

TSUZUKI DENKI

ANNUAL REPORT 2012

Year ended March 31, 2012

TO OUR SHAREHOLDERS

It is my pleasure to have this opportunity to express our gratitude to all of our shareholders for their understanding and support for the business of Tsuzuki Denki Co., Ltd. and its consolidated subsidiaries (the “Group”).

I became president and representative director of Tsuzuki Denki on May 1, 2012. Henceforth I will be more steadily and more swiftly addressing the measures the Group has promoted up to the present.

The Group is pleased to present the 72nd term (from April 1, 2011 to March 31, 2012) business report to you.

With “staying close to customers” as their slogan, all employees of the Group made exhaustive efforts to recover the Group’s performance during the term under review through earnings-capacity enhancement while achieving a shift to sustainable growth and accelerating the Group’s structural reforms. Despite these efforts, conditions remained challenging, influenced by factors such as the Great East Japan Earthquake and flood damage in Thailand.

As a result, the Group posted net sales of ¥98,241.33 million, up 2.0% from the previous year, operating income of ¥585.37 million, down 12.5%, ordinary income of ¥640.09 million, down 27.0%, and a net loss of ¥348.57 million (compared to net income of ¥3,172.03 million in the previous year).

We have decided to pay a year-end dividend of ¥4 per share for the term (annual dividend of ¥8 including an interim dividend).

Tsuzuki Denki has developed its business since its founding in 1932 in line with its customers’ growth and reached the 80th anniversary of its foundation in May 2012. Let us express our gratitude for long-standing patronage and support of customers, shareholders, and investors.

In the future we will always take into consideration the need to continue to try to be innovative in our technologies, to contribute to the networked society and to supply productive services.

We greatly appreciate your ongoing support and encouragement.

Hideki Hiura
President and Representative Director

Business Report (From April 1, 2011 to March 31, 2012)

1. Current Conditions of the Group

(1) Business Review and Results

The Japanese economy remained on a recovery trend during the term under review, bolstered by gradual recovery of both supply side and demand side factors such as the restoration of the supply chain after the devastation of the Great East Japan Earthquake and the steadily increased personal consumption driven by the anticipation of economic recovery. In the meantime, management circumstances over the future remained unstable due to factors such as the lingering European sovereign debt crisis and the instability of the yen exchange rate.

In the IT sector, in which the Group operates, customers continued to restrain capital investment for IT equipment and systems. There were emerging signs, however, of operational system renewals and the resumption of new system development projects that corporations had been postponing.

Responding to these challenges in the environment, the Group steadily increased sales by the solutions business in the information network solutions segment.

In the electronic devices segment, sales remained on a recovery trend, buoyed by vigorous demand in the Chinese market. Sales significantly decreased, however, in the second half of the year, mainly owing to factors such as decreased business opportunities for home audio and visual appliances in connection with substantially decreased HDD production caused by the prolonged flood damage in Thailand.

The Group posted net sales of ¥98,241.33 million, up 2.0% from the previous year, operating income of ¥585.37 million, down 12.5%, ordinary income of ¥640.09 million, down 27.0%, and net loss of ¥348.57 million (compared to net income of ¥3,172.03 million in the previous year).

Information Network Solutions

In the network solutions segment, we developed business negotiations for network infrastructure development and services businesses focused on voice solutions with customers in the fields of finance, manufacturing, public administration, and railroads. We also proactively addressed mobile solutions focused on FMC* and smartphones, with the aim of increasing sales and profits.

In system integration services, we have provided solutions for customers with an emphasis on the distribution service, manufacturing, food, and medical and healthcare industries, and sales have steadily increased. To strengthen service-type businesses (including mobile and LCM) focused on cloud computing and solutions businesses for second-tier companies, we made concentrated efforts to increase sales of “KitFit,” a product packaging solution service targeting industries such as nursing, welfare, real estate, and market, with the aim of increasing sales and profits.

As a result, sales in the information network solutions segment were ¥68,168.92 million, up 2.5% from the previous year, while operating income decreased 11.9% to ¥404.93 million.

* FMC (Fixed Mobile Convergence)

A communication service merging mobile communications with wired communications, such that a mobile phone may be used as a portable landline handset.

Electronic Devices

In the semiconductor sector, results increased steadily for LSI, memory, and relays for factory automation devices and automobile onboard equipment in the first half of the term under review, buoyed by vigorous demand in the Chinese market after a spell of temporarily sluggishness due to the impact of the Great

East Japan Earthquake. Sales, however, rapidly lost momentum in the second half of the term due to factors such as the European sovereign debt crisis and tightened monetary policy in China. As a result, sales of products for factory automation devices and automobile onboard equipment both remained sluggish.

In the electronics sector, sales of 3.5-inch HDDs manufactured overseas for home audio and visual appliances increased favorably in the first half of the term under review, while sales significantly decreased in the second half and thereafter due to the shortage in the supply of HDDs caused by the impact of the prolonged flood damage in Thailand, along with the deceleration of the global economy.

Thanks to the new consolidation of three overseas subsidiaries effective from the period under review, however, sales in this segment were ¥27,474.87 million, up 0.4% from the previous year, and operating income was ¥202.69 million, up 20.4% from the previous year.

Others

The environment-related sector faced still severe market conditions linked to the maturation of the domestic air-conditioning industry. Amid these conditions, demand for medium-sized air-conditioners with excellent energy-saving capacity increased as favorably as in the previous year. Inquiries for energy-saving products from sub-contractors increased steadily. As a result, sales substantially exceeded our target. Moreover, the completion of large construction orders for public administration had significantly positive effect on profits. As a result, profits also substantially exceeded our target.

In environment-related equipment and measurement and control devices, orders received for radiation-related devices for universities, hospitals, and laboratories significantly decreased due to the re-examination or postponement of budgets and plans. Orders received for general-purpose electric devices also significantly declined. As a result, sales and profits fell substantially below our target.

In the temporary staffing services sector, the employment environment for domestic corporations remained stringent. This was strongly manifested as an unwillingness of corporations to employ temporary staff, and it resulted in ongoing decreases in the numbers of temporary staff from the previous year. Working hours at our client companies also decreased. As a result, sales and profits fell below the level planned.

As a result, sales for the others business segment were ¥2,597.53 million, up 8.5% from the previous year, and operating loss was ¥38.17 million (compared to operating income of ¥25.71 million in the previous year).

(2) Capital investment and fund raising

The Group's total amount of capital investment for the term under review was ¥1,111.42 million (including intangible assets). Its major breakdowns were the development of software for the improvement of operational efficiency and the purchase of personal computers and servers for the maintenance of corporate infrastructure.

The Group procured necessary funds from its own funds and borrowings from financial institutions.

(3) Key Issues to be addressed

In the information service industry, customers tend to apply stricter standards when selecting their suppliers in consideration of the many changes brought by the huge trends of globalization and technological innovation. To realize continuous corporate growth under these circumstances, we consider it essential to precisely understand customer needs and provide high-added-value products and services, in addition to assuring operational efficiency and lower costs. The Group will implement the following measures to enhance corporate value from a medium- and long-term perspective and strive to be "a trusted partner for customers."

1) Creation of new business earnings models and expansion of business fields

The information network society is evolving day-by-day and technological innovations are moving forward at speeds beyond expectation. To survive in these circumstances, we believe that it is indispensable to create new business models. We will expand our business opportunities and new fields of business by working more closely with existing customers using new sales materials and channels for business. We will also improve our performance by creating and developing business earnings models through new services. Specific initiatives are as follows.

- (a) We will provide mobile solutions jointly with model users in our respective business fields.
- (b) We will establish a private cloud-type business model and provide application services through the cloud computing promotion office.

2) Innovation of business style

We also believe it will be essential to innovate our business style in order to further increase profits by realizing our slogan, "staying close to customers."

We will strive to establish a more advanced business style by further proactively promoting the customer-oriented stance we have nurtured. Specific initiatives are as follows.

- (a) We will provide mobile solutions using new sales materials for business.
- (b) We will establish a cloud computing-type business model and provide application services using new channels.

3) Self-driven personal growth for employees and further improvement of employees satisfaction

We continue to follow two key business philosophies:

"We generally contribute to society by taking on advanced technologies and know-how as a company specialized in information communication systems and by providing solutions and services optimal to customers."

"We respect individual character and create bright and active workplaces with abundant originality and ingenuity."

To further improve the level of customer satisfaction based on these philosophies, we will train and strengthen professionals with know-how in various operations and various types of business in order to cultivate a new crop of system integrators who proactively acquire skills for new technologies and are capable of providing outstanding services and proposing attractive solutions. We will also take steps to improve employee satisfaction. Specific initiatives are as follows.

- (a) We will review training processes for employees, present an education and training system, and establish schemes for human resources development that assist employees in autonomous growth.
- (b) We will establish schemes that reflect issues at sites and the personalities and ideas of employees in management.
- (c) We will train specialists capable of responding to mobile solutions.
- (d) We will strive to activate internal communication and build an improved working environment where employees can work without undue worries.

4) Establishment of strategic business management

In the information service industry, an industry in which severe business circumstances still persist, we will strive to reorganize our cost structure in pursuit of further strengthened competitiveness by re-examining and improving various systems throughout the Group. We will also make effective use of management resources to develop strategic business management.

5) Reinforcement of the Group's comprehensive capabilities and the pursuit of the "group synergy effect"

Tsuzuki Denki Co., Ltd. merged with Tsuzuki Densan Co., Ltd. in February 2012 with the aim of marshaling the Group's comprehensive capabilities and undertaking new domains and new sectors from a global point of view. Backed by the wide range of know-how and business experience in its "Information and communication technology business" and "Electronic devices, electronic equipment products, production and technology service business," the Group has started anew as "a company group that can globally provide customers with optimal solutions" and "a company group that enables customers to improve their corporate value." Through these efforts, the Group will show a new business synergy effect.

We will not only ardently address these issues described above, but also further implement a number of measures to assure and enhance corporate value and the common interests of shareholders while bringing advancements into new sectors and capital alliances into view where necessary.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
ASSETS			
Current assets:			
Cash at hand and in banks	¥12,059	¥12,536	\$146,810
Trade receivables	26,374	25,348	321,085
Inventories	7,548	6,600	91,891
Deferred tax assets	1,071	1,116	13,038
Income taxes receivable	4	113	48
Other current assets	764	711	9,301
Allowance for doubtful accounts	(19)	(49)	(231)
Total current assets	47,803	46,377	581,969
Fixed assets:			
Property, plant and equipment:			
Building and structures	937	952	11,407
Machinery, equipment and vehicles	2	4	24
Land	2,346	2,346	28,560
Lease assets	463	387	5,636
Construction in progress	457	129	5,563
Others	111	145	1,351
Total property, plant and equipment	4,319	3,966	52,580
Intangible assets:			
Goodwill	367	476	4,467
Lease assets	469	499	5,709
Others	385	405	4,687
Total intangible assets	1,221	1,381	14,864
Investments and other assets:			
Investments in securities	4,595	4,650	55,941
Long-term loans	167	172	2,033
Deferred tax assets	3,240	3,449	39,444
Long-term time deposits	3,900	3,900	47,479
Other	1,551	1,487	18,882
Allowance for doubtful accounts	(158)	(169)	(1,923)
Total investments and other assets	13,297	13,490	161,882
Total fixed assets	18,838	18,838	229,340
Total assets	¥66,641	¥65,215	\$811,309

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade payables	¥15,940	¥14,791	\$194,058
Short-term bank loans	8,061	6,780	98,137
Current portion of long-term debt	296	1,070	3,603
Lease obligations	455	371	5,539
Income taxes payable	482	380	5,868
Accrued employees' bonuses	2,126	2,062	25,882
Allowance for loss on orders	277	62	3,372
Other current liabilities	3,172	3,212	38,616
Total current liabilities	30,812	28,731	375,115
Long-term liabilities:			
Long-term debt	1,026	1,360	12,490
Lease obligations	635	601	7,730
Deferred tax obligations	1	1	12
Accrued retirement benefits	6,341	5,680	77,197
Provision for directors' retirement benefits	18	370	219
Provision for loss on disaster	17	127	206
Long-term accounts payable-other	288	-	3,506
Negative goodwill	34	69	413
Other long-term liabilities	5	5	60
Total long-term liabilities	8,367	8,215	101,862
Total liabilities	39,179	36,946	476,978
Net assets:			
Shareholders' equity:			
Common stock	9,812	9,812	119,454
Additional paid-in capital	4,104	4,100	49,963
Retained earnings	13,933	14,484	169,625
Treasury stock	(345)	(164)	(4,200)
Total shareholders' equity	27,504	28,232	334,842
Accumulated other comprehensive income:			
Net unrealized holding gain on other securities	22	112	267
Foreign currency translation adjustment	(65)	(76)	(791)
Total accumulated other comprehensive income	(43)	35	(523)
Total net assets	27,461	28,268	334,319
Total liabilities and shareholders' equity	¥66,641	¥65,215	\$811,309

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Net sales	¥98,241	¥96,284	\$1,196,018
Cost of sales	82,055	80,600	998,965
Gross profit	16,186	15,684	197,053
Selling, general and administrative expenses	15,600	15,015	189,919
Operating income	585	668	7,121
Non-operating income:			
Interest income	28	35	340
Dividend income	54	57	657
Life insurance income	138	99	1,680
Stock allotment income	–	101	–
Amortization of negative goodwill	35	35	426
Other non-operating income	61	124	742
Operating expenses:			
Interest expenses	119	125	1,448
Foreign exchange losses	13	86	158
Commission fee	100	–	1,217
Other non-operating expenses	30	33	365
Ordinary income	640	877	7,791
Extraordinary income:			
Gain on sales of investment in securities	4	219	48
Reversal of provision for loss on disaster	110	–	1,339
Gain on negative goodwill	–	3,554	–
Reversal of provision for directors' retirement benefits	–	38	–
Extraordinary loss:			
Loss on retirement of fixed assets	4	0	48
Loss on sales of investment in securities	–	265	–
Loss on valuation of investment in securities	2	482	24
Loss on valuation of stocks of subsidiaries and affiliates	0	–	0
Loss on valuation of golf club memberships	–	3	–
Office transfer expenses	1	–	12
Extra retirement payment	119	145	1,448
Loss on disaster	–	140	–
Loss on adjustment for changes of accounting standard for asset retirement obligations ...	–	152	–
Enterprise tax for prior periods	–	3	–
Restructuring-related expenses	115	–	1,400
Income before income taxes and minority interests	511	3,497	6,221
Income taxes	537	316	6,537
Income taxes for prior periods	–	389	–
Deferred income taxes	323	(421)	3,932
Income (loss) before minority interests	(348)	3,212	(4,236)
Minority interests	–	40	–
Net income (loss)	¥(348)	¥3,172	\$(4,236)

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2012

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income			Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2011	¥9,812	¥4,100	¥14,484	¥(164)	¥28,232	¥112	¥(76)	¥35	¥-	¥28,268
Change during the consolidated fiscal year										
Issuance of new shares		-			-					-
Change of scope of consolidation			-		-					-
Cash dividends			(202)		(202)					(202)
Net income (loss)			(348)		(348)					(348)
Purchase of treasury stock				(246)	(246)					(246)
Disposal of treasury stock		3		65	69					69
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						(90)	11	(78)	-	(78)
Total changes during the consolidated fiscal period	-	3	(550)	(180)	(728)	(90)	11	(78)	-	(806)
Balance as of March 31, 2012	¥9,812	¥4,104	¥13,933	¥(345)	¥27,504	¥22	¥(65)	¥(43)	¥-	¥27,461

For the year ended March 31, 2012

(Thousands of U.S. Dollars)

	Shareholders' equity					Accumulated other comprehensive income			Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2011	\$119,454	\$49,914	\$176,333	\$(1,996)	\$343,705	\$1,363	\$(925)	\$426	\$-	\$344,144
Change during the consolidated fiscal year										
Issuance of new shares		-			-					-
Change of scope of consolidation			-		-					-
Cash dividends			(2,459)		(2,459)					(2,459)
Net income (loss)			(4,236)		(4,236)					(4,236)
Purchase of treasury stock				(2,994)	(2,994)					(2,994)
Disposal of treasury stock		36		791	840					840
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						(1,095)	133	(949)	-	(949)
Total changes during the consolidated fiscal period	-	36	(6,695)	(2,191)	(8,862)	(1,095)	133	(949)	-	(9,812)
Balance as of March 31, 2012	\$119,454	\$49,963	\$169,625	\$(4,200)	\$334,842	\$267	\$(791)	\$(523)	\$-	\$334,319

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

For the year ended March 31, 2011

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income			Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2010	¥9,812	¥3,476	¥11,243	¥(1,121)	¥23,410	¥102	¥-	¥102	¥6,434	¥29,948
Change during the consolidated fiscal year										
Issuance of new shares		131			131					131
Change of scope of consolidation			243		243					243
Cash dividends			(174)		(174)					(174)
Net income (loss)			3,172		3,172					3,172
Purchase of treasury stock				(151)	(151)					(151)
Disposal of treasury stock		492		1,107	1,600					1,600
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						9	(76)	(67)	(6,434)	(6,502)
Total changes during the consolidated fiscal period	-	623	3,241	956	4,821	9	(76)	(67)	(6,434)	(1,680)
Balance as of March 31, 2011	¥9,812	¥4,100	¥14,484	¥(164)	¥28,232	¥112	¥(76)	¥35	¥-	¥28,268

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
I. Cash flows from operating activities:			
Income before income taxes and minority interests	¥511	¥3,497	\$ 6,221
Depreciation	716	592	8,716
Amortization of goodwill	108	14	1,314
Amortization of negative goodwill	(35)	(35)	(426)
Gain on negative goodwill	—	(3,554)	—
Increase (decrease) in allowance for doubtful accounts	(40)	(43)	(486)
Increase (decrease) in provision for retirement benefits	660	751	8,035
Increase (decrease) in provision for directors' retirement benefits	(352)	56	(4,285)
Increase (decrease) in allowance for loss on orders	215	26	2,617
Increase (decrease) in provision for loss on disaster	(110)	127	(1,339)
Increase (decrease) in other provision	63	7	766
Interest and dividends income	(83)	(93)	(1,010)
Interest expenses	119	125	1,448
Foreign exchange losses (gains)	6	—	73
Loss (gain) on sales and retirement of fixed assets	4	0	48
Loss (gain) on sales of investment securities	(4)	51	(48)
Loss (gain) on valuation of investment securities	2	482	24
Loss on adjustment for changes of accounting standard for measurement of inventories ...	—	152	—
Other non-operating expenses (income)	171	(169)	2,081
Decrease (increase) in notes and accounts receivable-trade	(1,050)	(2,690)	(12,783)
Decrease (increase) in inventories	(935)	(1,225)	(11,383)
Decrease (increase) in other assets	6	(7)	73
Increase (decrease) in notes and accounts payable-trade	1,190	(392)	14,487
Increase (decrease) in other liabilities	242	323	2,946
Sub-total	1,406	(2,002)	17,117
Interest and dividends received	85	96	1,034
Interest paid	(119)	(135)	(1,448)
Payments for extra retirement payments	(125)	(160)	(1,521)
Other	(38)	197	(462)
Income taxes paid	(429)	(678)	(5,222)
Income taxes refund	110	176	1,339
Net cash provided by operating activities	889	(2,506)	10,822
II. Cash flows from investing activities:			
Payments into time deposits	(300)	(0)	(3,652)
Proceeds from withdrawal of time deposit	619	—	7,535
Payments for purchases of property, plant and equipment	(975)	(426)	(11,869)
Proceeds from sales of property, plant and equipment	548	836	6,671
Payments for purchase of intangible assets	(106)	(132)	(1,290)
Payments for purchase of investment securities	(122)	(212)	(1,485)
Proceeds from sales of investment securities	30	754	365
Payments for purchase of investments in subsidiaries	(10)	(1,079)	(121)
Payments for purchases of investments in subsidiaries resulting in change in scope of consolidation ...	—	(166)	—
Payments of loans receivable	(2)	(328)	(24)
Collection of loans receivable	7	4	85
Other proceeds	33	82	401
Other payments	(91)	(59)	(1,107)
Net cash used in investing activities	(371)	(727)	(4,516)
III. Cash flows from financing activities:			
Proceeds from short-term bank loans	1,581	300	19,247
Disbursements for repayments of short-term bank loans	(300)	(18)	(3,652)
Proceeds from long-term bank loans	—	1,190	—
Disbursements for repayments of long-term bank loans	(1,108)	(1,050)	(13,489)
Disbursements for repayment of lease obligations	(458)	(365)	(5,575)
Payments for purchases of treasury stock	(246)	(151)	(2,994)
Proceeds from disposal of treasury stock	69	—	840
Payments for purchases of treasury stock of subsidiaries in consolidation	—	(8)	—
Cash dividends paid	(202)	(174)	(2,459)
Cash dividends paid to minority shareholders	—	(37)	—
Net cash used in financing activities	(664)	(315)	(8,083)
IV. Effect of exchange rate change on cash and cash equivalents	(10)	—	(121)
V. Net increase (decrease) in cash and cash equivalents	(157)	(3,548)	(1,911)
VI. Cash and cash equivalents at beginning of year	12,138	14,873	147,772
VII. Increase in cash and cash equivalents for newly consolidated subsidiary ...	—	813	—
VIII. Cash and cash equivalents at end of year	¥11,981	¥12,138	\$145,860

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥82.14=\$1.00 on March 30, 2012.

(2) Figures less than ¥1 million are rounded down to the nearest ¥1 million.

CORPORATE DATE

As of March 31, 2012

Name:	TSUZUKI DENKI CO., LTD
Head Office:	19-15, Shinbashi 6-chome, Minato-ku, Tokyo 105-8665, Japan
Established:	May 1, 1932
Capital:	¥9,812,930,540
Number of Employees:	1,370

MAJOR SHAREHOLDERS

As of March 31, 2012

Name	Number of shares held	Percentage of shares issued(%)
1. Goldman Sachs International	7,115,490	27.71
2. NOMURA PB NOMINEES TK1 LIMITED	3,410,000	13.28
3. Fujitsu Limited	2,402,235	9.35
4. Employees' Stockholding	1,162,170	4.53
5. Deutsche Bank AG London-PB Non-Treaty Clients 613	1,066,000	4.15
6. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,037,907	4.04
7. Mizuho Bank, Ltd.	751,802	2.92
8. Sumitomo Mitsui Banking Corporation	751,215	2.92
9. CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	372,000	1.45
10. TK1 LIMITED	270,000	1.05

PRINCIPAL SUBSIDIARIES

Subsidiaries (consolidated)

Tsuzuki Techno Service Co., Ltd.	Maintenance of computers and office automation equipment
Tsuzuki Software Co., Ltd.	Design of software
Tsuzuki Amenity Co., Ltd.	Sale and installation of air-conditioning equipment

BRANCHES AND OFFICES

As of March 31, 2012

Branches: Hokkaido, Tama, Kanagawa, Nagoya, Nagoya-higashi, Kyoto, Kyoto-higashi, Osaka, Osaka-kita, Kobe, Takamatsu, Kyushu, Kyushu-minami

Offices: Asahikawa, Muroran, Tohoku, koriyama, Mito, Tsukuba, Chiba, Omiya, Kawasaki, Kofu, Shizuoka, Shizuoka-minami, Hamamatsu, Toyota, Ogaki, Okayama, Hiroshima, Tokushima, Matsuyama, Kochi

Board of Directors and Auditors

Representative Director	Hideki Hiura	President and CEO
Director	Kazunori Yoshii	Managing Executive Officer
Director	Isao Emori	Managing Executive Officer
Director	Yoshio Takeuchi	Managing Executive Officer
Director	Masato Tozawa	Managing Executive Officer
Director	Chikafumi Urakawa	Corporate Senior Vice President of Fujitsu Limited
Director	Hajime Ando	Senior Advisor
Director	Toshiya Mukohda	Executive Officer
Director	Kazuhiro Shimura	Executive Officer
Standing Statutory Auditor	Toshihisa Mizushima	
Standing Statutory Auditor	Toru Nakamoto	
Statutory Auditor	Kinjiro Shishido	Attorney-at-law, Ginza Law and Patent Office
Statutory Auditor	Kimihiko Tada	Certified Public Accountant and Certified Public Tax Accountant; President of Kimihiko Tada Office
Statutory Auditor	Toshihiro Murashima	Attorney-at-law, Murashima Hozumi Law Office

Executive Officers

President and CEO	Hideki Hiura	
Managing Executive Officer	Kazunori Yoshii	General Manager of General Affairs and Human Resources Division; General Manager of Finance and Accounting Division; In charge of Environmental Promotion Office
Managing Executive Officer	Isao Emori	General Manager of Information Business Division; General Manager of East Japan Division; In charge of Information Security Promotion Office
Managing Executive Officer	Yoshio Takeuchi	General Manager of Network Division; In charge of Equipment Devices Division
Managing Executive Officer	Masato Tozawa	General Manager of New Business Division
Managing Executive Officer	Shigenori Kodera	General Manager of Equipment Devices Division
Executive Officer	Toshiya Mukohda	General Manager of System Division; General Manager of System Administration Department
Executive Officer	Kazuhiro Shimura	Deputy General Manager of Network Division; General Manager of Operations Outsourcing Department
Executive Officer	Masayuki Murata	Deputy General Manager of Equipment Devices Division
Executive Officer	Hisato Hasegawa	Deputy General Manager of Equipment Devices Division; General Manager of the First Administration Department, Equipment Devices Division
Executive Officer	Kenji Suzuki	General Manager of Network Integration Administration Department
Executive Officer	Katsuyuki Yoshida	Deputy General Manager of Information Business Division; General Manager of the Second Distribution Business Administration Department; In charge of Cloud Computing Promotion Office
Executive Officer	Toshihiro Hirai	General Manager of Management Planning Office
Executive Officer	Masato Nakai	General Manager of West Japan Division; General Manager of Osaka Branch Office
Executive Officer	Masaaki Todoroki	Deputy General Manager of General Affairs and Human Resources Division; General Manager of Human Resources Department
Executive Officer	Yasushi Suzuki	



TSUZUKI DENKI CO., LTD

19-15, Shinbashi 6-chome, Minato-ku, Tokyo 105-8665, Japan