

Summary of Consolidated Financial Results For the Year Ended March 2016 [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 29, 2016 (tentative)
 Date of commencement of dividend payment: June 30, 2016 (tentative)
 Date of filing of securities report: June 29, 2016 (tentative)
 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, 2015 – March 31, 2016)

(1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2016	245,387	(3.8)	7,788	22.4	7,908	3.2	5,437	23.1
Fiscal year ended March 2015	255,143	(1.1)	6,362	24.6	7,664	31.1	4,416	13.9

Note: Comprehensive income: FY ended March 31, 2016: 3,466 million yen -54.3%
 FY ended March 31, 2015: 7,592 million yen 43.5%

	Earnings per share	Earnings 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 2016	192.43	-	9.0	6.3	3.2
Fiscal year ended March 2015	156.28	-	7.8	6.0	2.5

Ref.: Equity in earnings/losses of affiliates FY ended March 2016: -million yen FY ended March 2015: - 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, 2016	124,281	61,808	49.7	2,185.94
As of March 31, 2015	127,948	59,603	46.6	2,108.04

Ref.: Shareholders' equity FY ended March 2016: 61,764 million yen FY ended March 2015: 59,564 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 2016	9,546	(1,263)	(3,067)	21,879
Fiscal year ended March 2015	9,127	(1,465)	(4,431)	17,569

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 2015	-	15.00	-	25.00	40.00	1,130	25.6	2.0
Fiscal year ended March 2016	-	20.00	-	35.00	55.00	1,554	28.6	2.6
Fiscal year ending March 2017 (estimated)	-	20.00	-	20.00	40.00		24.0	

Notes: Breakdown of year-end dividend for FY3/15: Ordinary dividend: 15.00 yen; Extraordinary dividend: 10.00 yen
 Breakdown of year-end dividend for FY3/16: Ordinary dividend: 20.00 yen; Extraordinary dividend: 15.00 yen

3. Forecast for the fiscal year ending March 2017 (Consolidated, April 1, 2016 - March 31, 2017)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	103,000	(16.2)	1,100	(73.8)	1,200	(72.9)	1,100	(62.6)	38.93
Full year	230,000	(6.3)	5,700	(26.8)	6,400	(19.1)	4,700	(13.6)	166.34

* 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: None

(d) Retrospective restatement: None

Note: For more information, please refer 5. Consolidated Financial Statements (5) Note to the consolidated financial statements (Changes in accounting policies) on page 15.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock) As of March 31, 2016: 28,702,118 As of March 31, 2015: 28,702,118

(b) Treasury stock As of March 31, 2016: 446,824 As of March 31, 2015: 446,040

(c) Average number of shares outstanding during the year As of March 31, 2016: 28,255,634 As of March 31, 2015: 28,256,695

(Reference) Non-consolidated Financial Results

1. Financial results for the fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2016	85,723	(4.9)	1,077	231.8	3,513	23.5	2,856	59.6
Fiscal year ended March 2015	90,138	(4.6)	324	181.1	2,845	32.2	1,790	164.1

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
Fiscal year ended March 2016	101.11	-
Fiscal year ended March 2015	63.37	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	70,396	38,680	54.9	1,368.97
As of March 31, 2015	73,071	37,186	50.9	1,316.06

Ref.: Shareholders' equity

Fiscal year ended March 2016: 38,680 million yen

Fiscal year ended March 2015: 37,186 million yen

Reasons for the non-consolidated business results difference between current and previous fiscal year

Sales were affected by sluggish sales of electronic components and semiconductor in Japan and other factors. Difference in earnings was due a decline in selling, general and administrative expenses, in addition to improved overall gross profit margin.

* Status of implementation of audit procedures

The rule mandating audit procedures (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results. It is under the review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

* 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. For information about the forecasts, please see "Results of Operations" on page 2 of Supplementary Information.

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1. Results of Operations

(1) Overview on consolidated business performance

In the fiscal year ended March 31, 2016, the Japanese economy recovered slowly as government economic stimulus measures and the monetary policies of the Bank of Japan supported a rebound in corporate earnings and capital expenditures along with an improvement in employment. However, the outlook is still uncertain because of slowing economic growth in China and other emerging countries, the low price of crude oil, and other reasons.

In the electronics industry, the principal area of operations for the KAGA ELECTRONICS Group, demand for PCs and consumer electronics remained weak. In addition, growth of markets for smartphones, tablets and other mobile wireless devices is slowing. But there is rising demand for electronic products used in automobiles and in medical and healthcare products. There was also growth in demand in emerging countries for electronic products associated with the environment and energy and the IoT (Note 1). As a result, the electronics industry was relatively healthy overall.

Based on the management philosophy of “Everything we do is for our customers,” the KAGA ELECTRONICS Group established the Group Management Headquarters to oversee horizontal collaboration among group companies and the operations of KAGA ELECTRONICS. There were many activities for increasing sales to major current customers, growing outside Japan and cutting expenses.

Consolidated net sales decreased 3.8% from the previous fiscal year to 245,387 million yen, operating income increased 22.4% to 7,788 million yen, ordinary income increased 3.2% to 7,908 million yen, and profit attributable to owners of parent increased 23.1% to 5,437 million yen.

Note 1: IoT is the abbreviation for “Internet of Things,” services, business models or technologies that connects all things through the Internet.

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) (Note 2), and other activities)

Sales of electronic components and semiconductors used in amusement products were slow in Japan. There was growth in sales of electronic components and semiconductors used in communications equipment and in the overseas EMS business. The result was a 3.9% decrease in segment sales to 189,486 million yen and, due to an improvement in the gross profit margin, an increase of 34.3% in operating income to 6,515 million yen.

Note 2: Electronics manufacturing service is a term used for the provision of product development and manufacturing services on an outsourcing basis.

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

The volume of digital cameras and other products decreased and sales of housing-related products were weak. This segment concentrated on adding new products and increasing sales of existing products. There were also business reorganization measures that included a reexamination of the sales strategy for consumer products. Segment sales decreased 2.7% to 40,880 million yen and operating income was up 14.7% to 811 million yen.

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

Orders for the development of electronic toys and other products decreased. This segment focused on the development and sale of animation computer graphics and game software while reorganizing unprofitable operations. Segment sales increased 0.3% to 2,897 million yen and operating income was up 57.1% to 695 million yen.

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

Sales of arcade amusement machines in Japan and sales of used PCs and communications equipment in the recycling business were weak. Segment sales decreased 7.0% to 12,123 million yen and there was an operating loss of 343 million yen compared with operating income of 169 million yen in the previous fiscal year.

In the fiscal year ending on March 31, 2017, in the electronics industry, more growth is anticipated in some market sectors, such as automotive devices and medical and healthcare products. Emerging markets will probably grow, too. However, the outlook is unclear because of slowing sales of mobile devices like smartphones and tablets and for other reasons.

The KAGA ELECTRONICS Group plans to achieve growth of current business operations while increasing sales activities in growing market sectors like automotive devices. Another goal is the growth of business operations like EMS where the group can add value.

Based on this outlook, the current forecast for consolidated performance in the fiscal year ending on March 31, 2017 is as follows:

(Consolidated performance forecast)		(Year on year)
Net sales	230,000 million yen	down 6.3%
Operating income	5,700 million yen	down 26.8%
Ordinary income	6,400 million yen	down 19.1%
Profit attributable to owners of parent	4,700 million yen	down 13.6%

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Assets decreased 3,667 million yen from one year earlier to 124,281 million yen at the end of the fiscal year mainly because of decrease in notes and accounts receivable-trade and inventories.

Liabilities decreased 5,872 million yen to 62,472 million yen mainly because of decrease in notes and accounts payable-trade and long-term loans payable.

Net assets increased 2,204 million yen to 61,808 million yen mainly because of profit attributable to owners of parent.

(b) Cash flows

There was a net increase of 4,310 million yen in cash and cash equivalents to 21,879 million yen at the end of the fiscal year.

(Operating activities)

Net cash provided by operating activities was 9,546 million yen compared with 9,127 million yen one year earlier. The profit before income taxes was the major reason.

(Investing activities)

Net cash used in investing activities was 1,263 million yen compared with 1,465 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 by financing activities was 3,067 million yen compared with 4,431 million yen one year earlier. This was primarily decrease in repayments of long-term loans payable and cash dividends paid.

(Reference) Cash flow index trends

	Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016
Shareholders' equity ratio	40.5%	43.5%	41.9%	46.6%	49.7%
Shareholders' equity ratio at market value	20.9%	19.4%	32.0%	32.4%	32.5%
Debt repayment multiple	14.97 years	2.15 years	5.17 years	1.60 years	1.33 years
Interest coverage ratio	6.6	51.6	25.2	77.9	71.0

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.

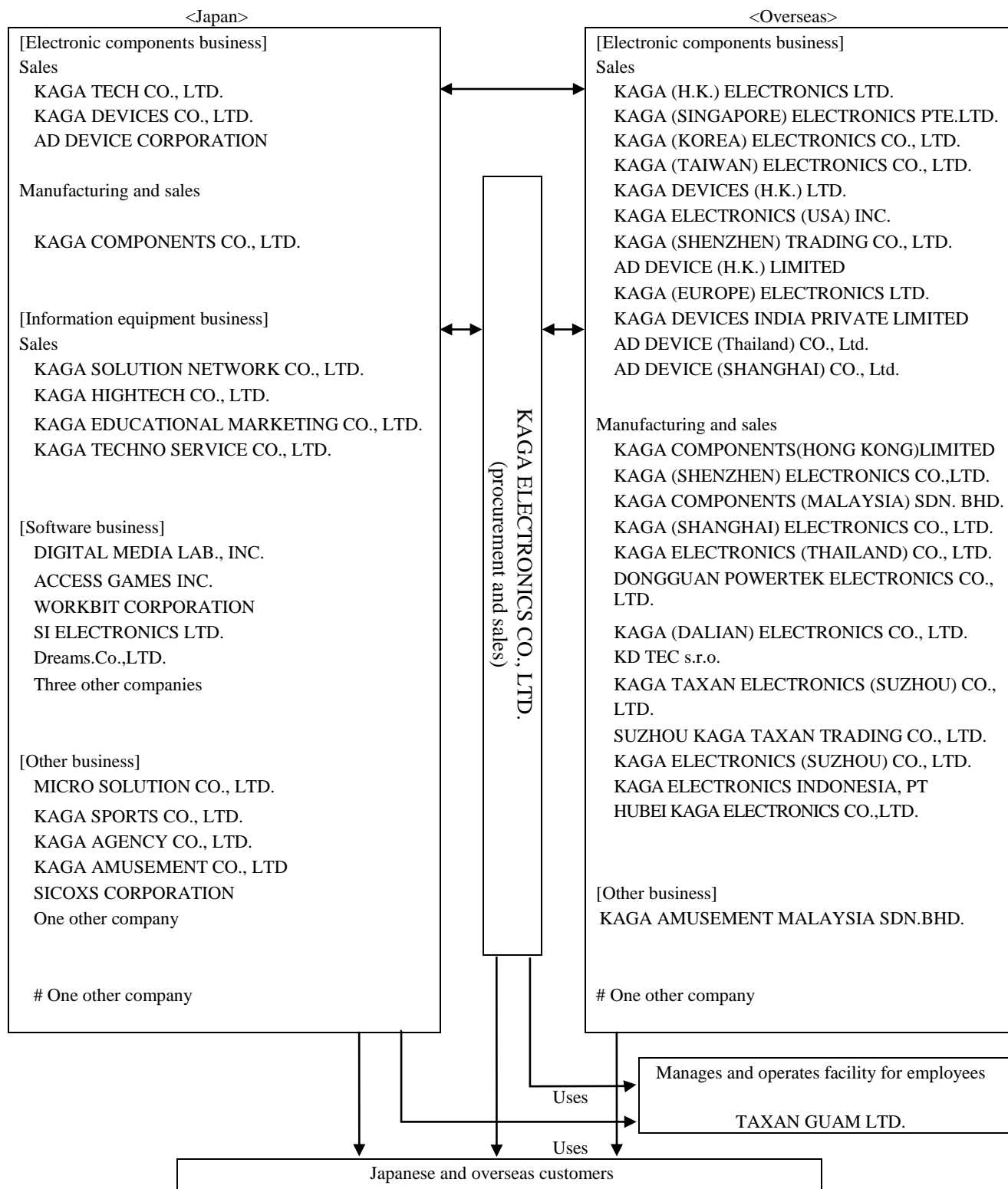
Based on this policy, the Medium-term Management Plan 2018, which was announced on November 4, 2015, includes the goal of paying a stable dividend while maintaining a consolidated payout ratio of 25% to 35%.

Consequently, KAGA ELECTRONICS plans to pay a fiscal year-end dividend of 35 yen per share, the sum of an ordinary dividend of 20 yen and a special dividend of 15 yen to reflect results of operations in the fiscal year that ended in March 2016. With the interim dividend of 20 yen, this will result in a dividend of 55 yen per share applicable to the fiscal year.

For the fiscal year ending on March 31, 2017, a dividend per share of 40 yen, including an interim dividend of 20 yen, is planned.

2. Corporate Group

The KAGA ELECTRONICS group of companies (the Group) is made up of KAGA ELECTRONICS CO., LTD. (the Company), 49 consolidated subsidiaries (22 in Japan, 27 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, home electric appliances, 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, manufacturing and sales of amusement products, sales of sporting goods, and other activities.



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

The following consolidated subsidiary became our group company during the fiscal year that ended in March 2016.

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	
[Other business] SICOXS CORPORATION (Note 2)	Chiyoda-ku Tokyo	186 million yen	Develops and manufactures semiconductor substrates. etc.	84.9	1	-	SICOX supplies samples to Kaga Elec.	-

- Notes: 1. On April 1, 2015, consolidated subsidiaries Dreams Co., Ltd. and Izakul Co., Ltd. merged with Dreams as the surviving company and Izakul was dissolved.
2. On April 16, 2015, SICOXS CORPORATION, which develops and manufactures semiconductor substrates, became a consolidated subsidiary.
3. On April 1, 2016, KAGA HIGHTECH CO., LTD. and KAGA AGENCY CO., LTD. merged with KAGA HIGHTECH as the surviving company and KAGA SOLUTION NETWORK CO., LTD. and KAGA EDUCATIONAL MARKETING CO., LTD. merged with KAGA SOLUTION NETWORK as the surviving company. On the same day, KAGA SOLUTION NETWORK and KAGA HIGHTECH merged with KAGA SOLUTION NETWORK as the surviving company.

3. Management Policies

(1) Fundamental management policy

Based on the management philosophy of “Everything we do is 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.

In this environment, The Group is aiming to grow with KAGA ELECTRONICS, an independent electronics trading company, as its nucleus by utilizing 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 corporate governance, 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.

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

- i) Strengthening corporate governance system
- 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) Tackling environmental problems

- Major initiatives for key issues during the fiscal year that ended in March 2016
 - 1) Strengthen the corporate governance system of the KAGA ELECTRONICS Group

Strengthening corporate governance is an important issue for achieving sustained growth of the entire group. During the fiscal year, internal controls were rigorously implemented and there were training programs for employees. Activities also included establishing an organizational framework for consistently using and improving internal controls. To continue strengthening corporate governance, internal controls will be used extensively throughout the Group and improved.
 - 2) Strengthen relationships, collaboration and mutual assistance among Group companies to realize greater synergies

The KAGA ELECTRONICS Group operates many types of businesses that involve electronics. Some of these businesses are similar. To improve the efficiency of similar businesses, a Group Management Division was established in April 1, 2015 to oversee all group companies. The objective is to use more collaboration among group companies to generate more synergies and operate more efficiently. Many activities are under way to accomplish these goals.
 - 3) Reinforce operations overseas and expand the global network

As constant changes reshape the operating environment, the performance of overseas operations will have a significant effect on the KAGA ELECTRONIC Group's future. East Asia and Southeast Asia are key overseas regions for the Group. In these regions, Group companies are using large numbers of people to establish and expand relationships with companies affiliated with Japanese companies as well as local companies. Adding and enlarging bases for the EMS business in China, Thailand and other countries is another goal. Actions will continue in order to build a stronger infrastructure and expand operations in East Asia and Southeast Asia.
 - 4) Revitalize underperforming subsidiaries

The operations of underperforming subsidiaries were reexamined and reorganized and these companies worked jointly with or merged with other subsidiaries. When revitalization was not feasible, a variety of other measures were used, including liquidation.

Activities that take advantage of the characteristics and strengths of each subsidiary's operations will continue in order to improve performance while fully utilizing group synergies.

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. Fundamental policy regarding choice of accounting standard

The KAGA ELECTRONICS Group prepares consolidated financial statements based on Japanese accounting standards. Going forward, the KAGA ELECTRONICS Group will as needed study the possibility of adopting IFRS standards with due consideration to financial market trends, share of foreign investors and the organizational costs resulting from the adoption of IFRS standards.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	FY 2015 (As of March 31, 2015)	FY 2016 (As of March 31, 2016)
ASSETS		
Current assets		
Cash and deposits	18,130	22,516
Notes and accounts receivable-trade	58,167	54,795
Securities	127	166
Merchandise and finished goods	17,276	14,898
Work in process	401	266
Raw materials and supplies	5,024	4,010
Deferred tax assets	929	849
Other	4,497	4,638
Allowance for doubtful accounts	(131)	(179)
Total current assets	104,424	101,961
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,834	7,838
Accumulated depreciation	(2,379)	(2,726)
Buildings and structures, net	5,455	5,112
Machinery, equipment and vehicles	5,689	5,474
Accumulated depreciation	(3,403)	(3,481)
Machinery, equipment and vehicles, net	2,285	1,992
Tools, furniture and fixtures	4,159	3,843
Accumulated depreciation	(3,222)	(3,029)
Tools, furniture and fixtures, net	936	813
Land	4,041	4,138
Construction in progress	6	0
Total property, plant and equipment	12,725	12,058
Intangible assets		
Goodwill	607	495
Software	479	422
Other	44	85
Total intangible assets	1,131	1,003
Investments and other assets		
Investment securities	6,351	6,519
Deferred tax assets	274	257
Guarantee deposits	846	739
Insurance funds	1,280	916
Other	2,084	1,931
Allowance for doubtful accounts	(1,169)	(1,107)
Total investments and other assets	9,667	9,257
Total noncurrent assets	23,524	22,319
Total assets	127,948	124,281

(Million yen)

	FY 2015 (As of March 31, 2015)	FY 2016 (As of March 31, 2016)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	40,543	36,858
Short-term loans payable	5,925	6,295
Accrued expenses	3,377	3,311
Income taxes payable	1,286	995
Provision for directors' bonuses	189	185
Other	3,289	3,523
Total current liabilities	54,612	51,169
Noncurrent liabilities		
Long-term loans payable	8,253	6,007
Deferred tax liabilities	1,231	1,246
Provision for directors' retirement benefits	1,501	1,211
Net defined benefit liability	1,643	1,774
Asset retirement obligations	140	142
Other	963	919
Total noncurrent liabilities	13,733	11,303
Total liabilities	68,345	62,472
NET ASSETS		
Shareholder's equity		
Capital stock	12,133	12,133
Capital surplus	13,912	13,912
Retained earnings	31,029	35,195
Treasury shares	(537)	(539)
Total shareholder's equity	56,538	60,702
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	790	681
Deferred gains or losses on hedges	23	4
Foreign currency translation adjustment	2,462	713
Remeasurements of defined benefit plans	(250)	(338)
Total accumulated other comprehensive income	3,026	1,061
Non-controlling interests	38	44
Total net assets	59,603	61,808
Total liabilities and net assets	127,948	124,281

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Net sales	255,143	245,387
Cost of sales	222,405	211,739
Gross profit	32,738	33,648
Selling, general and administrative expenses	26,376	25,859
Operating income	6,362	7,788
Non-operating income		
Interest income	150	64
Dividends income	95	103
Commission fee	292	277
Foreign exchange gains	560	-
House rent income	116	91
Other	308	269
Total non-operating income	1,522	806
Non-operating expenses		
Interest expenses	117	134
Foreign exchange losses	-	477
Other	102	74
Total non-operating expenses	219	686
Ordinary income	7,664	7,908
Extraordinary income		
Gain on sales of non-current assets	6	4
Gain on sales of investment securities	28	1
Other	1	-
Total extraordinary income	36	6
Extraordinary loss		
Loss on retirement of non-current assets	25	9
Impairment loss	25	31
Loss on valuation of investment securities	257	9
Loss on valuation of golf club membership	0	42
Special retirement expenses	26	43
Merger expenses	-	160
Settlement package	64	-
Other	19	39
Total extraordinary loss	419	336
Profit before income taxes	7,281	7,578
Income taxes-current	2,329	1,973
Income taxes-deferred	525	171
Total income taxes	2,855	2,145
Profit	4,426	5,433
Profit attributable to owners of parent	4,416	5,437
Profit (loss) attributable to non-controlling interests	10	(3)
Other comprehensive income		
Valuation difference on available-for-sale securities	630	(109)
Deferred gains or losses on hedges	23	(19)
Foreign currency translation adjustment	2,457	(1,749)
Remeasurements of defined benefit plans, net of tax	54	(87)
Total other comprehensive income	3,166	(1,966)
Comprehensive income	7,592	3,466
Comprehensive income attributable to owners of parent	7,580	3,472
Comprehensive income attributable to non-controlling interests	12	(5)

(3) Consolidated statement of changes in equity
 Previous fiscal year (Apr. 1, 2014 – Mar. 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	13,912	27,414	(536)	52,923
Cumulative effects of changes in accounting policies			188		188
Restated balance	12,133	13,912	27,602	(536)	53,112
Changes of items during period					
Dividends of surplus			(988)		(988)
Profit attributable to owners of parent			4,416		4,416
Purchase of treasury stock				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,427	(1)	3,425
Balance at the end of current period	12,133	13,912	31,029	(537)	56,538

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	161	0	5	(304)	(137)	39	52,825
Cumulative effects of changes in accounting policies							188
Restated balance	161	0	5	(304)	(137)	39	53,014
Changes of items during period							
Dividends of surplus							(988)
Profit attributable to owners of parent							4,416
Purchase of treasury stock							(1)
Net changes of items other than shareholders' equity	629	23	2,456	54	3,164	(1)	3,163
Total changes of items during period	629	23	2,456	54	3,164	(1)	6,588
Balance at the end of current period	790	23	2,462	(250)	3,026	38	59,603

Current fiscal year (Apr. 1, 2015 –Mar. 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	12,133	13,912	31,029	(537)	56,538
Changes of items during period					
Dividends of surplus			(1,271)		(1,271)
Profit attributable to owners of parent			5,437		5,437
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	4,165	(1)	4,164
Balance at the end of current period	12,133	13,912	35,195	(539)	60,702

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	790	23	2,462	(250)	3,026	38	59,603
Changes of items during period							
Dividends of surplus							(1,271)
Profit attributable to owners of parent							5,437
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(109)	(19)	(1,748)	(87)	(1,964)	5	(1,959)
Total changes of items during period	(109)	(19)	(1,748)	(87)	(1,964)	5	2,204
Balance at the end of current period	681	4	713	(338)	1,061	44	61,808

(4) Consolidated statements of cash flows

(Million yen)

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	7,281	7,578
Depreciation	1,907	1,604
Impairment loss	25	31
Amortization of goodwill	127	151
Increase (decrease) in net defined benefit liability	82	17
Increase (decrease) in provision for directors' retirement benefits	64	(289)
Increase (decrease) in provision for directors' bonuses	16	(6)
Increase (decrease) in allowance for doubtful accounts	141	18
Interest and dividend income	(245)	(167)
Interest expenses	117	134
Loss (gain) on sales of property, plant and equipment	(4)	(4)
Loss on retirement of non-current assets	25	9
Loss (gain) on sales of investment securities	(21)	4
Loss (gain) on valuation of investment securities	257	9
Decrease (increase) in notes and accounts receivable - trade	4,182	2,187
Decrease (increase) in inventories	79	2,677
Increase (decrease) in notes and accounts payable - trade	(3,141)	(2,407)
Decrease (increase) in accounts receivable - other	(308)	(24)
Increase (decrease) in accrued expenses	129	22
Decrease (increase) in advance payments	478	(335)
Decrease (increase) in consumption taxes refund receivable	96	195
Decrease (increase) in other current assets	1,485	(59)
Increase (decrease) in other current liabilities	(1,319)	452
Other, net	284	(24)
Subtotal	11,741	11,774
Interest and dividend income received	241	169
Interest expenses paid	(118)	(134)
Income taxes paid	(2,687)	(2,257)
Other, net	(49)	(5)
Net cash provided by (used in) operating activities	9,127	9,546

(Million yen)

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Cash flows from investing activities		
Payments into time deposits	(0)	(560)
Purchase of property, plant and equipment	(1,360)	(1,393)
Proceeds from sales of property, plant and equipment	374	437
Purchase of intangible assets	(294)	(261)
Purchase of investment securities	(994)	(510)
Proceeds from sales of investment securities	624	159
Purchase of shares of subsidiaries	(11)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(10)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	8
Payments of short-term loans receivable	(14)	(3)
Collection of short-term loans receivable	12	2
Purchase of insurance funds	(23)	(17)
Proceeds from cancellation of insurance funds	100	375
Payments for guarantee deposits	(21)	(25)
Proceeds from collection of guarantee deposits	16	74
Other payments	(238)	(177)
Other proceeds	374	629
Net cash provided by (used in) investing activities	(1,465)	(1,263)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(6,832)	(429)
Proceeds from long-term loans payable	5,000	182
Repayments of long-term loans payable	(1,436)	(1,428)
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(987)	(1,270)
Dividends paid to non-controlling interests	(0)	-
Other, net	(174)	(120)
Net cash provided by (used in) financing activities	(4,431)	(3,067)
Effect of exchange rate change on cash and cash equivalents	977	(905)
Net increase (decrease) in cash and cash equivalents	4,207	4,310
Cash and cash equivalents at beginning of period	13,361	17,569
Cash and cash equivalents at end of period	17,569	21,879

(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

None

(Changes in accounting policies)

(Application of accounting standard for concerning business combinations and other accounting standards)

Beginning with the current fiscal year, KAGA ELECTRONICS is using Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Standard No. 22, September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013). As a result, when ownership changes at a subsidiary where KAGA ELECTRONICS retains control, this difference is included in the capital surplus. In addition, the recognition of expenses associated with acquisitions has been changed to the consolidated fiscal year in which the corresponding expense occurred. Furthermore, there is a revision in the allocation of acquisition expenses for business combinations occurring on or after the beginning of the current fiscal year. The revised method reflects in the consolidated financial statements in which the business combination occurred any changes to the amount allocated to acquisition cost resulting from the confirmation of provisional accounting methods.

There are also revisions to the presentation of net income and other items and minority interests is now called non-controlling interests. To reflect these changes in the presentation of the financial statements, fiscal year consolidated financial statements for the previous fiscal year have been revised. For the application of these accounting standards, the transitional measures specified in Accounting Standard for Business Combinations No. 58-2 (4), Accounting Standard for Consolidated Financial Statements No. 44-5 (4) and Accounting Standard for Business Divestitures No. 57-4 (4) were used. These accounting standards will continue to be applied starting with the beginning of the current fiscal year.

The application of these accounting standards had negligible effect on the consolidated financial statements.

(Additional information)

(Termination of discussions concerning a management integration)

UKC Holdings Corporation and KAGA ELECTRONICS Co., Ltd. signed a memorandum of understanding on November 18, 2015 concerning a management integration. Since then, the companies have been holding discussions about this integration. The companies have now agreed to terminate these discussions and the KAGA ELECTRONICS board of directors approved a resolution on April 22, 2016 to take this action.

Reason for decision to cancel the memorandum of understanding

Since the memorandum of understanding was signed on November 18, 2015, UKC Holdings and KAGA ELECTRONICS have been holding discussions for the purpose of completing this management integration. However, both companies have now reached the decision to cancel the memorandum of understanding and terminate these discussions because of the inability to agree on specific terms concerning the management integration.

(Segment information etc.)

a. 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 four reporting segments that are made up of different categories of products and services: electronic components, information equipment, software, and others.

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, home electric appliances, 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.

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

For the previous fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

(Million yen)

	Reporting segments				Total	Adjustments *1	Amount in the consolidated statement of income *2
	Electronic components	Information equipment	Software	Others			
Net sales							
of which to outside customers	197,188	42,024	2,889	13,040	255,143	-	255,143
of which inter- segment	1,134	611	4,145	2,301	8,192	(8,192)	-
Total	198,322	42,635	7,035	15,342	263,336	(8,192)	255,143
Segment income (loss)	4,852	707	442	169	6,171	190	6,362
Segment assets	112,749	15,106	2,601	7,362	137,819	(9,870)	127,948
Others							
Depreciation	1,085	82	342	93	1,603	(21)	1,581
Increase in property, plant and equipment and intangible assets	1,824	42	123	240	2,230	(575)	1,655

For the current fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

(Million yen)

	Reporting segments				Total	Adjustments *1	Amount in the consolidated statement of income *2
	Electronic components	Information equipment	Software	Others			
Net sales							
of which to outside customers	189,486	40,880	2,897	12,123	245,387	-	245,387
of which inter- segment	970	602	3,442	2,225	7,240	(7,240)	-
Total	190,456	41,482	6,340	14,348	252,628	(7,240)	245,387
Segment income (loss)	6,515	811	695	(343)	7,679	109	7,788
Segment assets	110,317	14,581	2,776	5,831	133,507	(9,226)	124,281
Others							
Depreciation	1,042	68	106	103	1,321	(15)	1,305
Increase in property, plant and equipment and intangible assets	1,055	75	124	605	1,860	(205)	1,655

Notes:

1. The adjustment for segment information is as follows

(1) Segment income

(Million yen)

	Fiscal year ended March 2015	Fiscal year ended March 2016
Elimination of inter-segment trade	190	147
Amortization of goodwill	-	(38)
Total	190	109

(2) Segment assets

(Million yen)

	Fiscal year ended March 2015	Fiscal year ended March 2016
Elimination of inter-segment trade	(12,615)	(11,363)
Corporate *	2,744	2,137
Total	(9,870)	(9,226)

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

(3) Depreciation

(Million yen)

	Fiscal year ended March 2015	Fiscal year ended March 2016
Elimination of inter-segment trade	(21)	(15)
Total	(21)	(15)

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

(Million yen)

	Fiscal year ended March 2015	Fiscal year ended March 2016
Elimination of inter-segment trade	(575)	(205)
Total	(575)	(205)

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

b. Associated information

For the previous fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

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
173,048	5,363	2,506	74,225	255,143

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
9,406	41	71	3,206	12,725

Notes: 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are broken down into the following geographical areas:

(1) North America: United States

(2) Europe: United Kingdom, Czech Republic and Russia

(3) East Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, Thailand and India

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 2016 (April 1, 2015 – March 31, 2016)

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

(2) Net sales (Million yen)

Japan	North America	Europe	East Asia	Total
167,914	5,840	2,662	68,970	245,387

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

(3) Property, plant and equipment (Million yen)

Japan	North America	Europe	East Asia	Total
9,243	38	65	2,711	12,058

Notes: 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are broken down into the following geographical areas:

(1) North America: United States

(2) Europe: United Kingdom, Czech Republic, and Russia

(3) East Asia: Hong Kong, Singapore, Taiwan, Korea, China, Malaysia, Thailand and India

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.

c. Information regarding segment impairment loss on non-current assets

For the previous fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

(Million yen)

	Electronic components	Information equipment	Software	Others	Total
Impairment loss	-	12	-	12	25

For the current fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

(Million yen)

	Electronic components	Information equipment	Software	Others	Total
Impairment loss	-	5	25	0	31

d. Information regarding segment amortization of goodwill and undepreciated balance

For the previous fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

(Million yen)

	Reporting segments					Corporate / Elimination	Total
	Electronic components	Information equipment	Software	Others	Total		
Amortization during the period	126	0	1	-	129	-	129
Balance at the end of the period	592	-	15	-	607	-	607

For the current fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

(Million yen)

	Reporting segments					Corporate / Elimination	Total
	Electronic components	Information equipment	Software	Others	Total		
Amortization during the period	109	-	3	-	112	38	151
Balance at the end of the period	483	-	12	-	495	-	495

e. Information regarding segment gain on bargain purchase

For the previous fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

Omitted because insufficiently significant

For the current fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

None

(Per-share information)

(Yen)

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Net assets per share	2,108.04	2,185.94
Earnings per share	156.28	192.43

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

2. The basis for calculating earnings per share is as follows.

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Earnings per share		
Profit attributable to owners of parent (million yen)	4,416	5,437
Profit not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent to common shareholders (million yen)	4,416	5,437
Weighted average number of shares outstanding	28,256,695	28,255,634

(Subsequent events)

None

6. Non-consolidated Financial Statements

(1) Balance sheets

(Million yen)

	FY 2015 (As of March 31, 2015)	FY 2016 (As of March 31, 2016)
ASSETS		
Current assets		
Cash and deposits	7,933	9,600
Notes receivable-trade	2,859	3,285
Accounts receivable-trade	21,259	19,830
Securities	127	166
Merchandise	3,433	3,866
Work in process	19	5
Supplies	37	34
Advance payments-trade	426	633
Prepaid expenses	121	129
Deferred tax assets	498	427
Short-term loans receivable from subsidiaries and associates	17,843	14,302
Accounts receivable-other	2,528	2,294
Other	586	318
Allowance for doubtful accounts	(6,656)	(6,428)
Total current assets	51,018	48,466
Noncurrent assets		
Property, plant and equipment		
Buildings	2,861	2,772
Structures	22	19
Vehicles	2	7
Tools, furniture and fixtures	325	298
Land	3,314	3,412
Lease assets	37	79
Total property, plant and equipment	6,563	6,590
Intangible assets		
Trademark right	6	4
Software	183	186
Other	26	70
Total intangible assets	217	261

(Million yen)

	FY 2015 (As of March 31, 2015)	FY 2016 (As of March 31, 2016)
Investments and other assets		
Investment securities	5,666	5,866
Shares of subsidiaries and associates	7,658	7,658
Investments in capital	28	27
Investments in capital of subsidiaries and associates	11	13
Long-term loans receivable from subsidiaries and associates	1,337	987
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,971	1,949
Long-term prepaid expenses	261	156
Deferred tax assets	275	193
Other	1,793	1,622
Allowance for doubtful accounts	(2,629)	(2,562)
Allowance for investment loss	(1,103)	(836)
Total investments and other assets	15,272	15,077
Total noncurrent assets	22,053	21,929
Total assets	73,071	70,396

(Million yen)

	FY 2015 (As of March 31, 2015)	FY 2016 (As of March 31, 2016)
LIABILITIES		
Current liabilities		
Notes payable-trade	2,275	1,931
Accounts payable-trade	14,640	13,303
Short-term loans payable	1,562	732
Short-term loans payable to subsidiaries and associates	2,043	2,601
Current portion of long-term loans payable	1,428	2,428
Lease obligations	43	59
Accounts payable-other	885	751
Accrued expenses	1,608	1,411
Income taxes payable	426	65
Advances received	416	158
Deposits received	64	107
Provision for directors' bonuses	180	180
Other	34	309
Total current liabilities	25,610	24,038
Noncurrent liabilities		
Long-term loans payable	8,253	5,825
Lease obligations	120	110
Provision for retirement benefits	239	268
Provision for directors' retirement benefits	1,270	1,075
Asset retirement obligations	95	97
Other	294	301
Total noncurrent liabilities	10,274	7,677
Total liabilities	35,884	31,715
NET ASSETS		
Shareholder's equity		
Capital stock	12,133	12,133
Capital surplus		
Legal capital surplus	13,912	13,912
Other capital surplus	-	0
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	3,369	4,954
Total retained earnings	10,987	12,573
Treasury shares	(537)	(539)
Total shareholder's equity	36,496	38,080
Valuation and translation adjustments		
Valuation differences on available-for-sales securities	672	587
Deferred gains or losses on hedges	18	13
Total valuation and translation adjustments	690	600
Total net assets	37,186	38,680
Total liabilities and net assets	73,071	70,396

(2) Statements of income

(Million yen)

	FY 2015 (April 1, 2014 – March 31, 2015)	FY 2016 (April 1, 2015 – March 31, 2016)
Net sales	90,138	85,723
Cost of sales	80,706	75,733
Gross profit	9,431	9,989
Selling, general and administrative expenses	9,107	8,911
Operating income	324	1,077
Non-operating income		
Interest income	116	108
Dividend income	1,898	2,108
Foreign exchange gains	123	-
Other	558	415
Total non-operating income	2,697	2,633
Non-operating expenses		
Interest expenses	97	101
Foreign exchange losses	-	32
Other	79	63
Total non-operating expenses	177	197
Ordinary income	2,845	3,513
Extraordinary income		
Gain on sales of investment securities	20	0
Reversal of allowance for investment loss	347	267
Other	2	2
Total extraordinary income	370	269
Extraordinary losses		
Loss on valuation of investment securities	253	9
Loss on valuation of shares of subsidiaries and associates	-	100
Provision of allowance for doubtful accounts	235	202
Merger expenses	-	160
Other	13	31
Total extraordinary losses	502	505
Profit before income taxes	2,713	3,277
Income taxes - current	793	236
Income taxes - deferred	129	183
Total income taxes	922	420
Profit	1,790	2,856

(3) Statement of changes in equity

Previous fiscal year (Apr. 1, 2014 –Mar. 31, 2015)

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Other retained earnings Retained earnings brought forward	
Balance at the beginning of current period	12,133	13,912	13,912	618	7,000	2,379	9,997
Cumulative effects of changes in accounting policies						188	188
Restated balance	12,133	13,912	13,912	618	7,000	2,567	10,186
Changes of items during period							
Dividends of surplus						(988)	(988)
Profit						1,790	1,790
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	-	-	801	801
Balance at the end of current period	12,133	13,912	13,912	618	7,000	3,369	10,987

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(536)	35,507	148	0	148	35,656
Cumulative effects of changes in accounting policies		188				188
Restated balance	(536)	35,695	148	0	148	35,844
Changes of items during period						
Dividends of surplus		(988)				(988)
Profit		1,790				1,790
Purchase of treasury shares	(1)	(1)				(1)
Net changes of items other than shareholders' equity			523	18	541	541
Total changes of items during period	(1)	800	523	18	541	1,342
Balance at the end of current period	(537)	36,496	672	18	690	37,186

Current fiscal year (Apr. 1, 2015 –Mar. 31, 2016)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at the beginning of current period	12,133	13,912	-	13,912	618	7,000	3,369	10,987
Changes of items during period								
Dividends of surplus							(1,271)	(1,271)
Profit							2,856	2,856
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	1,585	1,585
Balance at the end of current period	12,133	13,912	0	13,912	618	7,000	4,954	12,573

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(537)	36,496	672	18	690	37,186
Changes of items during period						
Dividends of surplus		(1,271)				(1,271)
Profit		2,856				2,856
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	0	0				0
Net changes of items other than shareholders' equity			(84)	(5)	(90)	(90)
Total changes of items during period	(1)	1,584	(84)	(5)	(90)	1,493
Balance at the end of current period	(539)	38,080	587	13	600	38,680

7. Other Information

(1) Changes in directors and corporate auditors

(a) Changes in representative director
None

(b) Changes in directors and auditors

Candidates for new outside corporate auditor

Name

Isamu Yonekawa

Current position

Partner of Alpha Partners Law Office

Resigning outside corporate auditor

Name

Masatoshi Sase

(c) Planned date of the changes

June 29, 2016

(2) Other information

None