conjunction with the consolidated results.

Based on this policy, in the Medium Term Management Plan 2021 (2019-2022) we have stated the target of stably providing dividends while securing a consolidated dividend ratio of 25% to 35%.

In light of this revision to the full-year earnings forecast, we have increased the dividend for the fiscal year ended March 2020 to 40 yen per share, adding a special dividend of 10 yen per share to the initial forecast of 30 yen per share. As a result, the total annual dividend, including the interim dividend of 30 yen per share, will be 70 yen per share.

A proposal concerning this matter will be submitted to the 52nd Ordinary General Meeting of Shareholders scheduled for June 26, 2020.

●Financial results briefing for the fiscal year ended March 31, 2020

As announced on April 23, 2020, the Company's consolidated financial results for the current fiscal year were originally scheduled to be announced on May 12, 2020, but due to measures to deter the spread of the novel coronavirus infection within the Group, the Company has decided to postpone the announcement and plans to make the announcement on May 21.

Note: The above forecasts are based on the information currently available to the Company on the date of release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.

End