

# **TSUZUKI DENKI**

## **ANNUAL REPORT 2015**

Year ended March 31, 2015

## 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”).

The Group is pleased to present the 75th term (from April 1, 2014 to March 31, 2015) business report to you.

The Group has promoted proactive operating activities by implementing measures to “switch to a new revenue structure,” “improve customer satisfaction,” and “concentrate the Group’s capabilities.” As a result, the Group posted net sales of ¥105,339.13 million, down 4.8% from the previous year, operating income of ¥1,439.01 million, down 30.3%, ordinary income of ¥1,633.60 million, down 20.9%, and net income of ¥466.61 million, down 52.5%.

We have decided to pay a year-end dividend of ¥6 per share as ordinary dividend for the term (annual dividend of ¥10 including an interim dividend) by increasing the originally planned ¥4 per share by ¥2, in order to reward shareholders for their support over the years.

We greatly appreciate your ongoing support and encouragement.

*Hideki Hiura*  
President and Representative Director

## Business Report (From April 1, 2014 to March 31, 2015)

### 1. Current Conditions of the Group

#### (1) Business Review and Results

The Japanese economy remained on a moderate recovery trend during the term under review. Domestic capital investment trended upward on the back of the economic policies introduced by the government and the monetary easing policies taken by the Bank of Japan. There was uncertainty in the outlook for the Japanese economy, however, mainly due to a prolonged backlash effect after the last-minute surge in demand before the consumption tax hike, coupled with rising prices for raw materials linked to the weaker yen.

Turning to business circumstances in the IT sector in which the Group operates, the economic recovery continued to spur more aggressive ICT investment directly connected to the growth of customer businesses, in spite of severe situation in terms of the effects of investment.

Responding to these challenges in the environment, the Group steadily promoted sales of the solution service in the information network solutions segment by taking proactive sales-expansion measures. Sales and operating income both decreased from the previous year, however, mainly due to the last-minute surge in demand before the consumption tax hike and special procurements for solutions in some areas in the previous year.

In the electronic devices segment, steady progress was maintained in the semiconductor business and electronic parts business. Consequently, sales and operating income both increased from the previous year.

The Group posted net sales of ¥105,339.13 million, down 4.8% from the previous year, operating income of ¥1,439.01 million, down 30.3%, ordinary income of ¥1,633.60 million, down 20.9%, and net income of ¥466.61 million, down 52.5%.

#### Information Network Solutions

In the IT infrastructure business, we made efforts to introduce, design, and develop private cloud, office network, contact centers, and various devices, and to expand sales of service management. In the global communication business we sought to expand business mainly through collaboration with other vendors.

For customers in the fields of public administration, finance, and manufacturing, we took steps to develop business negotiations for infrastructure development, to provide various solutions, and to promote sales of management services. For customers in the fields of distribution, manufacturing, and food, we promoted solutions businesses focused on application development and management services.

We proactively promoted business solutions for the nursing and welfare, real estate, and various markets with an emphasis on “KitFit series,” a self-developed product that provides templates\* designed for medium-sized markets.

Sales and operating income both decreased from the previous year in spite of these initiatives, mainly due to the backlash effect after the last-minute surge in demand in the previous year.

As a result, sales in the information network solutions segment were ¥77,870.47 million, down 8.0% from the previous year, while operating income decreased 37.4% to ¥1,158.55 million.

\* Template

A ready-made software application configured for business operations.

#### Electronic Devices

In the semiconductor sector, capital investment in the factory automation devices industry and automobile industry increased, and sales of custom LSIs and relays progressed favorably. Sales of LCDs for automobile onboard information equipment progressed steadily, buoyed by the steady sales of automobiles.

In the electronics sector, we focused on solution services such as HDD screening and the kitting of PCs and servers, along with sales of information equipment in general. Consequently, sales of electronic devices for industrial equipment and infrastructure equipment progressed favorably.

As a result, sales in this segment were ¥25,349.52 million, up 5.9% from the previous year, and operating income was ¥288.03 million, up 26.7%, pushing our business performance in this segment past the levels recorded in the previous year.

#### Others

In environment-related equipment and measurement and control devices, sales of general-purpose electric devices for air-conditioners performed poorly and orders received for radiation-related devices for universities, hospitals, and laboratories significantly fell below our goal due to the re-examination or postponement of budgets and plans.

As a result, sales for the others business segment were ¥2,119.14 million, up 0.0% from the previous year, and operating loss was ¥28.25 million (compared to operating loss of ¥24.93 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 ¥738.63 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, the third platform\*1, IoT\*2, next-generation security, global communication, and other new trends are on the verge of revolutionizing the whole industry.

Customers, meanwhile, are enthusiastic about aggressive ICT investment directly connected to the growth of their businesses, in addition to conventionally envisaged solutions for the improvement of operational efficiency. Accordingly, technologies to respond to new trends, consulting from introduction to management, and support services will become important going forward.

The Group is pressed to create new business models and enter growing markets by swiftly perceiving and responding to the tide of these changes in the environment. The Group will implement the following measures to strive to continue to be “a trusted prime partner for customers” at all times.

### \*1 The third platform

Cloud services, mobility, big data, social, and other technologies

### \*2 IoT

Internet of Things

### 1) Expansion and deep cultivation of key businesses

Our main specific initiatives are as follows.

#### (a) Create solution models by business field through expansion of the “KitFit series” lineup

We will seek out larger market shares in the medical, nursing and welfare markets by cloud migration of “KitFit Silverland”, while entering businesses focused on the senior demographic in cross-industry markets

#### (b) Undertake new markets

We will further expand business fields based on synergy with telecommunication carriers, taking advantage of the customer bases and technology bases we have fostered over the years in the information network solution services.

#### (c) Efforts aimed at long-term stability in the electronic devices business field

We will strengthen our overall technological capability and develop a system to contribute to each stage of our customers' operation of planning, development, trial production, and mass production of their products in IoT markets focused on the factory automation, industry, infrastructure, automobiles and medical businesses. We will also make concentrated efforts to increase sales of storage solutions for ARM servers.

### 2) Reinforcement of competitiveness

Our main specific initiatives are as follows.

#### (a) We will perpetually pursue improved CS (customer satisfaction) and ES (employee satisfaction).

#### (b) We will further pursue sound SI business and reinforce our abilities to respond to customers by strengthening our risk management structure, fostering human resources, and improving our productivity and collaborations with core partners, in order to reinforce our initiatives to improve quality in system development.

#### (c) We will provide strong cost-competitive services from a customer-first standpoint, with synergy effects by merging resources in the Group.

### 3) Reinforcement of human resources management

We will promote the recruitment, fostering, and utilization of our most important asset for corporate growth—human resources—while proactively working on the formation of a “positive and lively atmosphere at the workplace.” Our main specific initiatives are as follows.

#### (a) We will continue fostering human resources who will lead the next generation, based on key concepts such as “professional,” “global,” and “self-reliance” toward improving customer satisfaction.

#### (b) We will continue exploring the formation of a scheme for utilizing human resources with an emphasis on work-life balance and diversity\*.

### \* Diversity

A scheme to generate different ideas and create value by taking advantage of human resource diversity in terms of sex, age, nationality, and employment status.

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 capital alliances into view where necessary.

**CONSOLIDATED BALANCE SHEETS**

As of March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash at hand and in banks .....	¥15,037	¥13,094	\$125,027
Trade receivables .....	28,834	30,407	239,743
Inventories .....	8,529	7,618	70,915
Deferred tax assets .....	1,011	1,099	8,406
Income taxes receivable .....	7	3	58
Other current assets .....	916	1,268	7,616
Allowance for doubtful accounts .....	(6)	(10)	(49)
<b>Total current assets</b> .....	<b>54,330</b>	<b>53,481</b>	<b>451,733</b>
<b>Fixed assets:</b>			
<b>Property, plant and equipment:</b>			
Building and structures .....	769	871	6,393
Machinery, equipment and vehicles .....	0	1	0
Land .....	2,225	2,333	18,500
Lease assets .....	788	679	6,551
Construction in progress .....	209	490	1,737
Others .....	92	97	764
<b>Total property, plant and equipment</b> .....	<b>4,086</b>	<b>4,473</b>	<b>33,973</b>
<b>Intangible assets:</b>			
Goodwill .....	75	168	623
Lease assets .....	880	862	7,316
Others .....	1,048	872	8,713
<b>Total intangible assets</b> .....	<b>2,004</b>	<b>1,903</b>	<b>16,662</b>
<b>Investments and other assets:</b>			
Investments in securities .....	4,947	4,293	41,132
Long-term loans .....	108	108	897
Deferred tax assets .....	2,475	3,504	20,578
Long-term time deposits .....	300	900	2,494
Other .....	1,817	1,530	15,107
Allowance for doubtful accounts .....	(420)	(149)	(3,492)
<b>Total investments and other assets</b> .....	<b>9,228</b>	<b>10,188</b>	<b>76,727</b>
<b>Total fixed assets</b> .....	<b>15,319</b>	<b>16,566</b>	<b>127,371</b>
<b>Total assets</b> .....	<b>¥69,649</b>	<b>¥70,048</b>	<b>\$579,105</b>

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥120.27=\$1.00 on March 31, 2015.

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

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Trade payables .....	¥18,084	¥19,080	\$150,361
Short-term bank loans .....	8,217	7,804	68,321
Current portion of long-term debt .....	87	96	723
Lease obligations .....	747	652	6,211
Income taxes payable .....	507	1,108	4,215
Accrued employees' bonuses .....	2,164	2,253	17,992
Allowance for loss on orders .....	397	124	3,300
Other current liabilities .....	4,331	3,581	36,010
<b>Total current liabilities</b> .....	<b>34,537</b>	<b>34,700</b>	<b>287,162</b>
<b>Long-term liabilities:</b>			
Long-term debt .....	6,832	7,034	56,805
Lease obligations .....	1,224	1,159	10,177
Deferred tax obligations .....	1	1	8
Net defined benefit liability .....	5,535	8,004	46,021
Long-term accounts payable-other .....	235	158	1,953
Other long-term liabilities .....	42	5	349
<b>Total long-term liabilities</b> .....	<b>13,871</b>	<b>16,362</b>	<b>115,332</b>
<b>Total liabilities</b> .....	<b>48,409</b>	<b>51,063</b>	<b>402,502</b>
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Common stock .....	9,812	9,812	81,583
Additional paid-in capital .....	3,764	4,099	31,296
Retained earnings .....	15,414	15,117	128,161
Treasury stock .....	(10,123)	(10,445)	(84,168)
<b>Total shareholders' equity</b> .....	<b>18,868</b>	<b>18,585</b>	<b>156,880</b>
<b>Accumulated other comprehensive income:</b>			
Net unrealized holding gain on other securities .....	1,260	696	10,476
Deferred gains or losses on hedges .....	—	0	—
Foreign currency translation adjustment .....	116	25	964
Remeasurements of defined benefit plans .....	995	(322)	8,273
<b>Total accumulated other comprehensive income</b> .....	<b>2,372</b>	<b>399</b>	<b>19,722</b>
<b>Total net assets</b> .....	<b>21,240</b>	<b>18,984</b>	<b>176,602</b>
<b>Total liabilities and shareholders' equity</b> .....	<b>¥69,649</b>	<b>¥70,048</b>	<b>\$579,105</b>

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥120.27=\$1.00 on March 31, 2015.  
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**CONSOLIDATED STATEMENTS OF OPERATIONS**

For the years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
<b>Net sales</b> .....	<b>¥105,339</b>	¥110,670	<b>\$875,854</b>
Cost of sales .....	<b>88,170</b>	92,816	<b>733,100</b>
Gross profit .....	<b>17,168</b>	17,854	<b>142,745</b>
Selling, general and administrative expenses .....	<b>15,729</b>	15,789	<b>130,780</b>
Operating income .....	<b>1,439</b>	2,065	<b>11,964</b>
<b>Non-operating income:</b>			
Interest income .....	<b>15</b>	10	<b>124</b>
Dividend income .....	<b>76</b>	70	<b>631</b>
Life insurance income .....	<b>165</b>	120	<b>1,371</b>
Amortization of negative goodwill .....	<b>–</b>	0	<b>–</b>
Other non-operating income .....	<b>129</b>	89	<b>1,072</b>
<b>Non-operating expenses:</b>			
Interest expenses .....	<b>141</b>	165	<b>1,172</b>
Commission fee .....	<b>–</b>	52	<b>–</b>
Other non-operating expenses .....	<b>52</b>	74	<b>432</b>
Ordinary income .....	<b>1,633</b>	2,065	<b>13,577</b>
<b>Extraordinary income:</b>			
Gain on sales of fixed assets .....	<b>36</b>	25	<b>299</b>
Gain on sales of investment in securities .....	<b>96</b>	34	<b>798</b>
Gain on valuation of stocks of subsidiaries and affiliates .....	<b>–</b>	0	<b>–</b>
Gain on transfer of business .....	<b>16</b>	–	<b>133</b>
Gain on abolishment of retirement benefit plan .....	<b>123</b>	–	<b>1,022</b>
<b>Extraordinary loss:</b>			
Loss on valuation of golf club membership .....	<b>3</b>	1	<b>24</b>
Loss on retirement of inventories .....	<b>1</b>	15	<b>8</b>
Loss on retirement of fixed assets .....	<b>1</b>	4	<b>8</b>
Impairment loss .....	<b>–</b>	8	<b>–</b>
Loss on valuation of investment in securities .....	<b>–</b>	4	<b>–</b>
Office transfer expenses .....	<b>–</b>	0	<b>–</b>
Extra retirement payment .....	<b>115</b>	121	<b>956</b>
Income before income taxes and minority interests .....	<b>1,784</b>	1,969	<b>14,833</b>
<b>Income taxes</b> .....	<b>1,047</b>	1,329	<b>8,705</b>
Deferred income taxes .....	<b>271</b>	(341)	<b>2,253</b>
Income before minority interests .....	<b>466</b>	982	<b>3,874</b>
<b>Net income</b> .....	<b>¥466</b>	¥982	<b>\$3,874</b>

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥120.27=\$1.00 on March 31, 2015.

(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, 2015

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income					Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2014	¥9,812	¥4,099	¥15,117	¥(10,445)	¥18,585	¥696	¥0	¥25	¥(322)	¥399	¥18,984
Cumulative effects of changes in accounting policies			(25)		(25)						(25)
Restated balance	9,812	4,099	15,092	(10,445)	18,559	696	0	25	(322)	399	18,959
Change during the consolidated fiscal year											
Cash dividends			(145)		(145)						(145)
Net income			466		466						466
Purchase of treasury stock				(344)	(344)						(344)
Disposal of treasury stock		(335)		666	331						331
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						564	(0)	90	1,317	1,972	1,972
Total changes during the consolidated fiscal period	-	(335)	321	322	308	564	(0)	90	1,317	1,972	2,280
<b>Balance as of March 31, 2015</b>	<b>¥9,812</b>	<b>¥3,764</b>	<b>¥15,414</b>	<b>¥(10,123)</b>	<b>¥18,868</b>	<b>¥1,260</b>	<b>¥-</b>	<b>¥116</b>	<b>¥995</b>	<b>¥2,372</b>	<b>¥21,240</b>

For the year ended March 31, 2015

(Thousands of U.S. Dollars)

	Shareholders' equity					Accumulated other comprehensive income					Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2014	\$81,583	\$34,081	\$125,692	\$(86,846)	\$154,527	\$5,786	\$0	\$207	\$(2,677)	\$3,317	\$157,844
Cumulative effects of changes in accounting policies			(207)		(207)						(207)
Restated balance	81,583	34,081	125,484	(86,846)	154,311	5,786	0	207	(2,677)	3,317	157,636
Change during the consolidated fiscal year											
Cash dividends			(1,205)		(1,205)						(1,205)
Net income			3,874		3,874						3,874
Purchase of treasury stock				(2,860)	(2,860)						(2,860)
Disposal of treasury stock		(2,785)		5,537	2,752						2,752
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						4,689	(0)	748	10,950	16,396	16,396
Total changes during the consolidated fiscal period	-	(2,785)	2,668	2,677	2,560	4,689	(0)	748	10,950	16,396	18,957
<b>Balance as of March 31, 2015</b>	<b>\$81,583</b>	<b>\$31,296</b>	<b>\$128,161</b>	<b>\$(84,168)</b>	<b>\$156,880</b>	<b>\$10,476</b>	<b>\$-</b>	<b>\$964</b>	<b>\$8,273</b>	<b>\$19,722</b>	<b>\$176,602</b>

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥120.27=\$1.00 on March 31, 2015.

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

For the year ended March 31, 2014

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income					Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2013	¥9,812	¥4,102	¥14,231	¥(10,560)	¥17,586	¥474	¥0	¥(16)	¥-	¥458	¥18,045
Cumulative effects of changes in accounting policies											
Restated balance	9,812	4,102	14,231	(10,560)	17,586	474	0	(16)	-	458	18,045
Change during the consolidated fiscal year											
Cash dividends			(95)		(95)						(95)
Net income			982		982						982
Purchase of treasury stock				(3)	(3)						(3)
Disposal of treasury stock		(2)		118	115						115
Changes (net amount) of items other than shareholders' equity during the consolidated fiscal period						222	(0)	42	(322)	(58)	(58)
Total changes during the consolidated fiscal period	-	(2)	886	114	998	222	(0)	42	(322)	(58)	939
<b>Balance as of March 31, 2014</b>	<b>¥9,812</b>	<b>¥4,099</b>	<b>¥15,117</b>	<b>¥(10,445)</b>	<b>¥18,585</b>	<b>¥696</b>	<b>¥0</b>	<b>¥25</b>	<b>¥(322)</b>	<b>¥399</b>	<b>¥18,984</b>



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
<b>I. Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥1,784	¥1,969	\$14,833
Depreciation .....	1,056	1,085	8,780
Amortization of goodwill .....	93	93	773
Amortization of negative goodwill .....	—	(0)	—
Increase (decrease) in allowance for doubtful accounts .....	267	(7)	2,220
Increase (decrease) in net defined benefit liability .....	(254)	539	(2,111)
Increase (decrease) in allowance for loss on orders .....	272	(27)	2,261
Increase (decrease) in other provision .....	(89)	219	(740)
Interest and dividends income .....	(92)	(81)	(764)
Interest expenses .....	141	165	1,172
Foreign exchange losses (gains) .....	(42)	(15)	(349)
Loss on valuation of golf club membership .....	3	1	24
Loss (gain) on sales and retirement of fixed assets .....	(35)	(21)	(291)
Impairment loss .....	—	8	—
Loss (gain) on sales of investment securities .....	(96)	(34)	(798)
Loss (gain) on valuation of investment securities .....	—	4	—
Other non-operating expenses (income) .....	(253)	26	(2,103)
Decrease (increase) in notes and accounts receivable-trade .....	1,467	(9,558)	12,197
Decrease (increase) in inventories .....	(794)	1,160	(6,601)
Decrease (increase) in other assets .....	388	(385)	3,226
Increase (decrease) in notes and accounts payable-trade .....	(1,108)	966	(9,212)
Increase (decrease) in other liabilities .....	740	276	6,152
<b>Sub-total</b> .....	<b>3,450</b>	<b>(3,614)</b>	<b>28,685</b>
Interest and dividends received .....	92	82	764
Interest paid .....	(137)	(161)	(1,139)
Payments for extra retirement payments .....	(152)	(124)	(1,263)
Other .....	231	97	1,920
Income taxes paid .....	(1,659)	(648)	(13,793)
Income taxes refund .....	8	46	66
<b>Net cash provided by (used in) operating activities</b> .....	<b>1,833</b>	<b>(4,321)</b>	<b>15,240</b>
<b>II. Cash flows from investing activities:</b>			
Payments into time deposits .....	(0)	(0)	0
Proceeds from withdrawal of time deposit .....	301	—	2,502
Payments for purchases of property, plant and equipment .....	(1,151)	(1,377)	(9,570)
Proceeds from sales of property, plant and equipment .....	1,418	1,841	11,790
Payments for purchase of intangible assets .....	(315)	(223)	(2,619)
Payments for purchase of investment securities .....	(92)	(175)	(764)
Proceeds from sales of investment securities .....	303	106	2,519
Payments of loans receivable .....	(2)	(4)	(16)
Collection of loans receivable .....	2	15	16
Other proceeds .....	116	97	964
Other payments .....	(112)	(68)	(931)
<b>Net cash provided by (used in) investing activities</b> .....	<b>468</b>	<b>211</b>	<b>3,891</b>
<b>III. Cash flows from financing activities:</b>			
Proceeds from short-term bank loans .....	309	30	2,569
Disbursements for repayments of short-term bank loans .....	(43)	(3,080)	(357)
Proceeds from long-term bank loans .....	339	6,950	2,818
Disbursements for repayments of long-term bank loans .....	(548)	(2,846)	(4,556)
Disbursements for repayment of lease obligations .....	(761)	(733)	(6,327)
Payments for purchases of treasury stock .....	(344)	(3)	(2,860)
Proceeds from disposal of treasury stock .....	408	67	3,392
Cash dividends paid .....	(145)	(95)	(1,205)
<b>Net cash provided by (used in) financing activities</b> .....	<b>(787)</b>	<b>288</b>	<b>(6,543)</b>
<b>IV. Effect of exchange rate change on cash and cash equivalents</b> .....	<b>130</b>	<b>53</b>	<b>1,080</b>
<b>V. Net increase (decrease) in cash and cash equivalents</b> .....	<b>1,644</b>	<b>(3,768)</b>	<b>13,669</b>
<b>VI. Cash and cash equivalents at beginning of year</b> .....	<b>13,016</b>	<b>16,784</b>	<b>108,223</b>
<b>VII. Cash and cash equivalents at end of year</b> .....	<b>¥14,661</b>	<b>¥13,016</b>	<b>\$121,900</b>

Notes: (1) The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥120.27=\$1.00 on March 31, 2015.

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

**CORPORATE DATE**

As of March 31, 2015

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:	1,389

**MAJOR SHAREHOLDERS**

As of March 31, 2015

Name	Number of shares held(thousands)	Percentage of shares issued(%)
1. Fujitsu Limited	2,402	18.60
2. Employees' Stockholding	1,227	9.50
3. FUSO DENTSU CO., LTD.	766	5.93
4. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	591	4.58
5. Mizuho Bank, Ltd.	591	4.58
6. Sumitomo Mitsui Banking Corporation	591	4.58
7. HT Holdings Co., LTD.	200	1.55
8. Marusan Securities Co., Ltd.	192	1.49
9. Sumitomo Mitsui Trust Bank, Limited	189	1.46
10. Mitsubishi UFJ Trust and Banking Corporation	169	1.31

**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, 2015

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

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

**Board of Directors and Auditors**

Representative Director	Hideki Hiura	
Director	Kazunori Yoshii	Corporate
Director	Isao Emori	Information Network Solution Services
Director	Masato Tozawa	Marketing and Electronic Devices
Director	Toshiharu Kitaoka	Managing Executive Officer of Fujitsu Limited
Director	Hajime Ando	Senior Advisor; President and Representative Director of Tsuzuki Software Co., Ltd.
Director	Toshiya Mukohda	President and Representative Director of Tsuzuki Techno Service Co., Ltd.
Director	Kazuhiro Shimura	
Standing Statutory Auditor	Toshihisa Mizushima	
Standing Statutory Auditor	Toru Nakamoto	
Statutory Auditor	Kinjiro Shishido	Attorney-at-law, Ginza Law and Patent Office
Statutory Auditor	Toshihiro Murashima	Attorney-at-law, Murashima Hozumi Law Office

**Executive Officers**

President and CEO	Hideki Hiura	
Senior Managing Executive Officer	Kazunori Yoshii	General Manager of Administration Division
Senior Managing Executive Officer	Isao Emori	General Manager of Business Solutions Division; General Manager of East Japan Division
Senior Managing Executive Officer	Shigenori Kodera	General Manager of Equipment Devices Division
Managing Executive Officer	Masato Tozawa	General Manager of Marketing Division
Managing Executive Officer	Masato Nakai	General Manager of West Japan Division; General Manager of Osaka Branch Office
Executive Officer	Kazuhiro Shimura	General Manager of Technological Solutions Division
Executive Officer	Hisato Hasegawa	Deputy General Manager of Equipment Devices Division; General Manager of the First Administration Department, Equipment Devices Division; General Manager of Business Promotion Division
Executive Officer	Kenji Suzuki	Deputy General Manager of Technological Solutions Division
Executive Officer	Katsuyuki Yoshida	Deputy General Manager of Business Solutions Division
Executive Officer	Toshihiro Hirai	Deputy General Manager of Marketing Division; General Manager of Management Planning Office
Executive Officer	Masaaki Todoroki	General Manager of Personnel Group; General Manager of Personnel Department
Executive Officer	Yasufumi Suzuki	General Manager of General Affairs Group; General Manager of Assurance Office
Executive Officer	Kazuhisa Oyama	Deputy General Manager of Business Solutions Division; General Manager of Senior Health Care Business Promotion Office
Executive Officer	Hiroshi Shimaguchi	General Manager of Central Japan Division; General Manager of Nagoya Branch Office
Executive Officer	Katsuhiko Ikenaka	Deputy General Manager of Technological Solutions Division; General Manager of No. 2 Systems Administration Group



**TSUZUKI DENKI CO., LTD**

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