

July 31, 2012

To All Stakeholders:

Name of Company:	KAGA ELECTRONICS CO., LTD.
Stock Code:	8154
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
Headquarters:	3-12-8, Sotokanda Chiyoda-ku, Tokyo
Representative	
Title:	President & COO
Name:	Tomohisa Tsukamoto
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### Notice of Revision in Forecast for Fiscal Year Ending March 2013

KAGA ELECTRONICS CO., LTD. has revised the consolidated forecasts that were announced on May 30, 2012 as follows because of performance thus far in the current fiscal year and other factors.

#### 1. First half (April 1, 2012 to September 30, 2012)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	108,000	300	500	300	10.87
New forecast (B)	104,000	(200)	(100)	(300)	(10.87)
Difference (B-A)	(4,000)	(500)	(600)	(600)	-
Pct. change (%)	(3.7)	-	-	-	-
(Ref.) Previous fiscal year (First half of FY 3/2012)	116,237	771	895	301	10.92

#### 2. Fiscal year (April 1, 2012 to March 31, 2013)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	234,000	2,200	2,700	1,600	57.98
New forecast (B)	230,000	1,500	1,800	1,000	36.24
Difference (B-A)	(4,000)	(700)	(900)	(600)	-
Pct. change (%)	(1.7)	(31.8)	(33.3)	(37.5)	-
(Ref.) Previous fiscal year (FY 3/2012)	229,856	2,067	2,569	914	33.13

3. Reason for revision of announcement of forecasts

Although the Japanese economy is gradually recovering from the effects of the Great East Japan Earthquake, concerns about loss of economic momentum as a result of stagnation in the European economies due to the prolongation of the European sovereign debt crisis, slowdowns in the economies of the United States and developing nations, combined with the strength of the yen and the weakness of the stock market and other factors, mean the outlook continues to remain uncertain.

Given this environment, the KAGA ELECTRONICS Group has been strengthening the degree of cooperation and coordination across the whole group and intensifying sales promotions to major existing customers but in an environment which has much more difficult than had been anticipated and as a result of decreases in orders for digital electronics products, electronics components for amusement equipment applications and semiconductors and of diminished sales volumes for information equipment and other factors, both sales and income have been lower than our expectations and so we have revised our cumulative earnings forecasts for the second quarter of the current fiscal year as shown above.

Moreover, because we believe that the operating environment will remain adverse, we have also revised our forecast for the fiscal year ending in March 2013 as shown above.

NOTE: Forecasts for results of operations above are based on information available to management at the time this material was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.