

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2014**  
**(Nine Months Ended December 31, 2013)**

[Japanese GAAP]

Company name:	<b>C. Uyemura &amp; Co., Ltd.</b>	Listing:	Second Section of the Tokyo Stock Exchange
Stock code:	4966	URL:	http://www.uyemura.co.jp
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Scheduled date of filing of Quarterly Report:	February 14, 2014		
Starting date of dividend payment:	-		
Preparation of supplementary materials for quarterly financial results:	None		
Holding of quarterly financial results meeting:	None		

Note: The original disclosure in Japanese was released on February 10, 2014 at 15:30 (GMT +9).

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results (April 1, 2013 – December 31, 2013)**

(1) Results of operations (Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2013	31,213	13.4	4,469	34.4	4,826	40.4	1,522	(37.9)
Nine months ended Dec. 31, 2012	27,536	(9.1)	3,325	(15.7)	3,437	(12.0)	2,450	6.4

Note: Comprehensive income (million yen)      Nine months ended Dec. 31, 2013: 3,947 (up 40.2%)  
 Nine months ended Dec. 31, 2012: 2,816 (up 161.8%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2013	167.23	-
Nine months ended Dec. 31, 2012	269.17	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2013	56,476	41,578	71.3	4,423.07
As of Mar. 31, 2013	52,348	38,157	70.8	4,068.54

Reference: Shareholders' equity (million yen)      As of Dec. 31, 2013: 40,267      As of Mar. 31, 2013: 37,040

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2013	-	0.00	-	55.00	55.00
Fiscal year ending Mar. 31, 2014	-	0.00	-		
Fiscal year ending Mar. 31, 2014 (forecast)				90.00	90.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)**

(Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	45,890	21.1	5,660	31.3	5,740	24.0	2,130	(25.9)	233.96

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock shares)

As of Dec. 31, 2013:	9,878,040 shares	As of Mar. 31, 2013:	9,878,040 shares
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2) Number of treasury stock shares at the end of period

As of Dec. 31, 2013:	774,080 shares	As of Mar. 31, 2013:	773,901 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2013:	9,104,082 shares	Nine months ended Dec. 31, 2012:	9,104,207 shares
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**\* Indication of quarterly review procedure implementation status**

This quarterly summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have been completed.

**\* Cautionary statement with respect to forward-looking statements and other special items**

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 of the attachments.

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## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

### **(1) Explanation of Results of Operations**

The Japanese economy for the first nine months of the fiscal year under review saw signs of turnaround as the correction of the strong yen and the recovery of stock prices continued as a result of the effects of the fiscal and monetary policies by the government and the Bank of Japan. However, there was concern over the influence of the weakening of consumer confidence due to the price hike of imported raw materials due to the weakened yen and the expected increase in the consumption tax. Looking at the overseas economies, uncertainty over the future has continued to prevail due to a number of downside risks such as the slowdown of the emerging economies and the prolonged European debt crisis although the U.S. economy was on a path to recovery supported by solid consumption.

In the electronic devices market, which is the Company's main market area, growth of PCs, liquid crystal display TVs and other digital home appliances was weak due to a prolonged sluggish demand. However, the growth of smartphones and tablet terminals continued to be strong enough to drive the market.

In this management environment, the Group has focused its management efforts on thorough cost reductions, development of high value-added products and aggressive proposal and sales activities so as to make its operations more profitable.

As a result, consolidated sales in the first nine months of the fiscal year under review amounted to 31,213 million yen (up 13.4% year-over-year), operating income 4,469 million yen (up 34.4%) and ordinary profit 4,826 million yen (up 40.4%). However, net income decreased 37.9% year-over-year to 1,522 million yen as a consequence of recognizing income tax penalty of 1,336 million yen due to the reassessment with respect to transfer pricing taxation.

Performance by business segment is shown as below with year-over-year comparison presented as reference.

#### **1) Surface finishing materials business**

As for the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs, shipment for smartphones and tablet terminals remained solid, while sales were affected by the prolonged sluggish demand for PCs. Among others, the strong mobile handset and semiconductor production in China and Taiwan helped boost our sales of plating chemicals for PWBs and package PWBs for customers in China and Taiwan.

Sales of conventional electroless nickel plating chemicals increased thanks to an increase in automobile production.

While sales of plating chemicals for hard disks was affected by the weakness in PC demand, it showed higher demand for servers caused by cloud computing.

As a result, sales in the surface finishing materials business increased 10.5% year-over-year to 24,991 million yen, and operating income increased 19.1% to 3,689 million yen.

#### **2) Surface finishing machinery business**

Regarding the overseas business, sales of machinery to Japanese semiconductor manufacturers and auto parts manufacturers contributed to the segment performance. Looking at the domestic business, we have yet to see the full-scale recovery of the order receiving environment despite the positive development of capital expenditure by some customers, which is driven by the government's economic stimulus package.

As a result, sales in the surface finishing machinery business increased 11.0% year-over-year to 3,107 million yen, and there was an operating income of 280 million yen (an operating loss of 48 million yen in the same period previous fiscal year).

### **3) Plating job business**

While the consolidated subsidiary in Thailand, which is our main manufacturing base, suspended its factory operations due to immersion in flood water for the first quarter of its previous fiscal year (for January to March 2012), it saw the recovery in orders for plating job operations for exterior components and PWBs for automobiles thanks to an increase in automobile production in Thailand. Consequently, it saw its sales and operating income to increase year over year.

As a result, sales in the plating job business increased 60.4% year-over-year to 2,800 million yen, and there was an operating income of 211 million yen (an operating loss of 26 million yen in the same period previous fiscal year).

### **4) Real estate rental business**

Due to a decline in the occupancy rate and rents of the office buildings located mainly in Shin-Osaka area given the market situation in Osaka city that has become more competitive with a wave of large-scale office buildings completed for a short period of time, sales and operating income decreased year over year.

As a result, sales in the real estate rental business decreased 4.2% year-over-year to 524 million yen, and operating income decreased 4.6% to 284 million yen.

Please note that intersegment sales and transfers are included in the above results for segment.

## **(2) Explanation of Financial Position**

Total assets increased 4,128 million yen from the end of the previous fiscal year to 56,476 million yen at the end of the third quarter of the current fiscal year. This was primarily attributable to a 2,367 million yen increase in cash and deposits with banks, an 818 million yen increase in construction in progress, a 500 million yen increase in long-term deposits with banks, and a 255 million yen increase in buildings and structures, net. On the other hand, we posted a 232 million yen decrease in notes and accounts receivable-trade, and a 63 million yen decrease in machinery and vehicles, net.

Liabilities increased 707 million yen to 14,898 million yen. This was primarily attributable to a 603 million yen increase in deferred tax liabilities, a 339 million yen increase in long-term loans payable, and a 216 million yen increase in notes and accounts payable-trade. On the other hand, we posted a 150 million yen decrease in income taxes payable.

Net assets increased 3,420 million yen to 41,578 million yen. This was primarily attributable to a 2,051 million yen increase in foreign currency translation adjustments and a 1,021 million yen increase in retained earnings.

As a result, equity ratio increased by 0.5 percentage point from 70.8% at the end of the previous fiscal year, to 71.3%.

## **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

We maintain the consolidated forecast for the fiscal year ending March 31, 2014 we announced on August 9, 2013.

Actual results are affected by various factors and may differ from the forecast.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Consolidated Subsidiaries during the Period**

Not applicable.

### **(2) Application of the Specific Method for Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Not applicable.

**3. Quarterly Consolidated Financial Statements****(1) Consolidated Balance Sheets**

	(Thousands of yen)	
	FY3/2013 (As of Mar. 31, 2013)	Third quarter of FY3/2014 (As of Dec. 31, 2013)
Assets		
Current assets		
Cash and deposits with banks	18,063,056	20,430,111
Notes and accounts receivable-trade	11,021,117	10,788,924
Marketable securities	25,190	30,747
Merchandise and finished goods	1,634,092	1,612,890
Work in process	1,078,516	1,029,617
Raw materials and supplies	1,016,575	1,137,298
Deferred tax assets	302,699	259,565
Other current assets	1,578,393	1,731,964
Allowance for doubtful accounts	(40,827)	(40,919)
Total current assets	34,678,815	36,980,200
Fixed assets		
Tangible fixed assets		
Buildings and structures	17,530,021	18,453,889
Accumulated depreciation	(8,125,455)	(8,793,877)
Buildings and structures, net	9,404,566	9,660,011
Machinery and vehicles	6,767,573	7,355,307
Accumulated depreciation	(4,819,765)	(5,471,404)
Machinery and vehicles, net	1,947,807	1,883,902
Land	3,346,650	3,469,360
Lease assets	289,616	298,502
Accumulated depreciation	(68,308)	(110,381)
Lease assets, net	221,308	188,121
Construction in progress	269,650	1,087,736
Other tangible fixed assets	3,133,211	3,301,853
Accumulated depreciation	(2,331,813)	(2,544,289)
Other tangible fixed assets, net	801,397	757,563
Total tangible fixed assets	15,991,381	17,046,697
Intangible assets	261,680	309,051
Investments and other assets		
Investment securities	936,468	1,181,222
Long-term loans receivable	26,161	19,713
Deferred tax assets	93,224	70,777
Long-term deposits with banks	-	500,000
Other investments and other assets	388,326	396,990
Allowance for doubtful accounts	(27,796)	(27,796)
Total investments and other assets	1,416,384	2,140,907
Total fixed assets	17,669,446	19,496,656
Total assets	52,348,261	56,476,857

	(Thousands of yen)	
	FY3/2013 (As of Mar. 31, 2013)	Third quarter of FY3/2014 (As of Dec. 31, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	4,970,330	5,187,018
Short-term loans payable	729,909	752,785
Current portion of long-term loans payable	186,600	249,815
Lease obligations	54,909	55,698
Income taxes payable	884,479	734,072
Accrued bonuses	138,474	49,110
Allowance for directors' bonuses	94,600	70,950
Notes payable-facilities	40,887	16,222
Deferred tax liabilities	4,205	2,125
Other current liabilities	2,857,780	2,561,624
<b>Total current liabilities</b>	<b>9,962,176</b>	<b>9,679,421</b>
<b>Long-term liabilities</b>		
Long-term loans payable	578,604	918,437
Long-term guarantee deposit	586,753	525,563
Lease obligations	166,963	160,445
Deferred tax liabilities	2,376,315	2,980,256
Allowance for employees' retirement benefits	306,414	407,316
Allowance for directors' retirement benefits	160,687	160,279
Other long-term liabilities	52,849	66,831
<b>Total long-term liabilities</b>	<b>4,228,588</b>	<b>5,219,130</b>
<b>Total liabilities</b>	<b>14,190,765</b>	<b>14,898,552</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,336,936	1,336,936
Capital surplus	1,644,653	1,644,653
Retained earnings	38,132,977	39,154,766
Treasury stock	(2,825,400)	(2,826,190)
<b>Total shareholders' equity</b>	<b>38,289,167</b>	<b>39,310,166</b>
<b>Accumulated other comprehensive income</b>		
Cumulative securities holding gain	259,033	413,311
Foreign currency translation adjustments	(1,507,629)	543,956
<b>Total accumulated other comprehensive income</b>	<b>(1,248,596)</b>	<b>957,268</b>
<b>Minority interests</b>	<b>1,116,925</b>	<b>1,310,870</b>
<b>Total net assets</b>	<b>38,157,496</b>	<b>41,578,305</b>
<b>Total liabilities and net assets</b>	<b>52,348,261</b>	<b>56,476,857</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**For the Nine-month Period**

(Thousands of yen)

	First nine months of FY3/2013 (Apr. 1, 2012 – Dec. 31, 2012)	First nine months of FY3/2014 (Apr. 1, 2013 – Dec. 31, 2013)
Sales	27,536,818	31,213,633
Cost of goods sold	18,773,435	20,250,352
Gross profit	8,763,382	10,963,280
Selling, general and administrative expenses	5,437,437	6,493,894
Operating income	3,325,945	4,469,386
Non-operating income		
Interests received	75,784	88,378
Dividends received	13,632	21,604
Exchange gains	-	203,593
Gains on valuable resources recovery	22,101	24,654
Other non-operating income	65,374	71,555
Total non-operating income	176,892	409,786
Non-operating expenses		
Interest expense	27,598	21,090
Sales discounts	3,594	4,555
Exchange losses	10,777	-
Commission fee	9,680	11,370
Other non-operating expenses	13,612	15,359
Total non-operating expenses	65,262	52,376
Ordinary profit	3,437,574	4,826,796
Extraordinary income		
Gains on sales of fixed assets	35,144	12,172
Insurance income	1,030,847	33,646
Gains on sales of investment securities	16,903	-
Total extraordinary income	1,082,896	45,819
Extraordinary loss		
Loss on disposal and sales of fixed assets	38,215	2,873
Loss on disaster	388,724	28,139
Loss on valuation of investment securities	1,766	964
Loss on dissolution of employees' pension fund	27,629	-
Total extraordinary losses	456,336	31,977
Net income before income taxes and minority interests	4,064,134	4,840,638
Income taxes-current	1,184,527	1,291,034
Income taxes for prior periods	-	1,336,568
Income taxes-deferred	258,802	589,426
Total income taxes	1,443,329	3,217,029
Income before minority interests	2,620,804	1,623,609
Minority interests in income	170,215	101,093
Net income	2,450,588	1,522,516
Minority interests in income	170,215	101,093
Income before minority interests	2,620,804	1,623,609
Other comprehensive income		
Cumulative securities holding gain	(49,910)	154,278
Foreign currency translation adjustments	245,166	2,169,611
Total other comprehensive income	195,256	2,323,890
Comprehensive income	2,816,061	3,947,500
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,615,254	3,728,381
Comprehensive income attributable to minority interests	200,807	219,119

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

I. First nine months of FY3/2013 (Apr. 1, 2012 – Dec. 31, 2012)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	22,497,339	2,777,953	1,708,903	546,920	27,531,116	5,701	27,536,818	-	27,536,818
Intersegment sales and transfers	125,947	22,514	36,760	-	185,222	-	185,222	(185,222)	-
Total	22,623,286	2,800,468	1,745,663	546,920	27,716,339	5,701	27,722,040	(185,222)	27,536,818
Segment profit (loss)	3,098,418	(48,655)	(26,696)	298,006	3,321,073	4,871	3,325,945	-	3,325,945

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include loyalty revenues.

2. Segment profit (loss) is consistent with operating income shown on the consolidated statements of income and comprehensive income.

2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

II. First nine months of FY3/2014 (Apr. 1, 2013 – Dec. 31, 2013)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	24,833,266	3,087,449	2,763,936	524,179	31,208,831	4,801	31,213,633	-	31,213,633
Intersegment sales and transfers	158,277	19,739	36,821	-	214,838	-	214,838	(214,838)	-
Total	24,991,544	3,107,188	2,800,758	524,179	31,423,670	4,801	31,428,471	(214,838)	31,213,633
Segment profit	3,689,418	280,512	211,205	284,415	4,465,550	3,835	4,469,386	-	4,469,386

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include loyalty revenues.

2. Segment profit is consistent with operating income shown on the consolidated statements of income and comprehensive income.

2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

*Note: This report of consolidated financial results is solely a translation of summary of Japanese "Kessan Tanshin" (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.*