

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2013
(Three Months Ended June 30, 2012)

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** Listing: Second Section of the Osaka Securities Exchange
 Stock code: 4966 URL: <http://www.uyemura.co.jp>
 Representative: Hiroya Uyemura, President
 Contact: Yoshitsugu Katayama, Managing Director and Head of Corporate Management Division
 Telephone: +81-6-6202-8518

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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 10, 2012 at 15:30 (GMT +9).

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

1. Consolidated Financial Results (Apr. 1, 2012 – Jun. 30, 2012)

(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, 2012	8,834	(16.4)	767	(46.7)	829	(43.0)	765	(12.8)
Three months ended Jun. 30, 2011	10,571	8.6	1,441	7.3	1,453	11.1	877	3.5

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2012: 2,040 (up 69.3%)
 Three months ended Jun. 30, 2011: 1,205 (down 0.3%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2012	84.05	-
Three months ended Jun. 30, 2011	93.62	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2012	47,228	35,163	70.8
As of Mar. 31, 2012	46,087	33,663	69.7

Reference: Shareholders' equity (million yen) As of Jun. 30, 2012: 33,434 As of Mar. 31, 2012: 32,125

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2012	-	0.00	-	55.00	55.00
Fiscal year ending Mar. 31, 2013	-				
Fiscal year ending Mar. 31, 2013 (forecast)		0.00	-	55.00	55.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(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	21,480	6.4	3,000	14.5	3,040	16.8	2,050	40.5	220.79
Full year	42,740	6.2	5,730	19.6	5,780	18.0	3,480	54.0	374.81

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: None

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Subject to Article 10-5 of "Regulations Concerning Terminology, Format, and Preparation Methods for Quarterly Consolidated Financial Statements." 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, 2012:	9,878,040 shares	As of Mar. 31, 2012:	9,878,040 shares
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2) Number of treasury stock shares at the end of period

As of Jun. 30, 2012:	773,815 shares	As of Mar. 31, 2012:	773,720 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2012:	9,104,225 shares	Three months ended Jun. 30, 2011:	9,368,677 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 "Qualitative Information Regarding Consolidated Forecast" on page 3 of the attachments.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

Although the Japanese economy for the first quarter of the fiscal year under review returned to a moderate recovery, which was supported by fully fledged reconstruction demand after the earthquake disaster and solid consumer spending, its future prospects still remained uncertain due to factors such as prolonged appreciation of the yen and concerns over the global economic slowdown stemmed from the European debt problem.

Looking at the world economy, the US and some other economies are showing solid signs of recovery despite its strength being rather weak while Europe is facing a fiscal crisis and China, as well as other emerging countries, is showing a noticeable economic slowdown. Overall, the global business climate still remains uncertain. In the electronic devices market, which is the Group's main market area, demand for smartphones and tablet terminals grew but that for PCs, liquid crystal display TVs and other digital home appliances stayed sluggish due to a global economic slowdown and a prolonged inventory adjustment.

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 current fiscal year were 8,834 million yen (down 16.4% year-over-year), operating income 767 million yen (down 46.7%), ordinary profit 829 million yen (down 43.0%), and net income 765 million yen (down 12.8%).

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

1) Surface finishing materials business

Although the domestic economy showed a trend of modest recovery, its future prospects still remained uncertain given the situation including sluggish overseas economies and financial instability caused by the European debt crisis as well as prolonged appreciation of the yen. Looking at the situation overseas, the world economy remained sluggish due to downturn in the European economy, coupled with slowdown in the economies of China and other emerging economies. While there remained to be a solid demand of the mainstay plating chemicals for printed wire boards (PWBs) for smartphones and tablet terminals, earnings came under severe pressure due to poor PC sales and intensifying competition in the emerging markets. Sales of plating chemicals for hard disks declined substantially due to weakness in PC demand and the impact of the Thai floods. The floods also caused sales of conventional electroless nickel and other plating chemicals to fall over the previous fiscal year.

As a result, sales in the surface finishing materials business decreased 3.0% year-over-year to 7,641 million yen, and operating income decreased 10.5% to 913 million yen.

2) Surface finishing machinery business

In the domestic market, manufacturers took an even more prudent approach to capital investment as the future business prospects remained uncertain. In China, there still was a trend to curb investment in capital assets including infrastructure primarily due to the government's tight monetary policy. Reflecting this trend, we continued to be in a difficult order environment where the customer interest in our hard chrome plating equipment had been waned due to sluggish demand of construction machinery.

As a result, sales in the surface finishing machinery business decreased 60.8% year-over-year to 685 million yen, while there was an operating loss of 62 million yen (an operating income of 174 million yen in the same period previous fiscal year).

3) Plating job business

The consolidated subsidiary in Thailand, which is our main manufacturing base, was affected by a shutdown of its operations because the factory was submerged in floodwaters. The factory completed the recovery work and smoothly resumed its operations in February this year and is now under normal operation.

As a result, sales in the plating job business decreased 51.1% year-over-year to 383 million yen, and there was an operating loss of 193 million yen (an operating income of 142 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, sales were nearly flat year-over-year. However, operating income showed an increase thanks to a reduction in overhead expenses.

As a result, sales in the real estate rental business decreased 0.9% year-over-year to 188 million yen, and operating income increased 8.8% to 108 million yen.

Please note that internal sales and transfers generated between segments are included in the above results for segment.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets increased 1,141 million yen from the end of the previous fiscal year to 47,228 million yen at the end of the first quarter of the current fiscal year. This was primarily attributable to a 1,450 million yen increase in construction in progress and a 490 million yen increase in work in process. On the other hand, we posted a 1,674 million yen decrease in cash and deposits with banks and a 148 million yen decrease in merchandise and finished goods.

Liabilities decreased 358 million yen to 12,065 million yen. This was primarily attributable to a 262 million yen increase in long-term loans payable and a 235 million yen increase in deferred tax liabilities (non-current). On the other hand, we posted a 340 million yen decrease in notes and accounts payable-trade and a 545 million yen decrease in income taxes payable.

Net assets increased 1,499 million yen to 35,163 million yen. This was primarily attributable to a 264 million yen increase in retained earnings and a 1,107 million yen increase in foreign currency translation adjustments. On the other hand, we posted a 63 million yen decrease in cumulative securities holding gain.

As a result, equity ratio increased by 1.1 percentage points from 69.7% at the end of the previous fiscal year, to 70.8%.

(3) Qualitative Information Regarding Consolidated Forecast

We maintain consolidated forecast we announced on May 15, 2012.

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 that are difficult to distinguish from changes in accounting-based estimates

Following tax law revisions, from the first quarter of the current fiscal year, the Company and its domestic consolidated subsidiary have changed the method of depreciation of tangible fixed assets (excluding buildings except attached structures) acquired on or after April 1, 2012 in line with methods prescribed in the revised Corporation Tax Law.

The effect of this change on operating income, ordinary profit and net income before income taxes and minority interests for the first quarter of the current fiscal year is insignificant.

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

	(Thousands of yen)	
	FY3/2012 (As of Mar. 31, 2012)	First quarter of FY3/2013 (As of Jun. 30, 2012)
Assets		
Current assets		
Cash and deposits with banks	17,319,179	15,645,075
Notes and accounts receivable-trade	9,820,377	9,731,052
Marketable securities	20,837	24,120
Merchandise and finished goods	1,622,050	1,473,661
Work in process	742,215	1,232,358
Raw materials and supplies	987,358	975,095
Deferred tax assets	265,460	184,248
Other current assets	572,408	1,403,348
Allowance for doubtful accounts	(32,601)	(36,258)
Total current assets	31,317,286	30,632,701
Fixed assets		
Tangible fixed assets		
Buildings and structures	14,677,863	15,063,608
Accumulated depreciation	(7,808,075)	(7,998,120)
Buildings and structures, net	6,869,788	7,065,487
Machinery and vehicles	5,660,168	6,122,654
Accumulated depreciation	(4,518,984)	(4,681,522)
Machinery and vehicles, net	1,141,183	1,441,132
Land	2,876,216	2,956,113
Lease assets	192,721	192,721
Accumulated depreciation	(27,298)	(36,437)
Lease assets, net	165,423	156,283
Construction in progress	1,125,160	2,575,557
Other tangible fixed assets	3,034,186	3,116,730
Accumulated depreciation	(2,461,774)	(2,534,049)
Other tangible fixed assets, net	572,412	582,680
Total tangible fixed assets	12,750,184	14,777,255
Intangible assets	176,852	171,485
Investments and other assets		
Investment securities	768,107	668,682
Long-term loans receivable	25,121	25,777
Deferred tax assets	80,357	81,104
Long-term deposits with banks	600,000	500,000
Other investments and other assets	399,079	400,571
Allowance for doubtful accounts	(29,717)	(28,992)
Total investments and other assets	1,842,948	1,647,143
Total fixed assets	14,769,986	16,595,883
Total assets	46,087,272	47,228,585

	(Thousands of yen)	
	FY3/2012 (As of Mar. 31, 2012)	First quarter of FY3/2013 (As of Jun. 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,760,345	4,420,234
Short-term loans payable	749,770	738,218
Current portion of long-term loans payable	310,716	141,317
Lease obligations	34,819	34,653
Income taxes payable	860,475	314,630
Accrued bonuses	141,174	65,253
Allowance for directors' bonuses	86,000	21,500
Notes payable-facilities	115	32,461
Deferred tax liabilities	2,487	56,174
Other current liabilities	1,973,850	2,224,477
Total current liabilities	8,919,755	8,048,922
Long-term liabilities		
Long-term loans payable	408,003	670,151
Long-term guarantee deposit	591,839	584,939
Lease obligations	130,603	121,981
Deferred tax liabilities	1,934,411	2,169,683
Allowance for employees' retirement benefits	241,648	263,647
Allowance for directors' retirement benefits	147,337	150,674
Negative goodwill	6,913	6,337
Other long-term liabilities	43,384	49,107
Total long-term liabilities	3,504,142	4,016,522
Total liabilities	12,423,898	12,065,444
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,644,653	1,644,653
Retained earnings	35,758,167	36,022,682
Treasury stock	(2,824,876)	(2,825,173)
Total shareholders' equity	35,914,881	36,179,099
Accumulated other comprehensive income		
Cumulative securities holding gain	218,577	154,834
Foreign currency translation adjustments	(4,007,494)	(2,899,647)
Total accumulated other comprehensive incomes	(3,788,916)	(2,744,813)
Minority interests	1,537,410	1,728,854
Total net assets	33,663,374	35,163,140
Total liabilities and net assets	46,087,272	47,228,585

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

(Thousands of yen)

	First three months of FY3/2012 (Apr. 1, 2011 – Jun. 30, 2011)	First three months of FY3/2013 (Apr. 1, 2012 – Jun. 30, 2012)
Sales	10,571,141	8,834,105
Cost of goods sold	7,334,456	6,185,692
Gross profit	3,236,684	2,648,412
Selling, general and administrative expenses	1,794,993	1,880,597
Operating income	1,441,691	767,814
Non-operating income		
Interests received	19,206	27,742
Dividends received	8,270	8,243
Exchange gains	-	4,764
Gains on valuable resources recovery	10,963	6,772
Other non-operating income	11,683	33,384
Total non-operating income	50,123	80,908
Non-operating expenses		
Interest expense	8,451	10,714
Sales discounts	1,720	1,289
Exchange losses	23,195	-
Other non-operating expenses	5,269	7,699
Total non-operating expenses	38,637	19,702
Ordinary profit	1,453,177	829,020
Extraordinary income		
Gains on sales of fixed assets	771	15
Insurance income	-	1,038,933
Total extraordinary income	771	1,038,948
Extraordinary loss		
Losses on disposal and sales of fixed assets	21,048	4,053
Loss on disaster	-	391,773
Losses on valuation of investment securities	-	2,055
Total extraordinary losses	21,048	397,882
Net income before income taxes and minority interests	1,432,901	1,470,086
Income taxes-current	217,406	184,314
Income taxes-deferred	266,703	410,121
Total income taxes	484,109	594,435
Income before minority interests	948,791	875,650
Minority interests in income	71,708	110,397
Net income	877,083	765,252
Minority interests in income	71,708	110,397
Income before minority interests	948,791	875,650
Other comprehensive income		
Cumulative securities holding gain	(54,797)	(63,742)
Foreign currency translation adjustments	311,355	1,228,883
Total other comprehensive income	256,558	1,165,140
Comprehensive income	1,205,350	2,040,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,101,828	1,809,356
Comprehensive income attributable to minority interests	103,522	231,434

(3) Going Concern Assumption

Not applicable.

(4) Significant Changes in Shareholders' Equity

Not applicable.

(5) Segment and Other Information

I. First three months of FY3/2012 (Apr. 1, 2011 – Jun. 30, 2011)

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	7,846,883	1,745,950	783,329	189,819	10,565,983	5,158	10,571,141	-	10,571,141
Intersegment sales and transfers	34,653	1,019	-	-	35,672	-	35,672	(35,672)	-
Total	7,881,537	1,746,969	783,329	189,819	10,601,656	5,158	10,606,814	(35,672)	10,571,141
Segment profit	1,020,371	174,704	142,458	99,805	1,437,339	4,351	1,441,691	-	1,441,691

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

2. Segment profit is adjusted to be 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 three months of FY3/2013 (Apr. 1, 2012 – Jun. 30, 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	7,611,188	662,848	370,974	188,112	8,833,123	981	8,834,105	-	8,834,105
Intersegment sales and transfers	30,474	22,464	12,045	-	64,984	-	64,984	(64,984)	-
Total	7,641,662	685,313	383,019	188,112	8,898,108	981	8,899,089	(64,984)	8,834,105
Segment profit (loss)	913,491	(62,123)	(193,005)	108,631	766,993	821	767,814	-	767,814

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

2. Segment profit (loss) is adjusted to be 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.