

March 19, 2021

Name of Company: KAGA ELECTRONICS CO., LTD.
Stock Code: 8154 Tokyo Stock Exchange, First Section
Head Office: 20 Kandamatsunagacho, Chiyoda-ku, Tokyo
Representative: Ryoichi Kado, President & COO
Contact: Eiji Kawamura, Managing Director,
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Re. Loss of Funds from U.S. Subsidiary

The U.S. subsidiary of KAGA ELECTRONICS CO., LTD. (hereinafter, “the Company”) has inadvertently lost funds as a result of fraudulent transfer instructions by a malicious third party.

The Company and its U.S. subsidiary realized that the instructions were fraudulent shortly after the loss, determined that there was a high probability that they had been involved in a criminal act, and immediately declared the damage to local investigative authorities after forming a response team comprising attorneys and others. The Company and its U.S. subsidiary are fully cooperating with all aspects of the investigation and devoting all their efforts to the preservation of, and recovery procedures for, the lost funds.

[Outline of the Incident]

- Anticipated loss: Up to approximately 500 million yen (as of March 19)
- Date of incident: February 2021

If, as a result of this incident, it becomes necessary to revise the consolidated earnings forecast for the fiscal year ending March 31, 2021, released on February 4, 2021, all pertinent information will be promptly disclosed.

We sincerely appreciate your understanding that we will be refraining from providing any further details of the incident at this time in the interest of maintaining the confidentiality of the ongoing investigation.

Please accept our humble apologies for causing concern to our various stakeholders, including our shareholders.