

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2015
(Three Months Ended June 30, 2014)

[Japanese GAAP]

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 Scheduled date of filing of Quarterly Report: August 12, 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 August 11, 2014 at 15:30 (GMT +9).

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

1. Consolidated Financial Results (April 1, 2014 – June 30, 2014)

(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	%
Three months ended Jun. 30, 2014	10,095	2.2	1,276	22.9	1,365	11.4	818	-
Three months ended Jun. 30, 2013	9,875	11.8	1,038	35.3	1,226	47.9	(625)	(181.7)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2014: 162 (down 83.9%)

Three months ended Jun. 30, 2013: 1,005 (down 50.7%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2014	89.94	-
Three months ended Jun. 30, 2013	(68.66)	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2014	58,205	42,329	71.1	4,547.20
As of Mar. 31, 2014	59,189	43,286	70.8	4,605.64

Reference: Shareholders' equity (million yen) As of Jun. 30, 2014: 41,397 As of Mar. 31, 2014: 41,929

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2014	-	0.00	-	90.00	90.00
Fiscal year ending Mar. 31, 2015	-				
Fiscal year ending Mar. 31, 2015 (forecast)		0.00	-	90.00	90.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(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
First half	22,520	11.2	3,200	21.7	3,280	13.9	2,290	684.8	251.54
Full year	48,620	15.6	6,780	24.5	6,910	17.8	4,230	148.0	464.63

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: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 3 of the attachments for further information.

(4) Number of shares outstanding (common stock)

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

As of Jun. 30, 2014:	9,878,040 shares	As of Mar. 31, 2014:	9,878,040 shares
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2) Number of treasury stock shares at the end of period

As of Jun. 30, 2014:	774,080 shares	As of Mar. 31, 2014:	774,080 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2014:	9,103,960 shares	Three months ended Jun. 30, 2013:	9,104,120 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 during the first quarter of the fiscal year under review remained on track to modest recovery as a result of the effects of the economic policy by the government and the monetary policy by the Bank of Japan. However, there still remained uncertainty over the future economic prospects given a number of concerns including a reactionary decline following the rush demand associated with the consumption tax rate hike, a sharp rise in the cost of crude oil and other import raw materials, and the political unrest overseas.

In the electronic devices market, which is the Company's main market area, the growth of smartphones and tablet terminals continued to be strong enough to drive the market. On the other hand, although the PC shipments were increased for a short period of time due to replacement demand following the termination of Windows XP support, there is a continued trend to shift to the mobile devices.

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 quarter of the fiscal year under review amounted to 10,095 million yen (up 2.2% year-over-year), operating income 1,276 million yen (up 22.9%), ordinary profit 1,365 million yen (up 11.4%), and net income 818 million yen (a net loss of 625 million yen in the same period previous fiscal year).

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

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs saw an increase due to continued strong demand for smartphones and tablet terminals. Notably, this increase in sales can be explained by an increase in production of smartphones that support high-speed communication as China is rapidly putting the high-speed communication infrastructure in place. Furthermore, sales of plating chemicals for hard disks remained solid due to strong demand for servers for cloud computing.

Sales in the surface finishing materials business increased 7.6% year-over-year to 8,453 million yen, and operating income increased 59.2% to 1,324 million yen.

2) Surface finishing machinery business

While the environment for new contracts of machines was improving as electronics device and automobile component manufacturers home and abroad were taking a positive attitude toward capital investments, first-quarter sales declined year over year.

Sales in the surface finishing machinery business decreased 20.3% year-over-year to 842 million yen, and there was an operating loss of 118 million yen (an operating income of 68 million yen in the same period previous fiscal year).

3) Plating job business

Sales in this segment increased year over year as the consolidated subsidiary in Thailand, which is our main manufacturing base, successfully increased orders for plating job operations for exterior components and PWBs for automobiles. However, operating income decreased due to an increase in depreciation and SG&A expenses incurred by a new factory of the consolidated subsidiary in Indonesia, which was built during the previous fiscal year and is still at the stage of prototype manufacturing.

Sales in the plating job business increased 16.3% year-over-year to 994 million yen, and operating income decreased 22.0% to 31 million yen.

4) Real estate rental business

While sales of this segment have largely remained the same year over year with no change in the occupancy rate of the office buildings, operating income decreased mainly due to an increase in utilities expenses.

Sales in the real estate rental business decreased 1.5% year-over-year to 172 million yen, and operating income decreased 7.5% to 88 million yen.

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

(2) Explanation of Financial Position

Total assets decreased 984 million yen from the end of the previous fiscal year to 58,205 million yen at the end of the first quarter of the current fiscal year. This was primarily attributable to a 459 million yen increase in work in process, a 349 million yen increase in machinery and vehicles, net, and a 158 million yen increase in raw materials and supplies. On the other hand, we posted a 1,352 million yen decrease in cash and deposits with banks, and a 640 million yen decrease in construction in progress.

Liabilities decreased 27 million yen to 15,876 million yen. This was primarily attributable to a 191 million yen increase in deferred tax liabilities, and a 114 million yen increase in long-term loans payable. On the other hand, we posted a 249 million yen decrease in income taxes payable and a 174 million yen decrease in net defined benefit liability.

Net assets decreased 957 million yen to 42,329 million yen. This was primarily attributable to a 153 million yen increase in retained earnings and a 715 million yen decrease in foreign currency translation adjustments.

As a result, equity ratio increased by 0.3 percentage point from 70.8% at the end of the previous fiscal year, to 71.1%.

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

We maintain the first-half and full-year consolidated forecast we announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2014” on May 14, 2014, as our performance are generally trended in line with plans.

Actual results are affected by various factors and may differ substantially.

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

Changes in Accounting Policies

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)” and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining

the discount rate, for the period of bonds used for the basis of determining the discount rate, from the method using the approximate number of years of expected average length of remaining service period of employees to the method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

The application of this accounting standard, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, and thus the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the first quarter of the current fiscal year.

The result was a decrease in net defined benefit liability of 179,537 thousand yen, and increases of 59,708 thousand yen in net defined benefit asset and 153,978 thousand yen in retained earnings at the beginning of the first quarter of the current fiscal year. The effect of this change on profit or loss in the first quarter of the current fiscal year is insignificant.

Application of the accounting standards for business combinations

The “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards shall be applied from the fiscal year that begins on or after April 1, 2014. Accordingly, the Company has applied these accounting standards (excluding the provisions set forth in Article 39 of the Accounting Standard for Consolidated Financial Statements) from the first quarter of the current fiscal year. Under these accounting standards, the Company revised the method to record gains or losses arising from a change in the Company’s equity in subsidiaries in cases where control is retained to that recognizing such gains or losses as capital surplus and the acquisition costs in connection with business combinations as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company revised the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the quarterly consolidated financial statements that includes the acquisition date.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The effect of these changes on profit or loss in the first quarter of the current fiscal year and capital surplus at the end of the same period is insignificant.

3. Important Information about Going Concern Assumption

Not applicable.

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

(Thousands of yen)

	FY3/2014 (As of Mar. 31, 2014)	First quarter of FY3/2015 (As of Jun. 30, 2014)
Assets		
Current assets		
Cash and deposits with banks	22,327,138	20,974,907
Notes and accounts receivable-trade	10,640,322	10,483,278
Marketable securities	35,215	34,606
Merchandise and finished goods	1,726,327	1,702,924
Work in process	744,462	1,203,653
Raw materials and supplies	1,214,591	1,372,975
Deferred tax assets	442,628	396,933
Other current assets	2,049,651	2,181,760
Allowance for doubtful accounts	(41,943)	(40,314)
Total current assets	39,138,392	38,310,724
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,372,418	19,515,483
Accumulated depreciation	(9,075,537)	(9,187,823)
Buildings and structures, net	10,296,880	10,327,660
Machinery and vehicles	7,647,824	8,062,478
Accumulated depreciation	(5,737,184)	(5,802,684)
Machinery and vehicles, net	1,910,640	2,259,794
Land	3,538,183	3,518,607
Lease assets	298,502	298,502
Accumulated depreciation	(124,404)	(138,427)
Lease assets, net	174,098	160,075
Construction in progress	927,399	286,527
Other tangible fixed assets	3,454,768	3,472,716
Accumulated depreciation	(2,657,091)	(2,688,331)
Other tangible fixed assets, net	797,677	784,384
Total tangible fixed assets	17,644,879	17,337,049
Intangible assets	353,565	341,191
Investments and other assets		
Investment securities	1,105,867	1,194,278
Net defined benefit asset	-	57,717
Deferred tax assets	47,079	56,755
Other investments and other assets	927,989	935,494
Allowance for doubtful accounts	(27,796)	(27,796)
Total investments and other assets	2,053,140	2,216,451
Total fixed assets	20,051,585	19,894,692
Total assets	59,189,978	58,205,417

	(Thousands of yen)	
	FY3/2014 (As of Mar. 31, 2014)	First quarter of FY3/2015 (As of Jun. 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,691,806	4,743,610
Short-term loans payable	776,934	844,602
Current portion of long-term loans payable	291,819	312,356
Lease obligations	60,175	57,345
Income taxes payable	1,351,034	1,101,189
Accrued bonuses	144,966	70,992
Allowance for directors' bonuses	94,600	23,600
Other current liabilities	3,268,556	3,338,146
Total current liabilities	10,679,894	10,491,842
Long-term liabilities		
Long-term loans payable	899,157	1,013,456
Lease obligations	160,357	149,219
Deferred tax liabilities	2,903,798	3,095,400
Allowance for directors' retirement benefits	163,867	156,374
Net defined benefit liability	497,357	322,383
Long-term guarantee deposit	527,812	573,214
Other long-term liabilities	71,530	74,512
Total long-term liabilities	5,223,881	5,384,562
Total liabilities	15,903,775	15,876,404
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,644,653	1,617,296
Retained earnings	39,338,168	39,491,638
Treasury stock	(2,826,190)	(2,826,190)
Total shareholders' equity	39,493,568	39,619,680
Accumulated other comprehensive income		
Cumulative securities holding gain	363,908	419,717
Foreign currency translation adjustments	2,114,541	1,398,677
Remeasurements of defined benefit plans	(42,488)	(40,546)
Total accumulated other comprehensive income	2,435,961	1,777,848
Minority interests	1,356,673	931,483
Total net assets	43,286,203	42,329,012
Total liabilities and net assets	59,189,978	58,205,417

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

(Thousands of yen)

	First three months of FY3/2014 (Apr. 1, 2013 – Jun. 30, 2013)	First three months of FY3/2015 (Apr. 1, 2014 – Jun. 30, 2014)
Sales	9,875,470	10,095,116
Cost of goods sold	6,650,657	6,525,635
Gross profit	3,224,812	3,569,480
Selling, general and administrative expenses	2,186,209	2,292,578
Operating income	1,038,603	1,276,901
Non-operating income		
Interests received	28,197	36,643
Dividends received	14,778	20,799
Exchange gains	134,926	14,298
Gains on valuable resources recovery	3,046	13,066
Other non-operating income	25,019	26,316
Total non-operating income	205,966	111,124
Non-operating expenses		
Interest expense	7,607	12,949
Other non-operating expenses	10,511	9,325
Total non-operating expenses	18,119	22,274
Ordinary profit	1,226,451	1,365,751
Extraordinary income		
Gains on sales of fixed assets	4,155	8,826
Insurance income	33,646	-
Total extraordinary income	37,802	8,826
Extraordinary loss		
Loss on disposal and sales of fixed assets	1,215	1,443
Loss on disaster	28,139	-
Loss on valuation of investment securities	964	-
Total extraordinary losses	30,320	1,443
Net income before income taxes and minority interests	1,233,933	1,373,134
Income taxes-current	231,118	400,606
Income taxes for prior periods	1,304,704	-
Income taxes-deferred	292,634	114,973
Total income taxes	1,828,457	515,579
Income (loss) before minority interests	(594,524)	857,554
Minority interests in income	30,565	38,707
Net income (loss)	(625,089)	818,847
Minority interests in income	30,565	38,707
Income (loss) before minority interests	(594,524)	857,554
Other comprehensive income		
Cumulative securities holding gain	46,677	55,809
Foreign currency translation adjustments	1,553,483	(752,901)
Remeasurements of defined benefit plans, net of tax	-	1,942
Total other comprehensive income	1,600,161	(695,149)
Comprehensive income	1,005,636	162,405
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	876,176	160,734
Comprehensive income attributable to minority interests	129,459	1,670

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment Information

I. First three months of FY3/2014 (Apr. 1, 2013 – Jun. 30, 2013)

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	7,801,109	1,054,697	843,231	174,765	9,873,803	1,667	9,875,470	-	9,875,470
Intersegment sales and transfers	57,044	3,318	12,330	-	72,692	-	72,692	(72,692)	-
Total	7,858,153	1,058,015	855,561	174,765	9,946,496	1,667	9,948,163	(72,692)	9,875,470
Segment profit	831,755	68,631	41,017	95,892	1,037,296	1,306	1,038,603	-	1,038,603

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.

II. First three months of FY3/2015 (Apr. 1, 2014 – Jun. 30, 2014)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated statements of income/ comprehensive income (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	8,412,189	514,877	994,322	172,086	10,093,476	1,639	10,095,116	-	10,095,116
Intersegment sales and transfers	41,622	327,997	355	-	369,975	-	369,975	(369,975)	-
Total	8,453,812	842,874	994,678	172,086	10,463,452	1,639	10,465,091	(369,975)	10,095,116
Segment profit (loss)	1,324,093	(118,418)	31,994	88,674	1,326,343	1,327	1,327,671	(50,769)	1,276,901

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. The -50,769 thousand yen adjustment of segment profit (loss) includes elimination of inter-segment transactions.

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

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.