

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021  
(Three Months Ended June 30, 2020)**

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** Listing: Second Section of the Tokyo Stock Exchange  
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 Scheduled date of filing of Quarterly Report: August 7, 2020  
 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 7, 2020 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results (April 1, 2020 – June 30, 2020)**

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

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2020	12,301	4.6	1,961	40.1	2,070	38.2	1,658	51.5
Three months ended Jun. 30, 2019	11,763	(5.1)	1,400	(31.6)	1,498	(31.0)	1,094	(25.6)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2020: 980 (down 7.6%)

Three months ended Jun. 30, 2019: 1,060 (up 488.4%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2020	187.08	-
Three months ended Jun. 30, 2019	121.60	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2020	76,825	63,361	82.5	7,153.93
As of Mar. 31, 2020	79,117	63,887	80.8	7,202.86

Reference: Shareholders' equity (million yen)

As of Jun. 30, 2020: 63,361

As of Mar. 31, 2020: 63,887

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	0.00	-	160.00	160.00
Fiscal year ending Mar. 31, 2021	-	-	-	-	-
Fiscal year ending Mar. 31, 2021 (forecast)	-	0.00	-	160.00	160.00

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

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)**

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	24,130	(0.8)	3,141	(7.1)	3,356	(3.5)	2,248	(8.1)	251.11
Full year	45,990	(11.9)	6,520	(13.5)	6,760	(14.1)	4,350	(18.8)	485.90

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 shares)

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

As of Jun. 30, 2020:	9,878,040 shares	As of Mar. 31, 2020:	9,878,040 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2020:	1,021,187 shares	As of Mar. 31, 2020:	1,008,245 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2020:	8,865,467 shares	Three months ended Jun. 30, 2019:	9,001,900 shares
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**\*The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.**

**\*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**

For the first quarter of the fiscal year under review (hereinafter “the period under review”), the Japanese economy faced a rapid deterioration as consumer spending and corporate activities were significantly restricted to prevent the spread of COVID-19 infections. Outlook for the global economy also remains extremely uncertain, due to factors such as concerns over impacts of the prolonged U.S.-China trade friction as well as the COVID-19 pandemic.

In the electronic devices market, which is the Uyemura Group’s main market area, markets for products such as automobiles and smartphones were weak, due to decreased consumer spending and suspended factory production hit by the COVID-19 pandemic. However, demand for servers remained solid backed by the commercialization of the 5G mobile communication system and the wider spread of telework.

In this environment, the Group has focused on the development of high value-added products, and proposal and sales activities for these products to make the operations more profitable.

As a result, consolidated sales for the period under review were 12,301 million yen (up 4.6% year-over-year), operating profit 1,961 million yen (up 40.1%), ordinary profit 2,070 million yen (up 38.2%), and profit attributable to owners of parent 1,658 million yen (up 51.5%).

The results of operations by business segment are shown as below.

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

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs for car electronics were sluggish due to a decrease in the number of automobile units sold. Nevertheless, both segment sales and profit increased year-over-year because of a continued strong demand for semiconductors and electronic components used for PCs and data centers as a result of the rapid spread of teleworking and online learning.

Consequently, sales in the surface finishing materials business increased 10.4% year-over-year to 9,600 million yen and segment profit increased 43.4% year-over-year to 1,738 million yen.

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

Manufacturers of electronic and automobile components at home and abroad adapted a cautious stance towards capital investment due to the uncertain economic outlook. Such a situation adversely affected order-taking environment for machinery business, resulting in a year-over-year decrease in sales. However, segment profit increased year-over-year because of an increase in sales of high value-added plating machines for semiconductor wafers.

Consequently, sales in the surface finishing machinery business decreased 20.5% year-over-year to 1,142 million yen but segment profit increased 135.3% year-over-year to 93 million yen.

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

Both segment sales and profit of the plating job business decreased year-over-year, affected by the continued slowdown of the automotive industry in Thailand and Indonesia.

Consequently, sales in the plating job business decreased 5.8% year-over-year to 1,371 million yen and segment profit decreased 76.3% year-over-year to 9 million yen.

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

Both segment sales and profit of the real estate rental business increased year-over-year thanks to the rent revision for an office building for rent in Shin-Osaka.

Consequently, sales in the real estate rental business increased 5.1% year-over-year to 201 million yen and segment profit increased 12.3% year-over-year to 118 million yen.

It is noted that sales of the segments above include intersegment sales and transfers.

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

Total assets decreased 2,291 million yen from the end of the previous fiscal year to 76,825 million yen at the end of the period under review. This was primarily attributable to a 1,955 million yen decrease in notes and accounts receivable-trade and a 541 million yen decrease in cash and deposits, which were partially offset by a 581 million yen increase in investment securities and a 262 million yen increase in work in process.

Total liabilities decreased 1,765 million yen from the end of the previous fiscal year to 13,463 million yen. This was primarily attributable to a 654 million yen decrease in income taxes payable, a 630 million yen decrease in notes and accounts payable-trade, and a 424 million yen decrease in electronically recorded obligations-operating, which were partially offset by a 102 million yen increase in deferred tax liabilities.

Total net assets decreased 526 million yen from the end of the previous fiscal year to 63,361 million yen. This was primarily attributable to an 809 million yen decrease in foreign currency translation adjustment, which was partially offset by a 239 million yen increase in retained earnings.

As a result, the equity ratio increased by 1.7 percentage point from 80.8% at the end of the previous fiscal year to 82.5%.

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

We have maintained the first-half and full-year consolidated forecasts that we announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2020” on May 14, 2020.

Actual results may differ from these forecasts due to various factors in the future.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY3/2020 (As of Mar. 31, 2020)	First quarter of FY3/2021 (As of Jun. 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	26,472,648	25,931,237
Notes and accounts receivable-trade	14,874,974	12,919,641
Securities	45,471	37,827
Merchandise and finished goods	2,254,642	2,447,846
Work in process	2,653,921	2,916,206
Raw materials and supplies	1,350,852	1,513,761
Other	1,342,568	1,095,188
Allowance for doubtful accounts	(72,060)	(62,435)
Total current assets	48,923,020	46,799,274
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,991,903	21,706,386
Accumulated depreciation	(12,574,873)	(12,594,266)
Buildings and structures, net	9,417,029	9,112,119
Machinery, equipment and vehicles	11,407,297	11,089,375
Accumulated depreciation	(8,725,302)	(8,510,025)
Machinery, equipment and vehicles, net	2,681,994	2,579,350
Land	4,259,787	4,163,983
Leased assets	297,336	271,935
Accumulated depreciation	(146,690)	(127,701)
Leased assets, net	150,645	144,234
Construction in progress	527,407	431,774
Other	5,463,815	5,390,044
Accumulated depreciation	(4,211,277)	(4,244,225)
Other, net	1,252,537	1,145,819
Total property, plant and equipment	18,289,402	17,577,281
Intangible assets	296,239	272,192
Investments and other assets		
Investment securities	10,791,241	11,372,342
Retirement benefit asset	64,650	65,687
Deferred tax assets	293,805	291,123
Other	527,004	514,579
Allowance for doubtful accounts	(68,275)	(67,327)
Total investments and other assets	11,608,426	12,176,405
Total non-current assets	30,194,068	30,025,879
Total assets	79,117,088	76,825,153

	(Thousands of yen)	
	FY3/2020 (As of Mar. 31, 2020)	First quarter of FY3/2021 (As of Jun. 30, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	2,431,413	1,801,209
Electronically recorded obligations-operating	3,789,010	3,364,186
Short-term borrowings	516,642	476,761
Lease obligations	125,823	115,687
Income taxes payable	2,489,948	1,835,675
Provision for bonuses	169,408	93,664
Provision for bonuses for directors (and other officers)	159,150	39,787
Other	1,614,198	1,735,505
<b>Total current liabilities</b>	<b>11,295,595</b>	<b>9,462,477</b>
<b>Non-current liabilities</b>		
Long-term guarantee deposits	624,406	620,384
Lease obligations	179,314	160,776
Deferred tax liabilities	1,821,132	1,924,115
Provision for retirement benefits for directors (and other officers)	182,165	185,065
Retirement benefit liability	846,136	841,865
Other	280,482	269,170
<b>Total non-current liabilities</b>	<b>3,933,637</b>	<b>4,001,377</b>
<b>Total liabilities</b>	<b>15,229,233</b>	<b>13,463,854</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	62,391,536	62,630,974
Treasury shares	(4,327,166)	(4,415,320)
<b>Total shareholders' equity</b>	<b>60,671,056</b>	<b>60,822,340</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	358,230	488,462
Foreign currency translation adjustment	2,881,214	2,071,746
Remeasurements of defined benefit plans	(22,646)	(21,248)
<b>Total accumulated other comprehensive income</b>	<b>3,216,798</b>	<b>2,538,959</b>
<b>Total net assets</b>	<b>63,887,855</b>	<b>63,361,299</b>
<b>Total liabilities and net assets</b>	<b>79,117,088</b>	<b>76,825,153</b>

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

	(Thousands of yen)	
	First three months of FY3/2020 (Apr. 1, 2019 – Jun. 30, 2019)	First three months of FY3/2021 (Apr. 1, 2020 – Jun. 30, 2020)
Net sales	11,763,298	12,301,214
Cost of sales	7,816,105	7,951,801
Gross profit	3,947,192	4,349,412
Selling, general and administrative expenses	2,546,922	2,387,771
Operating profit	1,400,269	1,961,641
Non-operating income		
Interest income	35,647	42,794
Dividend income	30,194	28,207
Valuable resource recovery income	11,526	8,718
Subsidy income	42,937	61,537
Technical advisory fee income	2,434	-
Other	45,320	33,093
Total non-operating income	168,061	174,351
Non-operating expenses		
Interest expenses	3,007	3,092
Foreign exchange losses	53,666	42,164
Commission expenses	3,510	3,689
Other	9,404	16,430
Total non-operating expenses	69,587	65,377
Ordinary profit	1,498,743	2,070,615
Extraordinary income		
Gain on sales of non-current assets	1,341	2,589
Total extraordinary income	1,341	2,589
Extraordinary losses		
Loss on sales and retirement of non-current assets	9,154	239
Total extraordinary losses	9,154	239
Profit before income taxes	1,490,929	2,072,965
Income taxes-current	281,825	377,833
Income taxes-deferred	114,453	36,561
Total income taxes	396,279	414,395
Profit	1,094,650	1,658,570
Profit attributable to:		
Profit attributable to owners of parent	1,094,650	1,658,570
Other comprehensive income		
Valuation difference on available-for-sale securities	(53,294)	130,231
Foreign currency translation adjustment	17,820	(809,468)
Remeasurements of defined benefit plans, net of tax	1,735	1,397
Total other comprehensive income	(33,738)	(677,839)
Comprehensive income	1,060,911	980,731
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,060,911	980,731



**(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 FY3/2020 (Apr. 1, 2019 – Jun. 30, 2019)

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	8,681,401	1,431,408	1,455,845	191,701	11,760,357	2,941	11,763,298	-	11,763,298
Intersegment sales and transfers	11,520	4,311	-	-	15,832	-	15,832	(15,832)	-
Total	8,692,922	1,435,720	1,455,845	191,701	11,776,189	2,941	11,779,130	(15,832)	11,763,298
Segment profit	1,211,946	39,579	40,940	105,436	1,397,902	2,367	1,400,269	-	1,400,269

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

2. Total segment profit is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

II. First three months of FY3/2021 (Apr. 1, 2020 – Jun. 30, 2020)

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	9,584,159	1,141,336	1,371,101	201,504	12,298,102	3,111	12,301,214	-	12,301,214
Intersegment sales and transfers	15,897	760	-	-	16,657	-	16,657	(16,657)	-
Total	9,600,056	1,142,096	1,371,101	201,504	12,314,759	3,111	12,317,871	(16,657)	12,301,214
Segment profit	1,738,495	93,111	9,687	118,405	1,959,700	1,940	1,961,641	-	1,961,641

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

2. Total segment profit is equal to operating profit shown on the quarterly 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.