

(This is a translation in English from the original in Japanese. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.)

April 22, 2016

To whom it may concern:

Company name: UKC Holdings Corporation
(Security Code: 3156 Tokyo Stock Exchange 1st Section)
Representative: Yukio Fukuju, President
Contact: Tsuyoshi Osawa, Senior General Manager
Group Business Planning Division
(TEL: 03-3491-6575)

Announcement of the Suspension of Talks on the Management Integration with Kaga Electronics Co., Ltd.

UKC Holdings Corporation (“the Company”) and Kaga Electronics Co., Ltd., (Collectively “Both Companies”) have continued talks according to the Memorandum of Understanding in connection with intentions to achieve the Management Integration (the “MOU”) concluded by Both Companies on November 18, 2015. This time, however, Both Companies agreed to cancel the MOU and suspend talks on the Management Integration. The Company passed a resolution on this matter at the meeting of the board of directors on April 22, 2016.

1. Reasons to cancel the MOU

As was announced by “Announcement of the Execution of a Memorandum of Understanding Concerning Management Integration between Kaga Electronics Co., Ltd. and UKC Holdings Corporation” disclosed on November 18, 2015, Both Companies concluded the MOU on November 18, 2015.

Since then, Both Companies have earnestly continued talks aiming to realize the Management Integration with the spirit of equal partnership. However, Both Companies could not reach an agreement on terms and conditions in connection with the Management Integration and agreed to cancel the MOU and suspend talks on the Management Integration.

2. Future Prospects

The Company never change the original management strategies regardless of the cancellation of the MOU. The Company, as a distributor trusted by suppliers and customers in the ever-changing electronics industry, aims to achieve its continuous growth and the enhancement of its corporate value by extending its field of business in all aspects, including customers, applications and functions.

The impact on the consolidated financial results for the fiscal year ended March 31, 2016 of the cancellation of the MOU and the suspension of talks on the Management Integration is insignificant.