

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2016  
(Nine Months Ended December 31, 2015)**

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** 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 12, 2016  
 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, 2016 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results (April 1, 2015 – December 31, 2015)**

(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, 2015	36,008	6.2	4,755	(3.3)	4,730	(10.7)	3,144	8.2
Nine months ended Dec. 31, 2014	33,899	8.6	4,919	10.1	5,298	9.8	2,907	91.0

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: 1,960 (down 50.4%)  
 Nine months ended Dec. 31, 2014: 3,951 (up 0.1%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2015	345.44	-
Nine months ended Dec. 31, 2014	319.39	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	67,357	49,453	72.8	5,388.52
As of Mar. 31, 2015	69,679	49,392	69.3	5,306.44

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 49,056 As of Mar. 31, 2015: 48,309

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	0.00	-	100.00	100.00
Fiscal year ending Mar. 31, 2016	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2016 (forecast)	-	-	-	100.00	100.00

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

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)**

(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	54,640	18.1	7,840	21.4	8,020	15.5	4,980	31.4	547.02

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, 2015:	9,878,040 shares	As of Mar. 31, 2015:	9,878,040 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2015:	774,194 shares	As of Mar. 31, 2015:	774,191 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	9,103,846 shares	Nine months ended Dec. 31, 2014:	9,103,932 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.

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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 remained on track to modest recovery as corporate earnings and employment conditions improved thanks to the effect of the economic policy by the government and the monetary policy by the Bank of Japan. However, the future prospects for the economy remained uncertain with concern over downside risks to the world economy such as slowdown of the Chinese economy and falling crude oil prices.

In the electronic devices market, which is the Uyemura Group's main market area, the demand for smartphones continued to be strong enough to drive the market although the pace of growth slowed down slightly as the market adoption of smartphones largely had run its course.

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 for the first nine months amounted to 36,008 million yen (up 6.2% year-over-year), operating income 4,755 million yen (down 3.3% year-over-year), ordinary profit 4,730 million yen (down 10.7% year-over-year), and profit attributable to owners of parent 3,144 million yen (up 8.2% year-over-year).

Performance by business segment is shown as below.

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

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs for the first nine months increased year-over-year, due to the new demand for wearable terminals as well as continued strong demand for smartphones despite the weak sales of products for PCs. On the other hand, sales of non-ferrous metals, industrial chemicals and other merchandise decreased year-over-year. This was mainly due to a drop in market prices of nickel and cooper, and a downturn in the Chinese and other emerging economies.

Sales in the surface finishing materials business decreased 1.8% year-over-year to 27,249 million yen, and segment profit increased 2.7% to 5,115 million yen.

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

Sales increased year-over-year due to the improved environment for new contracts of machines as electronics component manufacturers home and abroad have taken a positive approach to capital investments. However, profits decreased year-over-year as a result of additional charges incurred due to a partial delay in acceptance inspection for prototyping machines that were built as an upfront investment to ensure the compatibility with the customers' next-generation models.

Sales in the surface finishing machinery business increased 52.1% year-over-year to 4,836 million yen, while there was a segment loss of 489 million yen (compared with a segment loss of 268 million yen in the same period of the previous fiscal year).

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

As the consolidated subsidiary in Thailand, which is our main manufacturing base in this segment, has started a plating job for polycarbonate ABS plastics—materials newly used for automobile components, initial costs has incurred to increase the production capacity. Furthermore, the consolidated subsidiary in Indonesia, which was adversely affected by the sluggish domestic production of automobiles, could not achieve the initially planned volume of production.

Sales in the plating job business increased 22.4% year-over-year to 3,577 million yen, while there was a segment loss of 175 million yen (compared with a segment loss of 29 million yen in the same period of the previous fiscal year).

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

We have achieved a year-over-year increase in both sales and segment profit due to an improvement in the occupancy rate of the office buildings and also an effort to reduce overhead costs.

Sales in the real estate rental business increased 1.4% year-over-year to 538 million yen, and segment profit increased 6.3% to 300 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 2,321 million yen from the end of the previous fiscal year to 67,357 million yen at the end of the third quarter of the current fiscal year. This was primarily attributable to a 751 million yen decrease in buildings and structures, net, a 470 million yen decrease in notes and accounts receivable-trade, a 320 million yen decrease in machinery and vehicles, net, and a 286 million yen decrease in merchandise and finished goods, which were partially offset by a 441 million yen increase in construction in progress and a 162 million yen increase in investment securities.

Total liabilities decreased 2,382 million yen from the end of the previous fiscal year to 17,904 million yen. This was primarily attributable to a 1,021 million yen decrease in notes and accounts payable-trade, a 657 million yen decrease in income taxes payable and a 294 million yen decrease in long-term loans payable, which were partially offset by a 186 million yen increase in deferred tax liabilities.

Total net assets increased 61 million yen from the end of the previous fiscal year to 49,453 million yen. This was primarily attributable to a 2,234 million yen increase in retained earnings and a 106 million yen increase in cumulative securities holding gain, which were partially offset by a 1,302 million yen decrease in foreign currency translation adjustments and a 686 million yen decrease in non-controlling interests.

As a result, equity ratio increased by 3.5 percentage points from 69.3% at the end of the previous fiscal year to 72.8%.

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

We maintain the full-year consolidated forecast that we announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2015” on May 15, 2015 as our performance is 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**

Not applicable.

**(4) Additional information**

Effective from the first quarter of the current fiscal year, the Company has applied the provisions set forth in Clause 39 of the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 22, September 13, 2013). In association with these changes, the presentation of net income and other items has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year have been revised.

**3. Important Information about Going Concern Assumption**

Not applicable.

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

(Thousands of yen)

	FY3/2015 (As of Mar. 31, 2015)	Third quarter of FY3/2016 (As of Dec. 31, 2015)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits with banks	26,660,261	26,429,205
Notes and accounts receivable-trade	12,795,700	12,325,391
Marketable securities	40,728	39,788
Merchandise and finished goods	2,217,019	1,930,204
Work in process	1,567,892	1,305,969
Raw materials and supplies	1,601,812	1,326,569
Deferred tax assets	648,810	751,994
Other current assets	2,778,319	2,426,250
Allowance for doubtful accounts	(53,181)	(53,986)
<b>Total current assets</b>	<b>48,257,362</b>	<b>46,481,387</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	20,448,929	20,116,982
Accumulated depreciation	(9,971,717)	(10,391,043)
Buildings and structures, net	10,477,211	9,725,938
Machinery and vehicles	9,122,082	8,999,198
Accumulated depreciation	(6,570,326)	(6,768,270)
Machinery and vehicles, net	2,551,756	2,230,928
Land	3,751,386	3,605,218
Lease assets	216,538	235,939
Accumulated depreciation	(130,535)	(106,435)
Lease assets, net	86,002	129,503
Construction in progress	488,671	930,021
Other tangible fixed assets	3,840,866	4,000,743
Accumulated depreciation	(2,866,697)	(3,039,380)
Other tangible fixed assets, net	974,169	961,363
<b>Total tangible fixed assets</b>	<b>18,329,199</b>	<b>17,582,973</b>
Intangible assets	394,764	425,617
<b>Investments and other assets</b>		
Investment securities	1,575,920	1,738,590
Net defined benefit asset	104,310	109,125
Deferred tax assets	77,710	85,137
Other investments and other assets	967,542	962,872
Allowance for doubtful accounts	(27,796)	(27,796)
<b>Total investments and other assets</b>	<b>2,697,687</b>	<b>2,867,930</b>
<b>Total fixed assets</b>	<b>21,421,651</b>	<b>20,876,521</b>
<b>Total assets</b>	<b>69,679,013</b>	<b>67,357,908</b>

	(Thousands of yen)	
	FY3/2015 (As of Mar. 31, 2015)	Third quarter of FY3/2016 (As of Dec. 31, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	2,461,631	1,440,535
Electronically recorded obligations-operating	3,630,403	3,336,394
Short-term loans payable	954,422	850,187
Current portion of long-term loans payable	392,838	412,221
Lease obligations	48,989	52,766
Income taxes payable	2,215,422	1,557,426
Accrued bonuses	146,384	50,311
Allowance for directors' bonuses	119,600	89,700
Other current liabilities	4,414,390	4,244,520
<b>Total current liabilities</b>	<b>14,384,082</b>	<b>12,034,063</b>
<b>Long-term liabilities</b>		
Long-term loans payable	846,782	552,629
Lease obligations	92,273	125,390
Deferred tax liabilities	3,714,496	3,900,667
Allowance for directors' retirement benefits	166,387	162,070
Net defined benefit liability	419,559	475,553
Long-term guarantee deposit	578,463	566,957
Other long-term liabilities	84,718	87,240
<b>Total long-term liabilities</b>	<b>5,902,679</b>	<b>5,870,510</b>
<b>Total liabilities</b>	<b>20,286,762</b>	<b>17,904,573</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,336,936	1,336,936
Capital surplus	1,613,659	1,321,581
Retained earnings	42,462,559	44,697,028
Treasury shares	(2,826,784)	(2,826,802)
<b>Total shareholders' equity</b>	<b>42,586,371</b>	<b>44,528,743</b>
<b>Accumulated other comprehensive income</b>		
Cumulative securities holding gain	695,369	801,914
Foreign currency translation adjustments	5,027,244	3,724,968
Remeasurements of defined benefit plans	71	622
<b>Total accumulated other comprehensive income</b>	<b>5,722,686</b>	<b>4,527,505</b>
<b>Non-controlling interests</b>	<b>1,083,194</b>	<b>397,086</b>
<b>Total net assets</b>	<b>49,392,251</b>	<b>49,453,335</b>
<b>Total liabilities and net assets</b>	<b>69,679,013</b>	<b>67,357,908</b>

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

(Thousands of yen)

	First nine months of FY3/2015 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/2016 (Apr. 1, 2015 – Dec. 31, 2015)
Sales	33,899,173	36,008,264
Cost of goods sold	22,232,490	23,787,347
Gross profit	11,666,683	12,220,916
Selling, general and administrative expenses	6,747,099	7,465,652
Operating income	4,919,583	4,755,264
Non-operating income		
Interests received	106,337	117,609
Dividends received	28,626	30,946
Exchange gains	189,143	-
Gains on valuable resources recovery	31,897	30,427
Other non-operating income	73,300	110,238
Total non-operating income	429,305	289,221
Non-operating expenses		
Interest expense	31,734	27,412
Foreign exchange losses	-	259,133
Commission fee	10,307	11,565
Other non-operating expenses	8,474	16,189
Total non-operating expenses	50,516	314,300
Ordinary profit	5,298,372	4,730,185
Extraordinary income		
Gains on sales of fixed assets	16,467	45,844
Compensation received	-	153,876
Total extraordinary income	16,467	199,720
Extraordinary loss		
Loss on disposal and sales of fixed assets	8,156	4,058
Total extraordinary losses	8,156	4,058
Income before income taxes and non-controlling interests	5,306,684	4,925,848
Income taxes-current	1,944,238	1,722,239
Income taxes-deferred	372,375	20,798
Total income taxes	2,316,613	1,743,038
Profit	2,990,070	3,182,810
Profit attributable to:		
Owners of parent	2,907,709	3,144,853
Non-controlling interests	82,360	37,956
Other comprehensive income		
Cumulative securities holding gain	148,205	106,544
Foreign currency translation adjustments	807,420	(1,329,457)
Remeasurements of defined benefit plans, net of tax	5,827	550
Total other comprehensive income	961,453	(1,222,362)
Comprehensive income	3,951,523	1,960,447
Comprehensive income attributable to:		
Owners of parent	3,841,584	1,949,672
Non-controlling interests	109,939	10,775

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Effective August 27 2015, we acquired additional shares of Sum Hitech Co., Ltd., one of the Company's consolidated subsidiary. As a result, there was a decrease of 291,841 thousand yen in capital surplus in the first nine months of the current fiscal year.

**Segment and Other Information****Segment Information**

I. First nine months of FY3/2015 (Apr. 1, 2014 – Dec. 31, 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	27,599,438	2,842,601	2,920,697	531,177	33,893,914	5,258	33,899,173	-	33,899,173
Intersegment sales and transfers	144,821	337,915	1,183	-	483,921	-	483,921	(483,921)	-
Total	27,744,259	3,180,517	2,921,881	531,177	34,377,836	5,258	34,383,095	(483,921)	33,899,173
Segment profit (loss)	4,981,347	(268,553)	(29,302)	282,475	4,965,967	4,385	4,970,352	(50,769)	4,919,583

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) includes elimination of inter-segment transactions.

3. Total segment profit (loss) is adjusted with operating income shown on the consolidated statements of income and comprehensive income.

II. 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 (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	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 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.

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.