

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2017
(Nine Months Ended December 31, 2016)**

[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: February 10, 2017
 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, 2017 at 15:30 (GMT +9).

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

1. Consolidated Financial Results (April 1, 2016 – December 31, 2016)

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

	Sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2016	31,696	(12.0)	5,162	8.6	5,201	10.0	3,947	25.5
Nine months ended Dec. 31, 2015	36,008	6.2	4,755	(3.3)	4,730	(10.7)	3,144	8.2

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2016: (319) (down 116.3%)
 Nine months ended Dec. 31, 2015: 1,960 (down 50.4%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2016	435.37	-
Nine months ended Dec. 31, 2015	345.44	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2016	64,038	48,613	75.3	5,358.28
As of Mar. 31, 2016	67,931	50,522	73.8	5,506.23

Reference: Shareholders' equity (million yen) As of Dec. 31, 2016: 48,236 As of Mar. 31, 2016: 50,127

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2016	-	0.00	-	120.00	120.00
Fiscal year ending Mar. 31, 2017	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2017 (forecast)	-	-	-	140.00	140.00

Note: Revisions to the most recently announced dividend forecast: Yes

Regarding revisions to the dividend forecast, please refer to the press release "Revisions to Dividend Forecast (Commemorative Dividend) for the Fiscal Year Ending March 31, 2017" that was announced today (February 10, 2017, Japanese version only).

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-over-year changes.)

	Sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	45,310	(4.7)	7,030	4.9	7,040	5.4	3,970	(6.6)	436.08

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 Dec. 31, 2016:	9,878,040 shares	As of Mar. 31, 2016:	9,878,040 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2016:	875,714 shares	As of Mar. 31, 2016:	774,194 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2016:	9,067,608 shares	Nine months ended Dec. 31, 2015:	9,103,846 shares
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***Indication of quarterly review procedure implementation status**

This quarterly summary report is not subject to the quarterly review procedures in accordance with 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.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Matters Related to Summary Information (Notes)	4
(1) Changes in Consolidated Subsidiaries during the Period	4
(2) Application of the Specific Method for Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements	4
(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	4
(4) Additional Information	4
3. Important Information about Going Concern Assumption	4
4. Quarterly Consolidated Financial Statements	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income For the Nine-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Segment and Other Information	8

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 (hereinafter “the period under review”) remained on track to modest recovery as employment conditions and personal income kept improving. However, the future prospects for the economy remained uncertain with the slowdown of the Chinese and other emerging economies, and the issues around Brexit, as well as uncertainty of future economic policy of the new U.S. administration.

In the electronic devices market, which is the Uyemura Group’s main market area, the production of on-board electronics components increased along with a movement to ensure automotive safety and improved convenience. On the other hand, smartphones, which had been a driver of the market, somewhat slowed its pace of growth as the market adoption of smartphones largely had run its course.

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

As a result, consolidated sales for the period under review amounted to 31,696 million yen (down 12.0% year-over-year), operating income 5,162 million yen (up 8.6% year-over-year), ordinary profit 5,201 million yen (up 10.0% year-over-year), and profit attributable to owners of parent 3,947 million yen (up 25.5% year-over-year).

Performance by business segment is shown as below.

1) Surface finishing materials business

Sales of plating chemicals for power devices on automobiles and on-board products requiring lubricity were strong. However, sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs decreased due to the production adjustment on the high-end smartphones.

Furthermore, sales of non-ferrous metals, industrial chemicals and other merchandise also decreased year-over-year due to the reduction in unit selling prices in conjunction with a falling market prices of nickel and copper, as well as a downturn in the Chinese and other emerging economies.

Consequently, sales in the surface finishing materials business decreased 13.8% year-over-year to 23,476 million yen, and segment profit decreased 5.2% year-over-year to 4,848 million yen.

2) Surface finishing machinery business

Sales decreased year-over-year due to a decline in new contracts of machines as electronics component manufacturers and automotive parts manufacturers home and abroad have taken a prudent approach to capital investments in response to unclear outlook of the economy. However, segment loss was reduced as a result of cost reductions and review of production efficiency.

Consequently, sales in the surface finishing machinery business decreased 10.6% year-over-year to 4,322 million yen, while there was a segment loss of 23 million yen (compared with a segment loss of 489 million yen in the same period of the previous fiscal year).

3) Plating job business

The mass production of a plating job for rigid polycarbonate ABS plastics—materials used for door-knobs on automobiles has been steadily at the consolidated subsidiary in Thailand, which is our main manufacturing base in this segment, resulting both the segment sales and profit to increase year-over-year.

Consequently, sales in the plating job business increased 0.7% year-over-year to 3,603 million yen, while there was a segment profit of 87 million yen (compared with a segment loss of 175 million yen in the same period of the previous fiscal year).

4) Real estate rental business

Both sales and segment profit decreased year-over-year due to a slight decline in the occupancy rate of the office buildings.

Consequently, sales in the real estate rental business decreased 0.8% year-over-year to 534 million yen, and segment profit decreased 1.0% to 297 million yen.

It is noted that intersegment sales and transfers are included in the above segment sales.

(2) Explanation of Financial Position

Total assets decreased 3,893 million yen from the end of the previous fiscal year to 64,038 million yen at the end of the period under review. This was primarily attributable to a 908 million yen decrease in buildings and structures, net, a 509 million yen decrease in cash and deposits, a 352 million yen decrease in construction in progress, and a 249 million yen decrease in raw materials and supplies, which were partially offset by a 111 million yen increase in investment securities and a 50 million yen increase in land.

Total liabilities decreased 1,983 million yen from the end of the previous fiscal year to 15,425 million yen. This was primarily attributable to a 553 million yen decrease in notes and accounts payable-trade, a 368 million yen decrease in electronically recorded obligations-operating, and a 346 million yen decrease in income taxes payable, which were partially offset by a 19 million yen increase in net defined benefit liability.

Total net assets decreased 1,909 million yen from the end of the previous fiscal year to 48,613 million yen. This was primarily attributable to a 4,325 million yen decrease in foreign currency translation adjustments and a 497 million yen decrease in treasury shares due to acquisition, which were partially offset by a 2,855 million yen increase in retained earnings and a 72 million yen increase in cumulative securities holding gain.

As a result, the equity ratio increased by 1.5 percentage points from 73.8% at the end of the previous fiscal year to 75.3%.

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

We maintain the full-year consolidated forecasts for the fiscal year ending March 31, 2017 that we announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2016” on May 13, 2016.

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

Not applicable.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of the current fiscal year, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan (ASBJ) Guidance No. 26, March 28, 2016).

3. Important Information about Going Concern Assumption

Not applicable.

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

	(Thousands of yen)	
	FY3/2016 (As of Mar. 31, 2016)	Third quarter of FY3/2017 (As of Dec. 31, 2016)
Assets		
Current assets		
Cash and deposits with banks	28,559,208	28,049,796
Notes and accounts receivable-trade	11,428,997	11,292,851
Marketable securities	40,377	33,670
Merchandise and finished goods	1,808,629	1,564,143
Work in process	771,100	577,719
Raw materials and supplies	1,529,009	1,279,949
Deferred tax assets	791,640	678,240
Other current assets	2,553,753	1,735,556
Allowance for doubtful accounts	(45,579)	(47,074)
Total current assets	47,437,138	45,164,852
Fixed assets		
Tangible fixed assets		
Buildings and structures	20,129,516	19,360,351
Accumulated depreciation	(10,565,778)	(10,705,499)
Buildings and structures, net	9,563,737	8,654,852
Machinery and vehicles	9,077,255	8,890,656
Accumulated depreciation	(6,932,522)	(6,755,565)
Machinery and vehicles, net	2,144,732	2,135,090
Land	3,771,683	3,822,222
Lease assets	215,577	241,931
Accumulated depreciation	(95,836)	(128,128)
Lease assets, net	119,740	113,803
Construction in progress	900,928	548,843
Other tangible fixed assets	4,108,583	4,240,934
Accumulated depreciation	(3,148,791)	(3,232,994)
Other tangible fixed assets, net	959,792	1,007,940
Total tangible fixed assets	17,460,615	16,282,752
Intangible assets	429,520	336,137
Investments and other assets		
Investment securities	1,529,839	1,641,754
Net defined benefit asset	49,162	53,355
Deferred tax assets	90,263	110,645
Other investments and other assets	1,011,478	516,832
Allowance for doubtful accounts	(76,104)	(67,702)
Total investments and other assets	2,604,639	2,254,886
Total fixed assets	20,494,774	18,873,776
Total assets	67,931,912	64,038,628

	(Thousands of yen)	
	FY3/2016 (As of Mar. 31, 2016)	Third quarter of FY3/2017 (As of Dec. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,727,654	1,174,575
Electronically recorded obligations-operating	2,901,329	2,532,838
Short-term loans payable	851,396	820,000
Current portion of long-term loans payable	399,514	241,732
Lease obligations	51,002	52,896
Income taxes payable	1,912,422	1,566,254
Accrued bonuses	144,671	50,984
Allowance for directors' bonuses	120,200	90,150
Other current liabilities	3,360,950	3,444,151
Total current liabilities	11,469,140	9,973,583
Long-term liabilities		
Long-term loans payable	473,428	233,314
Long-term guarantee deposit	580,317	573,983
Lease obligations	113,280	95,478
Deferred tax liabilities	3,900,650	3,712,602
Allowance for directors' retirement benefits	165,595	176,170
Net defined benefit liability	502,512	522,235
Other long-term liabilities	204,008	137,776
Total long-term liabilities	5,939,792	5,451,560
Total liabilities	17,408,933	15,425,144
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,321,581	1,321,570
Retained earnings	45,802,745	48,658,041
Treasury shares	(2,826,802)	(3,324,524)
Total shareholders' equity	45,634,461	47,992,023
Accumulated other comprehensive income		
Cumulative securities holding gain	675,459	748,005
Foreign currency translation adjustments	3,859,873	(465,490)
Remeasurements of defined benefit plans	(41,970)	(37,554)
Total accumulated other comprehensive income	4,493,363	244,960
Non-controlling interests	395,154	376,500
Total net assets	50,522,979	48,613,484
Total liabilities and net assets	67,931,912	64,038,628

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

(Thousands of yen)

	First nine months of FY3/2016 (Apr. 1, 2015 – Dec. 31, 2015)	First nine months of FY3/2017 (Apr. 1, 2016 – Dec. 31, 2016)
Sales	36,008,264	31,696,296
Cost of goods sold	23,787,347	19,546,459
Gross profit	12,220,916	12,149,836
Selling, general and administrative expenses	7,465,652	6,987,388
Operating income	4,755,264	5,162,448
Non-operating income		
Interests received	117,609	84,419
Dividends received	30,946	32,871
Gains on valuable resources recovery	30,427	40,016
Other non-operating income	110,238	68,001
Total non-operating income	289,221	225,309
Non-operating expenses		
Interest expense	27,412	19,460
Foreign exchange losses	259,133	140,008
Commission fee	11,565	9,917
Other non-operating expenses	16,189	16,886
Total non-operating expenses	314,300	186,273
Ordinary profit	4,730,185	5,201,484
Extraordinary income		
Gains on sales of fixed assets	45,844	2,244
Compensation income	153,876	-
Total extraordinary income	199,720	2,244
Extraordinary loss		
Loss on disposal and sales of fixed assets	4,058	7,710
Total extraordinary losses	4,058	7,710
Profit before income taxes	4,925,848	5,196,018
Income taxes-current	1,722,239	1,354,346
Income taxes-deferred	20,798	(138,009)
Total income taxes	1,743,038	1,216,336
Profit	3,182,810	3,979,682
Profit attributable to:		
Owners of parent	3,144,853	3,947,756
Non-controlling interests	37,956	31,925
Other comprehensive income		
Cumulative securities holding gain	106,544	72,546
Foreign currency translation adjustments	(1,329,457)	(4,375,954)
Remeasurements of defined benefit plans, net of tax	550	4,415
Total other comprehensive income	(1,222,362)	(4,298,992)
Comprehensive income	1,960,447	(319,310)
Comprehensive income attributable to:		
Owners of parent	1,949,672	(300,646)
Non-controlling interests	10,775	(18,664)

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

Not applicable.

Significant Changes in Shareholders' Equity

Following the resolution approved by its Board of Directors meeting held on September 9, 2016, the Company acquired 101,400 shares (497,114 thousand yen) of its treasury shares. Primarily from this acquisition, treasury shares increased 497,722 thousand yen during the period under review to 3,324,524 thousand yen as of the end of the period under review.

Segment and Other Information

Segment Information

I. First nine months of FY3/2016 (Apr. 1, 2015 – Dec. 31, 2015)

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	27,074,646	4,814,331	3,576,049	538,555	36,003,582	4,681	36,008,264	-	36,008,264
Intersegment sales and transfers	174,817	22,250	1,577	-	198,645	-	198,645	(198,645)	-
Total	27,249,463	4,836,581	3,577,626	538,555	36,202,227	4,681	36,206,909	(198,645)	36,008,264
Segment profit (loss)	5,115,538	(489,122)	(175,108)	300,195	4,751,503	3,760	4,755,264	-	4,755,264

- Notes: 1. The "Other" business segment represents activities that are not included in any of the four reportable segments, and its sales include loyalty revenues.
2. Total segment profit (loss) is equal to operating income shown on the consolidated statements of income and comprehensive income.

II. First nine months of FY3/2017 (Apr. 1, 2016 – Dec. 31, 2016)

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	23,397,342	4,153,865	3,602,832	534,379	31,688,419	7,877	31,696,296	-	31,696,296
Intersegment sales and transfers	78,956	168,164	504	-	247,625	-	247,625	(247,625)	-
Total	23,476,299	4,322,029	3,603,336	534,379	31,936,044	7,877	31,943,921	(247,625)	31,696,296
Segment profit (loss)	4,848,166	(23,450)	87,564	297,263	5,209,544	6,238	5,215,783	(53,334)	5,162,448

- Notes: 1. The "Other" business segment represents activities that are not included in any of the four reportable segments, and its sales include loyalty revenue.
2. Adjustment of segment profit (loss) includes elimination of inter-segment transactions.
3. Total segment profit (loss) is adjusted to be 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.