

Summary of Consolidated Financial Results For the Year Ended March 2013 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.
 Stock Code: 8154 URL: <http://www.taxan.co.jp/>
 Stock Exchange Listing: Tokyo Stock Exchange, First Section
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 Date of regular general meeting of shareholders: June 27, 2013 (tentative)
 Date of commencement of dividend payment: June 28, 2013 (tentative)
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 Supplementary explanatory documents: Yes
 Earnings presentation: Yes (For institutional investors)

(Yen in millions, rounded down)

1. Financial results for the current fiscal year (April 1, 2012 - March 31, 2013)

(1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2013	216,405	(5.9)	1,260	(39.0)	1,931	(24.8)	444	(51.4)
Fiscal year ended March 2012	229,856	(3.3)	2,067	(39.6)	2,569	(28.6)	914	(48.3)

Note: Comprehensive income: FY ended March 31, 2013: 2,381 million yen 499.6%
 FY ended March 31, 2012: 397 million yen (51.7%)

	Net income per share	Net income per share fully diluted	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2013	16.09	-	0.9	1.7	0.6
Fiscal year ended March 2012	33.13	-	2.0	2.2	0.9

Note: Equity in income/losses of affiliates FY ended March 2013: -million yen FY ended March 2012: - million yen

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2013	111,888	48,806	43.5	1,721.86
As of March 31, 2012	114,714	47,936	40.5	1,681.73

Note: Shareholders' equity FY ended March 2013: 48,656 million yen FY ended March 2012: 46,410 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2013	7,041	(4,910)	(403)	11,878
Fiscal year ended March 2012	958	(2,645)	(242)	9,695

2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2012	-	15.00	-	15.00	30.00	827	90.5	1.8
Fiscal year ended March 2013	-	15.00	-	15.00	30.00	837	186.5	1.8
Fiscal year ending March 2014 (estimated)	-	15.00	-	15.00	30.00		70.6	

3. Forecast for the fiscal year ending March 2014 (Consolidated, April 1, 2013 - March 31, 2014)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	104,000	0.1	(600)	-	(300)	-	(500)	-	(17.69)
Full year	230,000	6.3	1,800	42.8	2,300	19.1	1,200	169.8	42.47

* Notes

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation):

None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than in (a): None

(c) Changes in accounting estimates: Yes

(d) Retrospective restatement: None

Note: These changes meet the conditions of Article 14-7 a case where it is difficult to make a distinction between a change in an accounting method and a change in an accounting estimate of "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements." For more information, please refer 4. Consolidated Financial Statements (5) Note to the consolidated financial statements (Changes in accounting policies and estimates, and retrospective restatement) on page 15.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock) As of March 31, 2013: 28,702,118 As of March 31, 2012: 28,702,118

(b) Treasury stock As of March 31, 2013: 443,831 As of March 31, 2012: 1,105,201

(c) Average number of shares outstanding during the year As of March 31, 2013: 27,647,603 As of March 31, 2012: 27,597,270

(Reference) Non-consolidated Financial Results

1. Financial results for the current fiscal year (April 1, 2012 - March 31, 2013)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2013	82,754	(13.0)	(68)	-	2,506	(47.1)	27	(99.0)
Fiscal year ended March 2012	95,163	(0.0)	705	(37.3)	4,736	66.0	2,646	27.9

	Net income per share	Net income per share fully diluted
	Yen	Yen
Fiscal year ended March 2013	1.00	-
Fiscal year ended March 2012	95.90	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2013	71,109	35,494	49.9	1,256.07
As of March 31, 2012	75,486	35,378	46.9	1,281.99

Note: Shareholders' equity

Fiscal year ended March 2013: 35,494 million yen

Fiscal year ended March 2012: 35,378 million yen

*Status of implementation of audit procedures

The financial statements for the fiscal year were under audit procedures at the time this Summary of Financial Results was released.

*Cautionary statement regarding forecasts of operating results and special notes

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.

Index for Supplementary Information

1.	Results of Operations	1
(1)	Overview on consolidated business performance	1
(2)	Overview of financial condition.....	2
(3)	Fundamental policy for earnings allocations and dividends in the current and next fiscal yeas.....	2
2.	Corporate Group	3
3.	Management Policies	5
(1)	Fundamental management policy.....	5
(2)	Targeted performance indicators.....	5
(3)	Medium- and long-term management strategies	5
(4)	Key issues	5
(5)	Other important items concerning management.....	6
4.	Consolidated Financial Statements	7
(1)	Balance sheet	7
(2)	Statements of income and comprehensive income.....	9
(3)	Statement of changes in consolidated shareholders' equity	11
(4)	Statements of cash flows.....	13
(5)	Notes to consolidated financial statements	15
	(Notes to ongoing concern assumptions)	15
	(Changes in accounting policies and estimates, and retrospective restatement).....	15
	(Segment information etc.).....	16
	(Per-share information).....	19
	(Subsequent events)	19
5.	Non-consolidated Financial Statements	20
(1)	Balance sheets.....	20
(2)	Statements of income	23
(3)	Statement of changes in shareholders' equity.....	24
6.	Other Information	26

1. Results of Operations

(1) Overview on consolidated business performance

In the fiscal year that ended on March 31, 2013, the outlook for the Japanese economy remained uncertain because of sources of concern such as the prolonged European debt crisis and slowing economic growth in China and other emerging countries. Despite this uncertainty, there are growing expectations for an economic recovery. Earthquake recovery projects are generating demand and the yen is weakening and stock prices are climbing owing to monetary easing and other initiatives of Japan's new government since the end of 2012.

In the electronics industry, sales were relatively strong for automotive devices and in the information and communications market for products such as smartphones and tablets. However, shifting demand caused weak sales and lower prices in the digital consumer electronics market for products like flat-panel televisions and digital cameras and in the information equipment market, chiefly for personal computers. The operating environment continued to be difficult as a result.

In this environment, the KAGA ELECTRONICS Group took many actions based on the management philosophy of "Everything we do, we do for our customers." In the electronic components and semiconductors business, group companies concentrated on increasing sales of these products for automotive devices and communication devices and on increasing sales of environmental products. There were also aggressive sales activities to increase sales overseas in the EMS* business. Another priority was rebuilding subsidiaries that are performing poorly. For example, consolidated subsidiary ADM INC. became a wholly owned subsidiary and there was a voluntary retirement program for this company's employees.

Sales were higher in the electronic components and semiconductors business to manufacturers of automotive devices and overseas in the EMS business. But there were declines in sales in Japan of electronic components and semiconductors used in amusement equipment and consumer information and in the software business. Consolidated net sales decreased 5.9% to 216,405 million yen, operating income decreased 39.0% to 1,260 million yen and ordinary income decreased 24.8% to 1,931 million yen. After an impairment charge for fixed assets, the reversal of deferred tax assets and other items, net income was down 51.4% to 444 million yen.

* Electronics manufacturing service is a term used for the provision of product development and manufacturing services on an outsourcing basis.

Business segment performance was as follows.

(a) Electronic components (Development, manufacture and sale of semiconductors, general electronic components and other products, electronics manufacturing service (EMS), and other activities)

Sales of electronic components and semiconductors used in automotive devices increased and there were higher EMS sales overseas for air conditioning equipment. There were declines in sales of electronic components and semiconductors used in amusement equipment in Japan and in other sectors. The result was a 1.4% decrease in segment sales to 164,164 million yen and a 0.9% increase in operating income to 2,040 million yen.

(b) Information equipment (Sales of PCs, PC peripherals, photograph and imaging products, original-brand products, and other products)

There were measures to increase sales of existing products and add new products. However, sales were brought down by lower personal computer sales associated with the widespread use of smartphones and tablets and lower sales of memory-card products caused by changes in sales and distribution channels for products sold at large consumer electronics stores and specialty shops. Segment sales decreased 22.4% to 38,305 million yen and the operating loss increased to 836 million yen from 533 million yen one year earlier.

(c) Software (Production of computer graphics, planning and development of amusement products, and other activities)

Activities in this business focused on the production of computer graphics for animation applications and image processing for amusement equipment. But lower sales of game software and delays in launches of new software products caused sales to decline 25.4% to 2,874 million yen. There was an operating loss of 61 million yen compared with operating income of 402 million yen one year earlier.

(d) Others (Electronic device repairs and support, sales of sporting goods, and other activities)

There were recoveries in the recycling business, golfing products sales business and other activities in this segment. As a result, sales increased 8.7% to 11,060 million yen. However, operating income was down 50.8% to 157 million yen.

In the fiscal year ending on March 31, 2014, in the electronics industry, more growth is anticipated in the market for smartphones, tablets and other communication products. But the operating environment for digital consumer electronics and information products is expected to remain challenging.

To improve its performance, the KAGA ELECTRONICS Group will further strengthen sales activities for electronic components and semiconductors, primarily for automotive devices, communication products and other categories with good prospects for growth. Group companies will also concentrate on increasing sales in the EMS business and environmental business, which are operations where the group can add value.

Based on this outlook, the current forecast for consolidated performance in the fiscal year ending on March 31, 2014 is as follows

(Consolidated performance forecast)

Net sales	230,000 million yen	up 6.3%
Operating income	1,800 million yen	up 42.8%
Ordinary income	2,300 million yen	up 19.1%
Net income	1,200 million yen	up 169.8%

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Assets decreased 2,825 million yen from one year earlier to 111,888 million yen at the end of the fiscal year mainly because of a decrease in inventories.

Liabilities decreased 3,695 million yen to 63,082 million yen mainly because of a decrease in notes and accounts payable-trade.

Net assets increased 869 million yen to 48,806 million yen mainly because of the sale of treasury stock.

(b) Cash flows

There was a net increase of 2,183 million yen in cash and cash equivalents to 11,878 million yen at the end of the fiscal year.

(Operating activities)

Net cash provided by operating activities was 7,041 million yen compared with 958 million yen one year earlier. The decrease in notes and accounts receivable-trade was the major reason for this increase.

(Investing activities)

Net cash used in investing activities was 4,910 million yen compared with 2,645 million yen one year earlier. The primary use of cash was payments for the purchase of property, plant and equipment.

(Financing activities)

Net cash used in financing activities was 403 million yen compared with 242 million yen one year earlier. This was primarily the difference between net proceeds from loans payable and cash dividends paid.

(Reference) Cash flow index trends

	Fiscal year ended March 2009	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ended March 2012	Fiscal year ended March 2013
Shareholders' equity ratio	40.7%	41.1%	40.9%	40.5%	43.5%
Shareholders' equity ratio at market value	18.8%	24.4%	23.6%	20.9%	19.4%
Debt repayment multiple	2.38 years	2.01 years	2.12 years	14.97 years	2.15 years
Interest coverage ratio	28.1	43.6	52.0	6.6	51.6

Shareholders' equity ratio is shareholders' equity divided by total assets.

Shareholders' equity ratio at market value is market capitalization divided by total assets.

Debt repayment multiple is interest-bearing debt divided by operating cash flows.

Interest coverage ratio is operating cash flows divided by interest expenses.

Notes:

1. All figures are calculated based on consolidated financial data.
2. Market capitalization uses the number of shares issued less treasury stock.
3. Cash flows are operating cash flows.
4. Interest-bearing debt is the sum of all liabilities on the balance sheet on which the Group is obligated to pay interest.

(3) Fundamental policy for earnings allocations and dividends in the current and next fiscal years

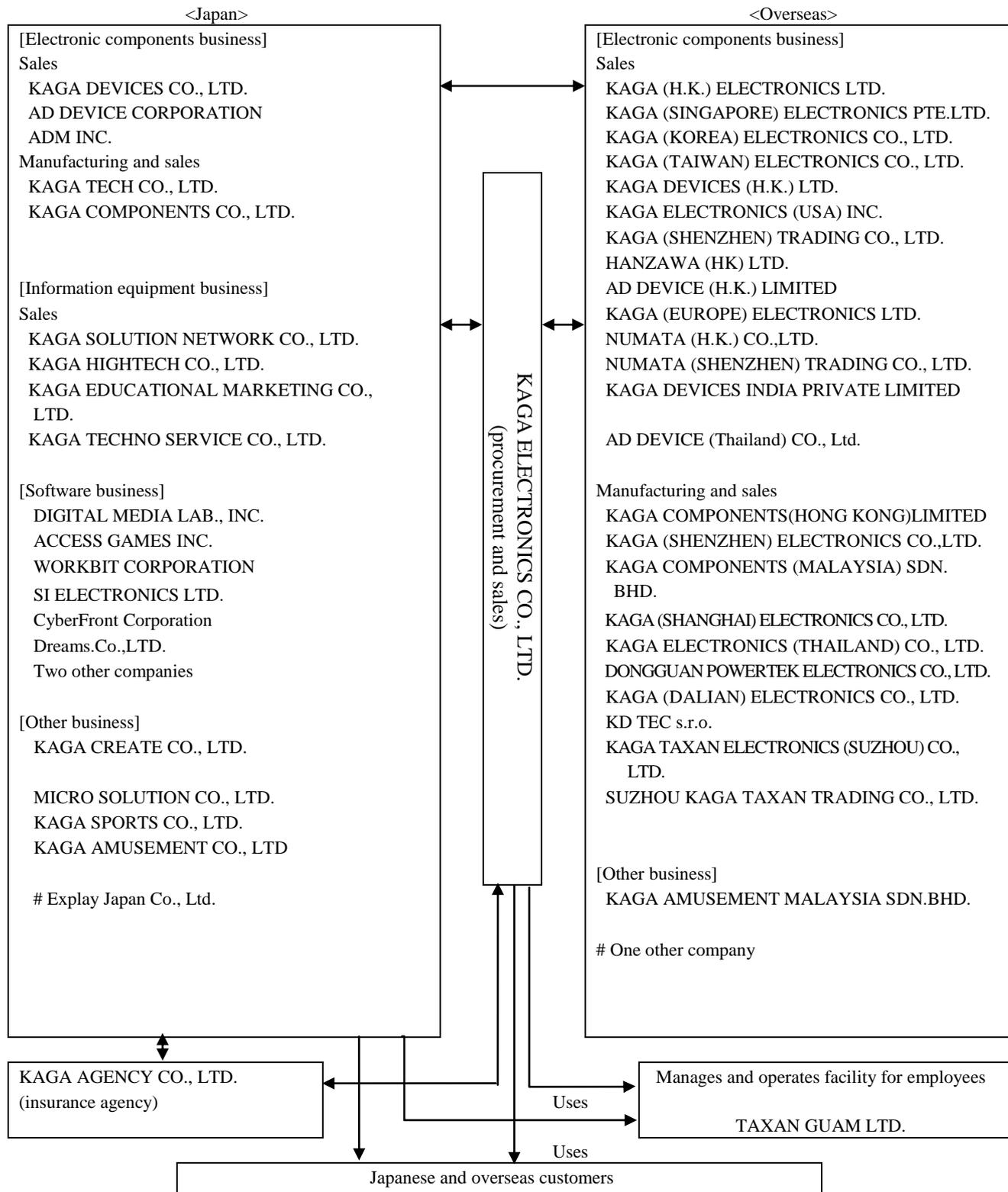
The Company's fundamental policy is to pay a steady and consistent dividend to shareholders that reflect consolidated performance as well as the need to establish a more powerful financial position and base of operations from a long-term stable perspective.

Based on performance in the fiscal year 2013, the Company plans to pay a year-end dividend of 15 yen per share. With the interim dividend of 15 yen per share, this will result in an annual dividend of 30 yen per share.

For the fiscal year ending on March 31, 2014, to show appreciation to shareholders for their support, a dividend per share of 30 yen, including an interim dividend of 15 yen, is planned.

2. Corporate Group

The KAGA ELECTRONICS group of companies (the Group) is made up of KAGA ELECTRONICS CO., LTD. (the Company), 48 consolidated subsidiaries (22 in Japan, 26 overseas) and 2 affiliates that are not accounted for using the equity method (1 in Japan, 1 overseas). These companies are engaged primarily in the following activities: the electronic components business, including the development, manufacture and sale of semiconductors and general electronic components and EMS (electronic manufacturing services); and the information equipment business, including the sale of personal computers and peripherals, photography and imaging products, and original-brand products; and the software business includes the production of computer graphics for animation, the planning and development of products for amusement devices, and other activities. Other businesses include repair and support services for electronic devices, the sale of sporting goods, and other activities.



(Notes) #: Affiliates that are not accounted for using the equity method.
All other companies are consolidated subsidiaries.

(1) The following consolidated subsidiaries became our group company during the fiscal year that ended in March 2013.

Name	Address	Capital	Activities	Voting rights held %	Relationship with the Company			Leasing of facilities and equipment
					Joint directors Persons	Financial support Million yen	Business relationship	
[Electronic components business] SUZHOU KAGA TAXAN TRADING CO., LTD.(Note 2)	Jiangsu Province, China	1 million RMB	Manufacture and sale of electronic components and equipments etc.	100.0 (Note 1) (90.0)	1	-	-	-
AD DEVICE (Thailand) Co., Ltd. (Note 5)	Bangkok, Thailand	10 million THB	Sale of electronic components and equipments etc.	100.0 (Note 1) (100.0)	-	-	-	-

Notes:

1. Percentages of voting rights in parentheses show indirectly owned voting rights.
2. On August 3, 2012, KAGA TAXAN ELECTRONICS (SUZHOU) CO., LTD., a subsidiary of consolidated subsidiary KAGA (SHANGHAI) ELECTRONICS CO., LTD., became a wholly owned subsidiary of KAGA (SHANGHAI) to improve the efficiency of business operations and SUZHOU KAGA TAXAN TRADING CO., LTD. was established in Jiangsu Province, China.
3. On August 13, 2012, HANZAWA (SZ) LTD., which was a consolidated subsidiary of KAGA ELECTRONICS consolidated subsidiary HANZAWA (HK) LTD. until March 31, 2012, was liquidated.
4. On August 31, 2012, all shares of Cyberfront Korea Corporation, which was a consolidated subsidiary of CyberFront Corporation until March 31, 2012, were sold. As a result, Cyberfront Korea is no longer an affiliate.
5. On February 6, 2013, to strengthen the relationships between consolidated subsidiary AD DEVICE CORPORATION and its customers in Thailand, AD DEVICE (Thailand) Co., Ltd. was established in Bangkok as a wholly owned subsidiary of AD DEVICE.
6. On March 26, 2013, KAGA INSTRUMENTS (SHANTOU) CO., LTD., which was a consolidated subsidiary of KAGA ELECTRONICS consolidated subsidiary KAGA COMPONENTS CO., LTD. until March 31, 2012, was liquidated.

3. Management Policies

(1) Fundamental management policy

Based on the management philosophy of “Everything we do, we do for our customers,” the KAGA ELECTRONICS Group is guided by the fundamental policy of “remaining a company that contributes to the happiness of all stakeholders, including shareholders, customers and employees, and fulfills its responsibilities to society.” The Group is dedicated to growing consistently by responding with speed and agility to globalization of the economy and the rapidly changing electronics industry. To accomplish this, the Group will expand its network in Japan and overseas and deepen ties among Group companies to enhance collective strengths. The Group also has a strong commitment to corporate social responsibility, positioning compliance and protecting the global environment as important elements of its operations.

Based on the above management philosophy and fundamental management policy, the companies of the KAGA ELECTRONICS Group, which are active primarily in the electronics industry, seek to improve their results of operations while cooperating with each other by doing business in a speedy manner that places the highest priority on rapid decision-making.

The key word is “F.Y.T.”

F = Flexibility (adapting adeptly to external changes)

Y = Young (staying young in thought and action)

T = Try (the spirit of always taking on challenges)

(2) Targeted performance indicators

As the electronics industry, where the Group is active, is expected to continue to grow, priority will continue to be placed on raising the rate of sales growth and improving the return on equity.

(3) Medium- and long-term management strategies

The rapid pace of change in the electronics industry is expected to continue. New products are appearing and existing products going out of date faster. Companies are moving production bases out of Japan faster, too. Amid these changes, more growth is foreseen for the electronics industry.

The Group has grown with KAGA ELECTRONICS, an independent electronics trading company, as its nucleus by working with a large number of suppliers and customers and handling a broad spectrum of products. The Group is distinguished by its ability to handle all aspects of the electronics business, from upstream to downstream, including product planning, development and processing (EMS). Backed by these distinctive strengths, the Group will work even more closely together to capture synergies with the goal of increasing sales and earnings while growing on a global scale.

The key word is “3G.”

General (covering everything)

Global (worldwide coverage)

Group (leveraging the collective power of the Group)

(4) Key issues

The KAGA ELECTRONICS Group is determined to continue growing while adhering to its fundamental management policy. Based on the “F.Y.T.” and “3G” management policies explained earlier as well as on the reinforcement of compliance, the Group’s management will be strengthened with the aim of increasing enterprise value while preserving strong relationships with all stakeholders.

Additionally, the Group conducts reorganizations whenever needed in order to respond rapidly to changes in market conditions and customer needs. Another goal is enhancing the ability to gather information quickly. At the same time, the Group aims to capture more synergies by building stronger ties among Group companies and fostering more collaboration and mutual assistance within the Group, thereby expanding operations and improving efficiency.

Based on the following environmental policy, all members of the Group are working together to build a framework that can tackle environmental issues from many perspectives. (ISO14001 certification was received on November 15, 2002.)

(Environmental Policy)

Always looking ahead to the future of electronics, the KAGA ELECTRONICS Group is dedicated to meeting the needs of customers while protecting the Earth in order to preserve the improve the natural environment.

• At present, the Group is concentrating on the following issues:

- i) Updating and establishing group oversight systems to improve operating efficiency
- ii) Strengthening relationships, collaboration and mutual assistance among Group companies to realize greater synergies
- iii) Reinforcing operations overseas and expanding the global network
- iv) Upgrading technological skills and improving the ability to gather information with speed
- v) Revitalizing underperforming subsidiaries
- vi) Tackling environmental problems
- vii) Thorough operation of internal control systems

• Major initiatives of the fiscal year that ended in March 2013 were as follows.

- i) Measures to capture synergies by deepening ties among group companies and reinforcing cooperation and mutual assistance among group companies

The KAGA ELECTRONICS Group is engaged in a diverse array of business activities in the electronics industry. In some cases, different group companies conduct activities that are very similar. To consolidate these activities, they were reorganized to form business units in April 2010. The objective of this reorganization was to increase synergies and efficiency and group companies are continuing to take actions aimed at achieving this goal.

ii) Growth of overseas operations and a stronger overseas network

The operating environment for KAGA ELECTRONICS is constantly changing. Management believes that the performance of the group's overseas operations will significantly influence results of operations in the future. Consequently, the group is taking many actions to strengthen its business network in eastern Asia. Activities include establishing EMS bases in China and Thailand, using mergers and acquisitions, establishing overseas subsidiaries, and other measures.

iii) Revitalization of poorly performing subsidiaries

The causes of poor performance and potential of the associated businesses will be examined so that revitalization measures can be taken while drawing on synergies with other group companies.

iv) Rigorous implementation of systems for internal controls

In the fiscal year that ended in March 2012, improper transactions and accounting procedures were discovered at consolidated subsidiary KAGA HIGHTECH CO., LTD. ("KAGA HIGHTECH"). An Investigation Committee that included experts from outside the KAGA ELECTRONICS Group submitted recommendations for measures to prevent this problem from happening again. To ensure that this type of incident will not reoccur, a Reoccurrence Prevention Committee was established in June 2012. This committee oversaw the rigorous use of internal control systems and a retraining program as well as the establishment of an organizational framework for the continuous operation and improvement of these internal control systems. The Reoccurrence Prevention Committee was terminated in March 2013. KAGA HIGHTECH and the Management Planning Department and Auditing Department of KAGA ELECTRONICS will continue to take actions in order to ensure the extensive use of internal control systems and make improvements to these systems.

The KAGA ELECTRONICS Group is committed to continuing to implement compliance programs rigorously throughout the Group and to strengthening corporate governance.

The Group regards other key issues as well as matters that require constant attention and initiatives and will work on making the necessary refinements and improvements.

(5) Other important items concerning management

Not applicable

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	9,775	12,258
Notes and accounts receivable-trade	55,979	54,580
Short-term investment securities	74	111
Merchandise and finished goods	17,104	14,075
Work in process	334	637
Raw materials and supplies	4,115	4,065
Deferred tax assets	861	482
Other	6,272	3,823
Allowance for doubtful accounts	(144)	(90)
Total current assets	94,374	89,945
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,818	5,227
Accumulated depreciation	(1,872)	(2,100)
Buildings and structures, net	2,945	3,126
Machinery, equipment and vehicles	3,408	4,166
Accumulated depreciation	(1,916)	(2,451)
Machinery, equipment and vehicles, net	1,492	1,714
Tools, furniture and fixtures	3,752	4,036
Accumulated depreciation	(2,826)	(3,230)
Tools, furniture and fixtures, net	926	805
Land	4,077	4,305
Construction in progress	45	606
Total property, plant and equipment	9,487	10,559
Intangible assets		
Goodwill	253	799
Software	800	435
Other	1,191	991
Total intangible assets	2,245	2,226
Investments and other assets		
Investment securities	4,032	4,491
Deferred tax assets	341	472
Guarantee deposits	2,068	2,100
Insurance funds	1,322	1,295
Other	2,521	1,843
Allowance for doubtful accounts	(1,678)	(1,046)
Total investments and other assets	8,607	9,157
Total noncurrent assets	20,340	21,943
Total assets	114,714	111,888

(Million yen)

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	41,748	37,423
Short-term loans payable	11,084	9,567
Accrued expenses	2,444	2,683
Income taxes payable	1,082	1,055
Provision for directors' bonuses	52	74
Other	3,061	2,551
Total current liabilities	59,474	53,355
Noncurrent liabilities		
Long-term loans payable	2,833	5,121
Deferred tax liabilities	228	559
Provision for retirement benefits	1,579	1,643
Provision for directors' retirement benefits	1,399	1,398
Asset retirement obligations	245	227
Other	1,017	775
Total noncurrent liabilities	7,303	9,726
Total liabilities	66,777	63,082
NET ASSETS		
Shareholder's equity		
Capital stock	12,133	12,133
Capital surplus	13,912	13,912
Retained earnings	25,038	24,384
Treasury stock	(1,333)	(535)
Total shareholder's equity	49,751	49,895
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(653)	(180)
Deferred gains or losses on hedges	(24)	(6)
Foreign currency translation adjustment	(2,663)	(1,052)
Total accumulated other comprehensive income	(3,341)	(1,238)
Subscription rights to shares	0	-
Minority interests	1,526	149
Total net assets	47,936	48,806
Total liabilities and net assets	114,714	111,888

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Net sales	229,856	216,405
Cost of sales	201,350	188,943
Gross profit	28,506	27,462
Selling, general and administrative expenses	26,438	26,202
Operating income	2,067	1,260
Non-operating income		
Interest income	59	49
Dividends income	67	71
Commission fee	205	212
Amortization of negative goodwill	90	112
Foreign exchange gains	-	81
House rent income	107	107
Other	318	320
Total non-operating income	850	955
Non-operating expenses		
Interest expenses	145	135
Loss on investments in partnership	72	79
Foreign exchange losses	80	-
Other	49	69
Total non-operating expenses	348	284
Ordinary income	2,569	1,931
Extraordinary income		
Gain on sales of noncurrent assets	17	39
Gain on sales of investment securities	255	86
Gain on bargain purchase	-	522
Gain on sales of subsidiaries and affiliates' stocks	-	6
Insurance income	1,295	385
Other	0	18
Total extraordinary income	1,567	1,058
Extraordinary loss		
Loss on retirement of noncurrent assets	42	25
Loss on valuation of investment securities	23	72
Impairment loss	69	152
Loss on disaster	1,044	-
Litigation settlement	-	80
Business structure improvement expenses	-	55
Extra retirement payment	-	166
Other	154	2
Total extraordinary loss	1,334	555
Income before income taxes	2,802	2,434
Income taxes-current	1,784	1,594
Income taxes-deferred	95	559
Total income taxes	1,879	2,154
Income before minority interests	922	279
Minority interests in income (loss)	8	(164)
Net income	914	444
Minority interests in income (loss)	8	(164)
Income before minority interests	922	279

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Other comprehensive income		
Valuation difference on available-for-sale securities	(408)	478
Deferred gains or losses on hedges	(25)	18
Foreign currency translation adjustment	(91)	1,604
Total other comprehensive income	(525)	2,101
Comprehensive income	397	2,381
Comprehensive income attributable to owners of the parent	390	2,547
Comprehensive income attributable to minority interests	6	(166)

(3) Statements of changes in net assets

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	12,133	12,133
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	12,133	12,133
Capital surplus		
Balance at the beginning of current period	13,912	13,912
Changes of items during the period		
Disposal of treasury stock	-	(0)
Total changes of items during the period	-	(0)
Balance at the end of current period	13,912	13,912
Retained earnings		
Balance at the beginning of current period	24,952	25,038
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income	914	444
Disposal of treasury stock	-	(271)
Total changes of items during the period	86	(654)
Balance at the end of current period	25,038	24,384
Treasury stock		
Balance at the beginning of current period	(1,332)	(1,333)
Changes of items during the period		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	798
Total changes of items during the period	(0)	797
Balance at the end of current period	(1,333)	(535)
Total Shareholders' equity		
Balance at the beginning of current period	49,665	49,751
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income	914	444
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	-	526
Total changes of items during the period	85	143
Balance at the end of current period	49,751	49,895

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(246)	(653)
Changes of items during the period		
Net changes of items other than shareholders' equity	(406)	472
Total changes of items during the period	(406)	472
Balance at the end of current period	(653)	(180)
Deferred gains or losses on hedges		
Balance at the beginning of current period	0	(24)
Changes of items during the period		
Net changes of items other than shareholders' equity	(25)	18
Total changes of items during the period	(25)	18
Balance at the end of current period	(24)	(6)
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,571)	(2,663)
Changes of items during the period		
Net changes of items other than shareholders' equity	(92)	1,611
Total changes of items during the period	(92)	1,611
Balance at the end of current period	(2,663)	(1,052)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,817)	(3,341)
Changes of items during the period		
Net changes of items other than shareholders' equity	(523)	2,102
Total changes of items during the period	(523)	2,102
Balance at the end of current period	(3,341)	(1,238)
Subscription rights to shares		
Balance at the beginning of current period	0	0
Changes of items during the period		
Net changes of items other than shareholders' equity	-	(0)
Total changes of items during the period	-	(0)
Balance at the end of current period	0	-
Minority interests		
Balance at the beginning of current period	1,664	1,526
Changes of items during the period		
Net changes of items other than shareholders' equity	(138)	(1,376)
Total changes of items during the period	(138)	(1,376)
Balance at the end of current period	1,526	149
Total net assets		
Balance at the beginning of current period	48,512	47,936
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income	914	444
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	-	526
Net changes of items other than shareholders' equity	(661)	726
Total changes of items during the period	(575)	869
Balance at the end of current period	47,936	48,806

(4) Consolidated statements of cash flows

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Operating activities		
Income before income taxes and minority interest	2,802	2,434
Depreciation and amortization	2,181	2,303
Impairment loss	69	152
Amortization of goodwill	87	72
Gain on bargain purchase	-	(522)
Increase (decrease) in provision for retirement benefits	24	62
Increase (decrease) in provision for directors' retirement benefits	104	(0)
Increase (decrease) in provision for directors' bonuses	(86)	22
Increase (decrease) in allowance for doubtful accounts	107	(569)
Interest and dividends income	(127)	(121)
Interest expenses	146	135
Loss (gain) on sales of property, plant and equipment	(15)	(38)
Loss on retirement of noncurrent assets	42	25
Loss (gain) on sales of investment securities	(233)	(86)
Loss (gain) on valuation of investment securities	23	72
Decrease (increase) in notes and accounts receivable–trade	(2,561)	7,424
Decrease (increase) in inventories	(2,522)	4,014
Increase (decrease) in notes and accounts payable–trade	1,235	(8,912)
Decrease (increase) in accounts receivable–other	1,734	945
Increase (decrease) in accrued expenses	(144)	137
Decrease (increase) in advance payments	(123)	724
Decrease (increase) in consumption taxes refund receivable	(257)	267
Decrease (increase) in other current assets	65	150
Increase (decrease) in other current liabilities	26	(375)
Other, net	(124)	(424)
Sub-total	2,456	7,895
Interest and dividends income received	123	121
Interest expenses paid	(145)	(136)
Proceeds from insurance income on disaster	518	1,198
Income taxes paid	(2,230)	(1,966)
Other, net	237	(70)
Net cash provided by (used in) operating activities	958	7,041

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Investing activities		
Payments into time deposits	-	(267)
Purchase of property, plant and equipment	(2,274)	(2,529)
Proceeds from sales of property, plant and equipment	39	47
Purchase of intangible assets	(637)	(312)
Purchase of investment securities	(88)	(557)
Proceeds from sales of investment securities	558	435
Purchase of investments in subsidiaries	(21)	(87)
Merger expenses	-	(350)
Payments of short-term loans receivable	(1)	(1,205)
Collection of short-term loans receivable	9	5
Purchase of insurance funds	(298)	(73)
Proceeds from cancellation of insurance funds	27	100
Payments for guarantee deposits	(77)	(49)
Proceeds from collection of guarantee deposits	77	39
Other payments	(76)	(138)
Other proceeds	117	33
Net cash provided by (used in) investing activities	(2,645)	(4,910)
Financing activities		
Net increase (decrease) in short-term loans payable	2,607	(2,126)
Proceeds from long-term loans payable	1	5,000
Repayment of long-term loans payable	(1,828)	(2,305)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(828)	(828)
Cash dividends paid to minority shareholders	(103)	(38)
Other, net	(89)	(105)
Net cash provided by (used in) financing activities	(242)	(403)
Effect of exchange rate change on cash and cash equivalents	(171)	456
Net increase (decrease) in cash and cash equivalents	(2,100)	2,183
Cash and cash equivalents, beginning of period	11,796	9,695
Cash and cash equivalents, end of period	9,695	11,878

(5) Notes to consolidated financial statements

(Notes to ongoing concern assumptions)

None

(Changes in accounting policies and estimates, and retrospective restatement)

Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates

In accordance with the revisions to the Corporation Tax Act of Japan, starting with the fiscal year that ended in March 2013, KAGA ELECTRONICS CO., LTD. and its domestic consolidated subsidiaries are using the depreciation method in the revised Corporation Tax Act for property and equipment that was acquired on or after April 1, 2012. The effect of this change on earnings is negligible.

(Segment information etc.)

Segment information

1. Summary of reporting segments

Segments used for financial reporting are the constituent units of KAGA ELECTRONICS for which separate financial information is available and for which the board of directors performs regular reviews for the purposes of determining the distribution of resources and evaluating results of operations.

KAGA ELECTRONICS conducts business activities by grouping affiliated companies based on products and services and based on comprehensive strategies for operations in Japan and overseas for products and services handled.

Consequently, KAGA ELECTRONICS and its affiliated companies have three reporting segments that are made up of different categories of products and services: electronic components, information equipment and software.

The electronic components segment includes the development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities. The information equipment segment includes sales of PCs, PC peripherals, photograph and imaging products, original brand products, and other products. The software segment includes the production of computer graphics, planning and development of amusement products, and other activities. The others segment includes the maintenance and support for electronics equipments, and sales of sports goods, and others.

2. The accounting method used for reporting business segments

The accounting method used for reporting business segments is the same as the method of presenting the consolidated financial statements.

(Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates)

As stated in “Changes in accounting policies and estimates, and retrospective restatement”, in accordance with the revisions to the Corporation Tax Act of Japan, starting with the fiscal year that ended in March 2013, the Company and its consolidated subsidiaries are using the depreciation method in the revised Corporation Tax Act for property and equipment that was acquired on or after April 1, 2012. The effect of this change on earnings is negligible.

3. Information concerning sales, earnings or losses, assets, liabilities and other items for individual reporting segments

For the previous fiscal year ended March 2012 (April 1, 2011 – March 31, 2012)

(Million yen)

	Reporting segments					Adjustments *1	Amount in the consolidated statement of income *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales of which to outside customers	166,468	49,360	3,854	10,173	229,856	-	229,856
of which inter- segment	1,625	798	3,453	2,551	8,429	(8,429)	-
Total	168,094	50,159	7,308	12,724	238,286	(8,429)	229,856
Segment income (loss)	2,021	(533)	402	319	2,210	(142)	2,067
Segment assets	104,294	14,411	4,569	6,751	130,025	(15,311)	114,714
Others							
Depreciation and amortization	924	133	361	121	1,541	(5)	1,536
Increase in property, plant and equipment and intangible assets	1,306	86	388	1,155	2,937	(26)	2,911

For the current fiscal year ended March 2013 (April 1, 2012 – March 31, 2013)

(Million yen)

	Reporting segments				Total	Adjustments	Amount in the consolidated statement of income
	Electronic components	Information equipment	Software	Others			
Net sales							
of which to outside customers	164,164	38,305	2,874	11,060	216,405	-	216,405
of which inter-segment	1,396	650	3,265	1,964	7,276	(7,276)	-
Total	165,560	38,955	6,139	13,025	223,682	(7,276)	216,405
Segment income (loss)	2,040	(836)	(61)	157	1,299	(39)	1,260
Segment assets	99,087	11,156	4,241	6,498	120,984	(9,095)	111,888
Others							
Depreciation and amortization	808	94	554	113	1,570	(3)	1,567
Increase in property, plant and equipment and intangible assets	2,097	131	269	371	2,870	(28)	2,841

Notes:

1. The adjustment for segment information is as follows

- (1) Segment income

(Million yen)

	Fiscal year ended March 2012	Fiscal year ended March 2013
Elimination of inter-segment trade	(62)	27
Amortization of goodwill	(79)	(67)
Total	(142)	(39)

- (2) Segment assets

(Million yen)

	Fiscal year ended March 2012	Fiscal year ended March 2013
Elimination of inter-segment trade	(17,995)	(11,639)
Corporate *	2,684	2,544
Total	(15,311)	(9,095)

* Major component of corporate assets is investment of idle assets (cash and investment securities etc.).

- (3) Depreciation and amortization

(Million yen)

	Fiscal year ended March 2012	Fiscal year ended March 2013
Elimination of inter-segment trade	(5)	(3)
Total	(5)	(3)

- (4) Increase in property, plant and equipment and intangible assets

(Million yen)

	Fiscal year ended March 2012	Fiscal year ended March 2013
Elimination of inter-segment trade	(26)	(28)
Total	(26)	(28)

2. Segment income is adjusted with operating income on the consolidated statements of income and comprehensive income

Associated information

For the previous fiscal year ended March 2012 (April 1, 2011 – March 31, 2012)

1. Information about individual products and services

This information is not presented because .KAGA ELECTRONICS Group prepares reports in accordance with a management approach based on individual products and services.

2. Geographic information

(1) Net sales

(Million yen)

Japan	North America	Europe	East Asia	Total
164,532	2,394	4,241	58,687	229,856

Note: Net sales are classified based on the client's geographic location.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Europe	East Asia	Total
7,357	33	74	2,021	9,487

Notes:

- Countries and regions are classified according to geographical proximity.
- Countries and regions outside Japan are broken down into the following geographical areas:
 - North America: United States
 - Europe: United Kingdom, Czech Republic, and Russia
 - East Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, and Thailand

3. Information by major customers

Information by major customers is not presented because outside sales for major customers accounted for less than 10% of net sales on the consolidated statements of income.

For the current fiscal year ended March 2012 (April 1, 2012 – March 31, 2013)

1. Information about individual products and services

This information is not presented because .KAGA ELECTRONICS Group prepares reports in accordance with a management approach based on individual products and services.

2. Geographic information

(1) Net sales

(Million yen)

Japan	North America	Europe	East Asia	Total
152,303	2,428	3,392	58,281	216,405

Note: Net sales are classified based on the client's geographic location.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Europe	East Asia	Total
7,766	35	75	2,681	10,559

Notes:

- Countries and regions are classified according to geographical proximity.
- Countries and regions outside Japan are broken down into the following geographical areas:
 - North America: United States
 - Europe: United Kingdom, Czech Republic, and Russia
 - East Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, and Thailand

3. Information by major customers

Information by major customers is not presented because outside sales for major customers accounted for less than 10% of net sales on the consolidated statements of income.

(Per-share information)

(Yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Net assets per share	1,681.73	1721.86
Net income (loss) per share	33.13	16.09

Note: 1. Net income per share (diluted) for FY2012 is not presented, since there is no potential stock which has dilution effect.

2. The basis for calculating net income (loss) per share and diluted net income (loss) per share are as follows.

Item	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Net income per share		
Net income (loss) (million yen)	914	444
Net income (loss) not available to common shareholders (million yen)	-	-
Net income (loss) available to common shareholders (million yen)	914	444
Weighted average number of shares outstanding	27,597,270	27,647,603
Outline of potential stock which does not have dilution effect and has not been included in net income per share	Number of classes of subscription rights to shares for consolidated companies : 4 (Number of rights: 4060)	-

(Subsequent events)

None

5. Non-consolidated Financial Statements

(1) Balance sheets

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	4,954	6,488
Notes receivable-trade	3,055	3,515
Accounts receivable-trade	26,682	23,758
Marketable securities	74	111
Merchandise	5,698	3,197
Work in process	77	74
Supplies	29	29
Advance payments-trade	994	348
Prepaid expenses	206	219
Deferred tax assets	460	545
Short-term loans receivable	33	17
Short-term loans receivable from subsidiaries and affiliates	15,851	17,521
Accounts receivable-other	3,317	2,239
Consumption taxes receivable	321	157
Other	41	3
Allowance for doubtful accounts	(4,555)	(6,316)
Total current assets	57,243	51,912
Noncurrent assets		
Property, plant and equipment		
Buildings	839	877
Accumulated depreciation	(531)	(605)
Buildings, net	308	272
Structures	71	71
Accumulated depreciation	(36)	(41)
Structures, net	35	30
Vehicles	128	119
Accumulated depreciation	(113)	(111)
Vehicles, net	14	7
Tools, furniture and fixtures	853	859
Accumulated depreciation	(659)	(733)
Tools, furniture and fixtures, net	194	125
Land	2,964	3,191
Lease assets	218	218
Accumulated depreciation	(41)	(71)
Lease assets, net	177	147
Construction in progress	45	606
Total property, plant and equipment	3,740	4,382
Intangible assets		
Right of trademark	12	10
Software	228	156
Telephone subscription right	26	26
Other	164	99
Total intangible assets	431	293

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Investments and other assets		
Investment securities	3,533	3,952
Stocks of subsidiaries and affiliates	7,357	7,817
Investments in capital	57	51
Investments in capital of subsidiaries and affiliates	6	7
Long-term loans receivable	76	-
Long-term loans receivable from subsidiaries and affiliates	2,222	2,097
Claims provable in bankruptcy, claims provable in rehabilitation and other	555	749
Long-term prepaid expenses	143	167
Deferred tax assets	839	974
Guarantee deposits	956	948
Insurance funds	1,281	1,284
Golf club membership	380	262
Allowance for doubtful accounts	(2,253)	(1,758)
Allowance for investment loss	(1,085)	(2,033)
Total investments and other assets	14,070	14,521
Total noncurrent assets	18,242	19,197
Total assets	75,486	71,109
LIABILITIES		
Current liabilities		
Notes payable-trade	2,440	2,486
Accounts payable-trade	19,079	14,755
Short-term loans payable	7,419	5,536
Short-term loans payable to subsidiaries and affiliates	1,672	1,385
Current portion of long-term loans payable	1,761	2,178
Lease obligations	19	28
Accounts payable-other	222	217
Accrued expenses	1,014	999
Income taxes payable	191	167
Advances received	1,142	510
Deposits received	56	56
Provision for directors' bonuses	40	60
Other	23	15
Total current liabilities	35,083	28,397
Noncurrent liabilities		
Long-term loans payable	2,787	5,109
Lease obligations	190	162
Provision for retirement benefits	462	474
Provision for directors' retirement benefits	1,157	1,154
Asset retirement obligations	190	192
Other	235	126
Total noncurrent liabilities	5,024	7,218
Total liabilities	40,107	35,615

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
NET ASSETS		
Shareholder's equity		
Capital stock	12,133	12,133
Capital surplus		
Legal capital surplus	13,912	13,912
Total capital surplus	13,912	13,912
Retained earnings		
Legal retained earnings	618	618
Other retained earnings		
General reserve	7,000	7,000
Retained earnings brought forward	3,620	2,548
Total retained earnings	11,239	10,167
Treasury stock	(1,333)	(535)
Total shareholder's equity	35,952	35,678
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(560)	(175)
Deferred gains or losses on hedges	(12)	(8)
Total valuation and translation adjustments	(573)	(183)
Total net assets	35,378	35,494
Total liabilities and net assets	75,486	71,109

(2) Statements of income

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Net sales	95,163	82,754
Cost of sales		
Beginning goods	4,172	5,776
Cost of purchased goods	87,749	71,558
Total	91,921	77,334
Goods transfer to other account	317	179
Ending goods	5,776	3,271
Cost of goods sold	85,827	73,883
Gross profit	9,336	8,871
Selling, general and administrative expenses	8,630	8,939
Operating income	705	(68)
Non-operating income		
Interest income	120	142
Dividend income	3,856	2,134
Foreign exchange gains	34	110
Other	238	372
Total non-operating income	4,251	2,760
Non-operating expenses		
Interest expense	120	116
Loss on investments in partnership	68	55
Other	31	13
Total non-operating expenses	220	185
Ordinary income	4,736	2,506
Extraordinary income		
Gain on sales of investment securities	198	82
Other	9	2
Total extraordinary income	207	85
Extraordinary losses		
Loss on retirement of noncurrent assets	3	1
Loss on valuation of investment securities	20	4
Loss on valuation of stocks of subsidiaries and affiliates	173	-
Provision of allowance for investment loss	300	1,057
Provision of allowance for doubtful accounts	975	1,309
Other	63	11
Total extraordinary losses	1,537	2,384
Income (loss) before income taxes and minority interests	3,406	207
Income taxes-current	592	433
Income taxes-deferred	167	(253)
Total income taxes	760	179
Net income (loss)	2,646	27

(3) Statement of changes in shareholders' equity

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	12,133	12,133
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	12,133	12,133
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	13,912	13,912
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	13,912	13,912
Total capital surplus		
Balance at the beginning of current period	13,912	13,912
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	13,912	13,912
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	618	618
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	618	618
Other retained earnings		
General reserve		
Balance at the beginning of current period	7,000	7,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	7,000	7,000
Retained earnings brought forward		
Balance at the beginning of current period	1,802	3,620
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income (loss)	2,646	27
Disposal of treasury stock	-	(271)
Total changes of items during the period	1,818	(1,071)
Balance at the end of current period	3,620	2,548
Total retained earnings		
Balance at the beginning of current period	9,420	11,239
Changes of items during the period		
Dividends paid	(827)	(827)
Net income	2,646	27
Disposal of treasury stock	-	(271)
Total changes of items during the period	1,818	(1,071)
Balance at the end of current period	11,239	10,167

(Million yen)

	FY 2012 (April 1, 2011 – March 31, 2012)	FY 2013 (April 1, 2012 – March 31, 2013)
Treasury stock		
Balance at the beginning of current period	(1,332)	(1,333)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	-	798
Total changes of items during the period	(0)	797
Balance at the end of current period	(1,333)	(535)
Total Shareholders' equity		
Balance at the beginning of current period	34,134	35,952
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income	2,646	27
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	-	526
Total changes of items during the period	1,818	(273)
Balance at the end of current period	35,952	35,678
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(208)	(560)
Changes of items during the period		
Net changes of items other than shareholders' equity	(352)	385
Total changes of items during the period	(352)	385
Balance at the end of current period	(560)	(175)
Deferred gains or losses on hedges		
Balance at the beginning of current period	(1)	(12)
Changes of items during the period		
Net changes of items other than shareholders' equity	(11)	4
Total changes of items during the period	(11)	4
Balance at the end of current period	(12)	(8)
Total valuation and translation adjustments		
Balance at the beginning of current period	(209)	(573)
Changes of items during the period		
Net changes of items other than shareholders' equity	(363)	389
Total changes of items during the period	(363)	389
Balance at the end of current period	(573)	(183)
Total net assets		
Balance at the beginning of current period	33,924	35,378
Changes of items during the period		
Dividends from surplus	(827)	(827)
Net income	2,646	27
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	-	526
Net changes of items other than shareholders' equity	(363)	389
Total changes of items during the period	1,454	115
Balance at the end of current period	35,378	35,494

6. Other Information

Not applicable