

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2013**
**[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>  
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Scheduled date of annual general meeting of shareholders: June 27, 2013  
 Scheduled date of filing of annual securities report: June 27, 2013  
 Starting date of dividend payment: June 28, 2013  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 14, 2013 at 13:20 (GMT +9).

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

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)**

(1) Results of operations (Percentages for sales and incomes represent year-over-year changes)

	Sales		Operating income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2013	37,905	(5.9)	4,310	(10.0)	4,627	(5.6)	2,875	27.3
Fiscal year ended Mar. 31, 2012	40,263	0.8	4,792	(17.6)	4,900	(13.7)	2,259	(39.6)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2013: 5,789 (up 288.6%)

Fiscal year ended Mar. 31, 2012: 1,490 (down 54.0%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2013	315.85	-	8.3	9.4	11.4
Fiscal year ended Mar. 31, 2012	243.35	-	7.0	10.7	11.9

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Mar. 31, 2013: - Mar. 31, 2012: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	52,348	38,157	70.8	4,068.54
As of Mar. 31, 2012	46,087	33,663	69.7	3,528.65

Reference: Shareholders' equity (million yen) As of Mar. 31, 2013: 37,040 As of Mar. 31, 2012: 32,125

(3) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	operating activities	investing activities	financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2013	4,007	(4,920)	(783)	13,344
Fiscal year ended Mar. 31, 2012	4,228	(2,332)	(983)	14,350

**2. Dividends**

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2012	-	0.00	-	55.00	55.00	500	22.6	1.6
Fiscal year ended Mar. 31, 2013	-	0.00	-	55.00	55.00	500	17.4	1.4
Fiscal year ending Mar. 31, 2014 (forecast)	-	0.00	-	90.00	90.00		23.9	

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)**

(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	23,310	26.7	2,860	49.7	2,900	47.6	1,910	22.3	209.79
Full year	45,890	21.1	5,660	31.3	5,740	24.0	3,430	19.3	376.75

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 1 (PT. Uyemura Indonesia) Excluded: -

Note: Please refer to “4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Basis for Presentation of the Consolidated Financial Statements), 1. Scope of consolidation” on page 17 of the attachments for further information.

(2) 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 14-7 (Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates) of “Regulations Concerning Terminology, Format, and Preparation Methods for Consolidated Financial Statements.” Please refer to “4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 19 of the attachments for further information.

(3) Number of shares outstanding (common stock)

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

As of Mar. 31, 2013: 9,878,040 shares As of Mar. 31, 2012: 9,878,040 shares

2) Number of treasury stock shares at the end of period

As of Mar. 31, 2013: 773,901 shares As of Mar. 31, 2012: 773,720 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2013: 9,104,190 shares Fiscal year ended Mar. 31, 2012: 9,284,643 shares

**(Reference) Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)**

(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	%
Fiscal year ended Mar. 31, 2013	22,547	(11.3)	2,485	(7.1)	3,687	3.3	2,569	12.7
Fiscal year ended Mar. 31, 2012	25,422	(1.4)	2,675	(9.8)	3,570	(3.1)	2,279	(18.3)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2013	282.20	-
Fiscal year ended Mar. 31, 2012	245.56	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	33,165	25,094	75.7	2,756.38
As of Mar. 31, 2012	29,312	22,988	78.4	2,525.05

Reference: Shareholders' equity (million yen) As of Mar. 31, 2013: 25,094 As of Mar. 31, 2012: 22,988

**\*Indication of audit procedure implementation status**

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. It is under the audit procedure process at the time of disclosure of this report.

**\* 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. Analysis of Business Performance and Financial Position, (1) Analysis of Business Performance” on page 2 of the attachments.

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## **1. Analysis of Business Performance and Financial Position**

### **(1) Analysis of Business Performance**

#### **Results Overview**

##### **1. Overall results**

The Japanese economy during the fiscal year under review saw signs of the economic recovery as it progressed steadily on the path to moderate recovery on the back of reconstruction demand after the earthquake disaster and solid private consumption, and the expectation of positive effects of the monetary easing and the stimulus package implemented since December last year by the new government caused the stock prices to boost and the exchange rate to shift towards a weaker yen. However, the economic prospects still remain uncertain as it is expected to take some more time for the real economy to fully turn around and there ongoing concerns over the fiscal crisis in Europe and the slowdown of growth of the emerging economies.

In the electronic devices market, which is the Group's main market area, demands for smartphones and tablet terminals grew but that for PCs, flat-screen 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 current fiscal year amounted to 37,905 million yen (down 5.9% year-over-year), operating income 4,310 million yen (down 10.0%), ordinary profit 4,627 million yen (down 5.6%), and net income 2,875 million yen (up 27.3%).

Performance by business segment is shown as below.

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

As for the mainstay plating chemicals for printed wiring boards (PWBs), the shipment for PC-related electronic components dropped year over year due to the prolonged sluggish demand for PCs. While the shipment for smartphones and tablet terminals remained solid during the first half of the current fiscal period, it showed a rather disappointing growth during the second half due to the production adjustment of the smartphone suppliers.

Sales of plating chemicals for hard disks declined substantially due to weakness in PC demand. Sales of industrial chemicals and non-ferrous metals decreased due to a drop in LME nickel prices.

As a result, sales in the surface finishing materials business decreased 4.9% year-over-year to 30,364 million yen, and operating income decreased 7.6% to 3,974 million yen.

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

Overseas, we received strong inquiries from the customers overseas including those on the hard chrome plating equipment for motorcycle components in the ASEAN countries and on the alumite treatment equipment for automobile components in China. Meanwhile, the overall order receiving environment in Japan remained challenging as we saw our domestic customers are shifting their manufacturing activities abroad or reducing the production volume given the continued uncertainty over the domestic economic outlook.

As a result, sales in the surface finishing machinery business decreased 14.1% year-over-year to 4,641 million yen, while there was an operating loss of 58 million yen (an operating loss of 132 million yen in the same period previous fiscal year).

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

Although the consolidated subsidiary in Thailand, which is our main manufacturing base, its manufacturing operations have now recovered thanks to strong automobile sales in this country, sales as well as operating income for the fiscal year under review fell year-over-year due to the effect of the disruption at its flood-hit factory during the first quarter

of the subsidiary's fiscal year (from January to March 2012).

As a result, sales in the plating job business decreased 0.4% year-over-year to 2,501 million yen, and there was an operating loss of 7 million yen (an operating income of 212 million yen in the previous fiscal year).

#### 4) Real estate rental business

Due to a decline in the occupancy rate and rents of the office buildings, sales and operating income decreased year-over-year.

As a result, sales in the real estate rental business decreased 4.0% year-over-year to 723 million yen, and operating income decreased 0.7% to 396 million yen.

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

#### Forecast for the next fiscal year

Regarding the forecast for the next fiscal year, the Japanese economy is expected to bounce back thanks to the stimulus package by the new government and the audacious monetary policy by the Bank of Japan. However, we are not overly optimistic about the future prospects as we are still unable to see a clear path to the full-fledged turnaround that leads to more vigorous business activities and an increase in capital investments and employees' income and also there is a concern over the downside risks for the world economy.

In the electronic devices market which is relevant to the Group's business activities, despite the continued sluggish demand for PCs, we can assume a solid increase in demand for smartphones and tablet terminals as those markets are expected to sustain high growth.

In response, Uyemura will aim for continued growth in the 21st century. We will optimize the collective strength of our group in order to get well-prepared to take immediate proactive measures in response to business globalization, and we will improve our competitive position by emphasizing innovation at the factory level.

We will proactively engage in marketing and technological development by strengthening development and sales capabilities for the plating chemicals which are used in the semiconductor and car electronics industries and also for those which meet environmental regulations, and at the same time by establishing the machinery business that can deliver new functions to the customers and win the competition for lower cost.

By taking these measures, we forecast sales of 45,890 million yen (an increase of 21.1% year-over-year), operating income of 5,660 million yen (an increase of 31.3%), ordinary profit of 5,740 million yen (an increase of 24.0%), and net income of 3,430 million yen (an increase of 19.3%) for the fiscal year ending March 31, 2014.

## (2) Analysis of Financial Position

Analysis of assets, liabilities, net assets and cash flows

Consolidated financial position

	As of Mar. 31, 2012	As of Mar. 31, 2013	Differences
Total assets (thousands of yen)	46,087,272	52,348,261	6,260,988
Net assets (thousands of yen)	33,663,374	38,157,496	4,494,121
Equity ratio (%)	69.7	70.8	1.1
Net assets per share (yen)	3,528.65	4,068.54	539.89

(Thousands of yen)

	FY3/2012	FY3/2013	Differences
Net cash provided by operating activities	4,228,943	4,007,485	(221,457)
Net cash used in investing activities	(2,332,779)	(4,920,470)	(2,587,691)
Net cash used in financing activities	(983,303)	(783,316)	199,986
Effect of exchange rate changes on cash and cash equivalents	(309,754)	690,486	1,000,240
Increase (decrease) in cash and cash equivalents	603,106	(1,005,815)	(1,608,921)
Cash and cash equivalents at the end of period	14,350,437	13,344,622	(1,005,815)

## 1) Balance sheet position

Total assets increased 6,260 million yen from the end of the previous fiscal year to 52,348 million yen at the end of the current fiscal year. This was primarily attributable to a 2,534 million yen increase in buildings and structures, net, a 1,200 million yen increase in notes and accounts receivable-trade, a 1,005 million yen increase in other current assets resulting from an 834 million yen increase in advance payments-trade and a 743 million yen increase in cash and deposits with banks. On the other hand, we posted an 855 million yen decrease in construction in progress and a 600 million yen decrease in long-term deposits with banks.

Liabilities increased 1,766 million yen to 14,190 million yen. This was primarily attributable to an 883 million yen increase in other current liabilities resulting from a 661 million yen increase in advances received, a 441 million yen increase in deferred tax liabilities (non-current) and a 209 million yen increase in notes and accounts payable-trade. On the other hand, we posted a 124 million yen decrease in current portion of long-term loans payable.

Net assets increased 4,494 million yen to 38,157 million yen. This was primarily attributable to a 2,374 million yen increase in retained earnings and a 2,499 million yen increase in foreign currency translation adjustments. On the other hand, we posted a 420 million yen decrease in minority interests.

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

## 2) Cash flows

Cash and cash equivalents at the end of the current fiscal year decreased 1,005 million yen from the end of the previous fiscal year to 13,344 million yen.

A summary of cash flows is as follows:

## (Cash flows from operating activities)

Net cash provided by operating activities was 4,007 million yen (4,228 million yen in the previous fiscal year). Positive factors included net income before income taxes and minority interests of 5,136 million yen, and depreciation and amortization of 1,258 million yen, while negative factors included a 546 million yen increase in notes and accounts receivable, and income taxes paid of 1,711 million yen.

## (Cash flows from investing activities)

Net cash used in investing activities was 4,920 million yen (2,332 million yen in the previous fiscal year). Positive factors included 600 million yen in proceeds from withdrawal of long-term deposits with banks, while negative factors included 1,507 million yen in payments into time deposits and 3,620 million yen in payment for acquisition of fixed assets.

## (Cash flows from financing activities)

Net cash used in financing activities was 783 million yen (983 million yen in the previous fiscal year). Positive factors included 300 million yen in proceeds from long-term loans payable, while negative factors included 344 million yen in repayment for long-term loans payable and cash dividends paid of 500 million yen.

The following table illustrates the movements of cash flow-related indicators

	FY3/2009	FY3/2010	FY3/2011	FY3/2012	FY3/2013
Shareholders' equity ratio (%)	69.8	69.2	70.0	69.7	70.8
Shareholders' equity ratio based on market prices (%)	41.2	83.3	80.9	64.0	60.9
Cash flows to debt ratio (years)	0.2	0.3	0.3	0.3	0.4
Interest coverage ratio (x)	110.3	84.2	135.4	109.4	110.0

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. These indicators are calculated on a consolidated basis.
2. Market capitalization: Closing price of stock on the balance sheet date x Number of shares outstanding (deduction treasury stock) on the balance sheet date.
3. Net cash provided by operating activities on the consolidated statements of cash flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest. Interests paid on the consolidated statements of cash flows are used as interest payments.

### **(3) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years**

As we recognize profit distribution to our shareholders as an important management issue, we will continue stable payment of dividends with the amount linked to operating results as our basic policy while striving to establish a solid management foundation and to increase return on equity.

In accordance with the policy above, we plan to pay a year-end dividend of 55 yen per share for the current fiscal year in line with initial plan.

Regarding the dividend policy that governs the next fiscal year onwards, we have set the medium to long-term dividend payout target of 25% on a consolidated basis after considering various financial ratios in a comprehensive manner. While at this moment we plan to pay a regular dividend of 90 yen per share for the next fiscal year based on the earnings forecast, the final decision will be made based on an overall consideration of financial position and operating results.

### **(4) Business Risks**

We list below those risks that could impact our group's business development. Note that future risks are based on management's judgment as of the end of the fiscal year under review.

#### 1) Technological innovation

Our group's products are constantly affected by technological innovation in demand industries. A reduction in the weight of surface finishing processes due to the development of new technologies, the adoption of new production methods, or the emergence of new competing products, could decrease demand for our group's products.

#### 2) Securing a stable supply of rare raw materials

Some of our group's products use rare raw materials to maintain an advantage over competitors. Our group's competitiveness would be impacted if production of these rare raw materials were to be halted due to a change in strategy at raw materials makers, or legal restrictions, and we were unable to find suitable substitutes.

#### 3) Restrictions on certain raw materials use

The raw materials used in our products, or plating film applications using our group's products, may be restricted by some companies or the government for environmental reasons. This would impact our product sales.

#### 4) Surging materials prices

The prices of all kinds of materials, including raw materials, continue to rise due in large part to growth of the Chinese economy. We may not be able to increase prices to fully match sharp or long-term rises in the prices of mainstay raw materials used in our mainstay products, and this would impact the profitability of these products.

#### 5) Foreign exchange rate fluctuation

Some of our group's transactions, and assets and liabilities, are denominated in foreign currencies. Foreign exchange rate volatility could adversely impact our group's earnings. We are trying to minimize foreign exchange risks by using forward foreign exchange contracts. However, it is not possible to completely eliminate foreign exchange risks.

## 2. Corporate Group

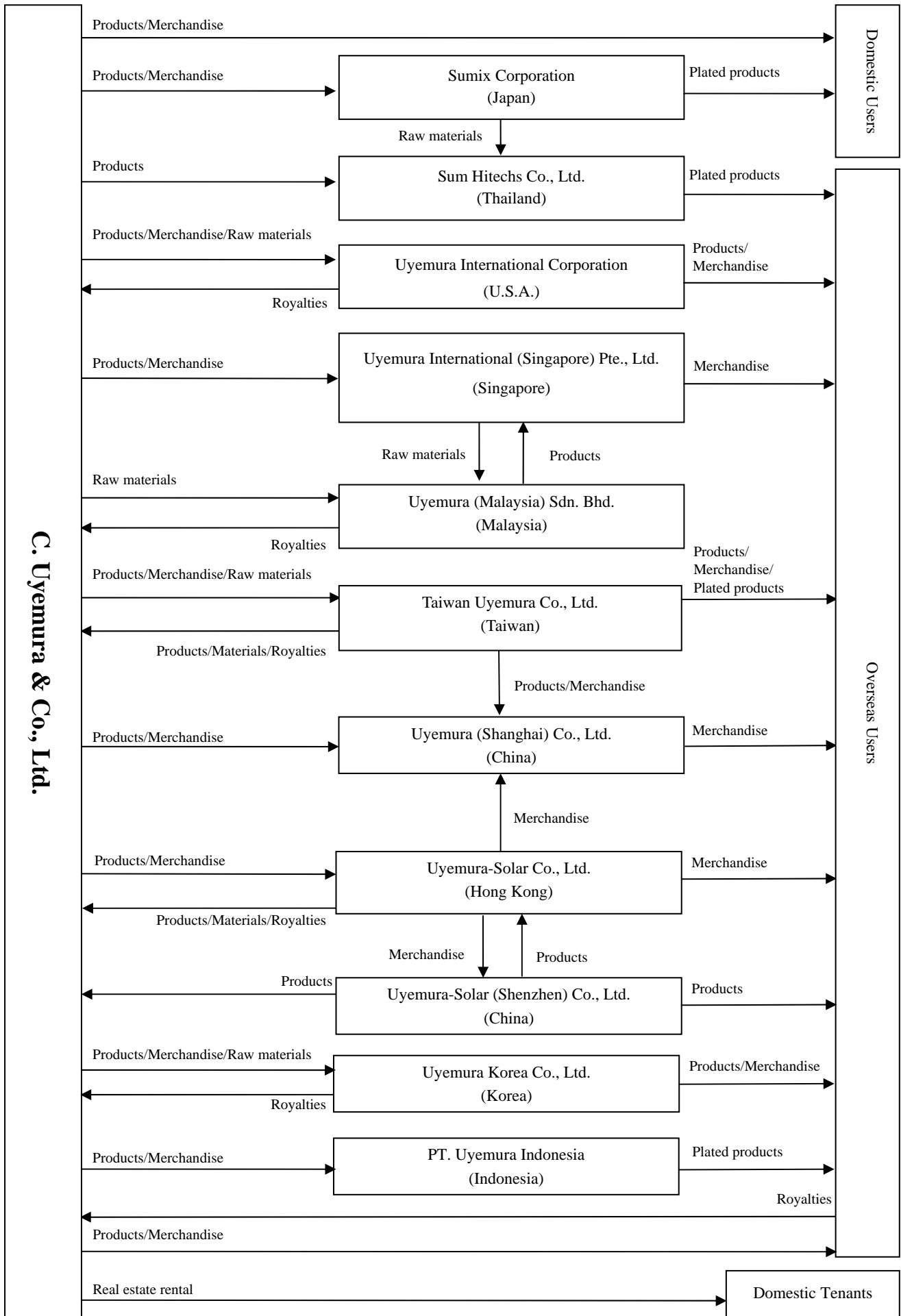
Our group consists of C. Uyemura & Co., Ltd. and 11 subsidiaries which are engaged primarily in the surface finishing materials business (manufacture and marketing of plating chemicals; procurement and marketing of industrial chemicals and non-ferrous metals), the surface finishing machinery business (manufacture and marketing of surface finishing machinery as well as procurement and marketing of surface finishing machinery), the plating job business, and the real estate rental business.

The nature of each business, the positioning of our company and related companies in each particular business, and segmentation of business by category are as follows.

Category	Major products and merchandise	Companies
Surface finishing materials business	Plating chemicals for PWBs (printed wiring boards), plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals, and others	C. Uyemura & Co., Ltd. Uyemura International Corporation Uyemura International (Singapore) Pte., Ltd. Taiwan Uyemura Co., Ltd. Uyemura (Malaysia) Sdn. Bhd. Uyemura-Solar Co., Ltd. Uyemura-Solar (Shenzhen) Co., Ltd. Uyemura (Shanghai) Co., Ltd. Uyemura Korea Co., Ltd. PT. Uyemura Indonesia  (Total 10 companies)
Surface finishing machinery business	Plating machinery for PWBs, plating machinery for aluminum magnetic disks, and others	C. Uyemura & Co., Ltd. Uyemura International Corporation Uyemura International (Singapore) Pte., Ltd. Taiwan Uyemura Co., Ltd. Uyemura-Solar Co., Ltd. Uyemura-Solar (Shenzhen) Co., Ltd. Uyemura (Shanghai) Co., Ltd.  (Total 7 companies)
Plating job business	Plastic plating services and PWB plating services	Sumix Corporation Sum Hitech Co., Ltd. Taiwan Uyemura Co., Ltd. PT. Uyemura Indonesia  (Total 4 companies)
Real estate rental business	Rental of office buildings and apartment houses	C. Uyemura & Co., Ltd.  (Total 1 company)

The following chart depicts in visual form the business relationships outlined in the table above.





### **3. Management Policies**

#### **(1) Fundamental Management Policies**

Our group aims to grow along with customers, and this is reflected in our slogan “Growing together with U,” which also emphasizes our intent to carry out a coordinated business strategy on a consolidated basis. To achieve this goal, we aim to leverage the comprehensive strength of our group by establishing a corporate structure that enables us to swiftly and efficiently meet our customers’ needs, and we provide total solutions both hard and soft through development of surface finishing technologies for the latest technology applications. Furthermore, through transparent management, it is an important policy of ours to contribute to society and return profits to shareholders.

#### **(2) Management Benchmarks**

Our group will strive to make further efforts to build a globally integrated structure of production, sales and development to create and deliver products that suit market needs, and to ultimately establish the Uyemura Group brand as an internationally recognized group of companies. Also as a leading company in the surface finishing industry we will further expand our business through improving earnings, strengthening efforts to address environmental problems and allocating management resources in a more efficient and concentrated manner.

#### **(3) Mid-Term to Long-Term Business Strategies**

We aim for continued growth in the 21<sup>st</sup> century as a leading company in the surface finishing industry. With emphasis on ‘Selection, concentration, and speed’, we plan to aggressively develop new products, and increase our presence in new markets, particularly in China. Furthermore, we will work on reconstruction of the Central Research Laboratory, our technology development core.

In our business divisions such as chemicals, machinery, controllers, plating job and overseas business development, we will focus on improvement of our collective strength.

On the other hand, we will continue to make efforts to improve operational efficiency and thoroughly reduce costs in each business segment.

We plan to unify the entire Uyemura group, including consolidated subsidiaries, under one vision for the direction of our company, and to solve the various obstacles that lie before us.

#### **(4) Challenges**

The growing importance of plating technology is widely recognized in the cutting-edge technology sectors, the electronics industry and the industry sectors to support the automotive industry. As a member of companies in these industries, we will continue to offer plating chemicals, machinery, and controllers as processes and develop our business globally.

Under these circumstances, we are now working on following challenges.

- 1) Ensure thorough compliance
- 2) Ensure thorough safety and eco-friendliness
- 3) Put a better research and development environment in place to accelerate its progress
- 4) Implement the initiatives over the next ten and twenty years
- 5) Establish a total solutions business model
- 6) Improve synergies among group companies and divisions
- 7) Explore and examine new overseas manufacturing and sales bases with an eye to the future
- 8) Ensure a quick response to changes in business environment

#### **(5) Other Important Management Items**

Not applicable.

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

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(As of Mar. 31, 2012)	(As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits with banks	17,319,179	18,063,056
Notes and accounts receivable-trade	*3 9,820,377	*3 11,021,117
Marketable securities	20,837	25,190
Merchandise and finished goods	1,622,050	1,634,092
Work in process	742,215	1,078,516
Raw materials and supplies	987,358	1,016,575
Deferred tax assets	265,460	302,699
Other current assets	572,408	1,578,393
Allowance for doubtful accounts	(32,601)	(40,827)
Total current assets	31,317,286	34,678,815
Fixed assets		
Tangible fixed assets		
Buildings and structures	*1 14,677,863	*1 17,530,021
Accumulated depreciation	*2 (7,808,075)	(8,125,455)
Buildings and structures, net	6,869,788	9,404,566
Machinery and vehicles	5,660,168	6,767,573
Accumulated depreciation	*2 (4,518,984)	*2 (4,819,765)
Machinery and vehicles, net	1,141,183	1,947,807
Land	*1 2,876,216	*1 3,346,650
Lease assets	192,721	289,616
Accumulated depreciation	(27,298)	(68,308)
Lease assets, net	165,423	221,308
Construction in progress	1,125,160	269,650
Other tangible fixed assets	3,034,186	3,133,211
Accumulated depreciation	*2 (2,461,774)	(2,331,813)
Other tangible fixed assets, net	572,412	801,397
Total tangible fixed assets	12,750,184	15,991,381
Intangible assets	176,852	261,680
Investments and other assets		
Investment securities	768,107	936,468
Long-term loans receivable	25,121	26,161
Deferred tax assets	80,357	93,224
Long-term deposits with banks	600,000	-
Other investments and other assets	399,079	388,326
Allowance for doubtful accounts	(29,717)	(27,796)
Total investments and other assets	1,842,948	1,416,384
Total fixed assets	14,769,986	17,669,446
Total assets	46,087,272	52,348,261

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(As of Mar. 31, 2012)	(As of Mar. 31, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	*3 4,760,345	*3 4,970,330
Short-term loans payable	*1 749,770	*1 729,909
Current portion of long-term loans payable	*1 310,716	*1 186,600
Lease obligations	34,819	54,909
Income taxes payable	860,475	884,479
Accrued bonuses	141,174	138,474
Allowance for directors' bonuses	86,000	94,600
Notes payable-facilities	115	40,887
Deferred tax liabilities	2,487	4,205
Other current liabilities	1,973,850	2,857,780
<b>Total current liabilities</b>	<b>8,919,755</b>	<b>9,962,176</b>
<b>Long-term liabilities</b>		
Long-term loans payable	*1 408,003	*1 578,604
Long-term guarantee deposit	591,839	586,753
Lease obligations	130,603	166,963
Deferred tax liabilities	1,934,411	2,376,315
Allowance for employees' retirement benefits	241,648	306,414
Allowance for directors' retirement benefits	147,337	160,687
Negative goodwill	6,913	-
Other long-term liabilities	43,384	52,849
<b>Total long-term liabilities</b>	<b>3,504,142</b>	<b>4,228,588</b>
<b>Total liabilities</b>	<b>12,423,898</b>	<b>14,190,765</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,336,936	1,336,936
Capital surplus	1,644,653	1,644,653
Retained earnings	35,758,167	38,132,977
Treasury stock	(2,824,876)	(2,825,400)
<b>Total shareholders' equity</b>	<b>35,914,881</b>	<b>38,289,167</b>
<b>Accumulated other comprehensive income</b>		
Cumulative securities holding gain	218,577	259,033
Foreign currency translation adjustments	(4,007,494)	(1,507,629)
<b>Total accumulated other comprehensive income</b>	<b>(3,788,916)</b>	<b>(1,248,596)</b>
<b>Minority interests</b>	<b>1,537,410</b>	<b>1,116,925</b>
<b>Total net assets</b>	<b>33,663,374</b>	<b>38,157,496</b>
<b>Total liabilities and net assets</b>	<b>46,087,272</b>	<b>52,348,261</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Sales	40,263,002	37,905,890
Cost of goods sold	*1 28,303,787	*1 26,178,969
Gross profit	11,959,214	11,726,921
Selling, general and administrative expenses		
Packing and transportation	369,196	381,647
Provision of allowance for doubtful accounts	7,986	2,796
Salaries and wages	1,949,949	1,967,099
Bonuses	294,749	301,306
Provision of accrued bonuses	87,158	84,093
Provision of allowance for directors' bonuses	86,000	94,600
Retirement benefit expenses	165,865	169,972
Provision for directors' retirement benefits	16,537	13,350
Telecommunication and traveling expenses	324,209	325,055
Depreciation	349,259	324,563
Tax and public charges	81,844	79,989
R&D expenses	*2 1,469,649	*2 1,652,984
Others	1,964,695	2,018,506
Total selling, general and administrative expenses	7,167,101	7,415,964
Operating income	4,792,113	4,310,956
Non-operating income		
Interests received	89,892	100,669
Dividends received	14,519	14,768
Gains on valuable resources recovery	96,296	46,355
Exchange gains	-	139,795
Other non-operating income	89,013	93,391
Total non-operating income	289,721	394,981
Non-operating expenses		
Interest expense	41,182	34,697
Sales discounts	6,477	6,768
Exchange losses	81,811	-
Bank charge	12,784	14,520
Consumption tax difference	-	10,500
Other non-operating expenses	39,522	11,762
Total non-operating expenses	181,778	78,249
Ordinary profit	4,900,056	4,627,689

(Thousands of yen)

	FY3/2012		FY3/2013	
	(Apr. 1, 2011 – Mar. 31, 2012)		(Apr. 1, 2012 – Mar. 31, 2013)	
Extraordinary income				
Gains on sales of fixed assets	*3	28,076	*3	35,723
Gains on sales of investment securities		-		16,903
Insurance income		-	*5	1,038,933
Total extraordinary income		28,076		1,091,560
Extraordinary loss				
Loss on disposal and sales of fixed assets	*4	215,112	*4	162,904
Loss on disaster	*6	259,991	*6	391,773
Loss on dissolution of employees' pension fund		-	*7	27,629
Total extraordinary losses		475,104		582,307
Net income before income taxes and minority interests		4,453,029		5,136,941
Income taxes-current		1,665,051		1,676,701
Income taxes-deferred		368,279		384,671
Total income taxes		2,033,331		2,061,372
Income before minority interests		2,419,697		3,075,569
Minority interests in income		160,305		200,021
Net income		2,259,392		2,875,547
Minority interests in income		160,305		200,021
Income before minority interests		2,419,697		3,075,569
Other comprehensive income				
Cumulative securities holding gain		11,557		40,455
Foreign currency translation adjustments		(941,123)		2,673,892
Total other comprehensive income	*8	(929,566)	*8	2,714,347
Comprehensive income		1,490,131		5,789,917
Comprehensive income attributable to				
Comprehensive income attributable to owners of the parent		1,417,886		5,415,868
Comprehensive income attributable to minority interests		72,244		374,049

**(3) Consolidated Statements of Change in Shareholders' Equity**

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(Apr. 1, 2011 – Mar. 31, 2012)	(Apr. 1, 2012 – Mar. 31, 2013)
Shareholders' equity		
Common stock		
Balance at the beginning of current period	1,336,936	1,336,936
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,336,936	1,336,936
Capital surplus		
Balance at the beginning of current period	1,644,653	1,644,653
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,644,653	1,644,653
Retained earnings		
Balance at the beginning of current period	34,014,054	35,758,167
Changes of items during the period		
Dividends from surplus	(515,278)	(500,737)
Net income	2,259,392	2,875,547
Total changes of items during the period	1,744,113	2,374,810
Balance at the end of current period	35,758,167	38,132,977
Treasury stock		
Balance at the beginning of current period	(2,070,582)	(2,824,876)
Changes of items during the period		
Purchase of treasury stock	(754,294)	(524)
Total changes of items during the period	(754,294)	(524)
Balance at the end of current period	(2,824,876)	(2,825,400)
Total shareholders' equity		
Balance at the beginning of current period	34,925,062	35,914,881
Changes of items during the period		
Dividends from surplus	(515,278)	(500,737)
Net income	2,259,392	2,875,547
Purchase of treasury stock	(754,294)	(524)
Total changes of items during the period	989,818	2,374,285
Balance at the end of current period	35,914,881	38,289,167

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(Apr. 1, 2011 – Mar. 31, 2012)	(Apr. 1, 2012 – Mar. 31, 2013)
Accumulated other comprehensive income		
Cumulative securities holding gain		
Balance at the beginning of current period	207,019	218,577
Changes of items during the period		
Net changes of items other than shareholders' equity	11,557	40,455
Total changes of items during the period	11,557	40,455
Balance at the end of current period	218,577	259,033
Foreign currency translation adjustments		
Balance at the beginning of current period	(3,154,431)	(4,007,494)
Changes of items during the period		
Net changes of items other than shareholders' equity	(853,063)	2,499,864
Total changes of items during the period	(853,063)	2,499,864
Balance at the end of current period	(4,007,494)	(1,507,629)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,947,411)	(3,788,916)
Changes of items during the period		
Net changes of items other than shareholders' equity	(841,505)	2,540,320
Total changes of items during the period	(841,505)	2,540,320
Balance at the end of current period	(3,788,916)	(1,248,596)
Minority interests		
Balance at the beginning of current period	1,539,230	1,537,410
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,819)	(420,484)
Total changes of items during the period	(1,819)	(420,484)
Balance at the end of current period	1,537,410	1,116,925
Total net assets		
Balance at the beginning of current period	33,516,881	33,663,374
Changes of items during the period		
Dividends from surplus	(515,278)	(500,737)
Net income	2,259,392	2,875,547
Purchase of treasury stock	(754,294)	(524)
Net changes of items other than shareholders' equity	(843,325)	2,119,835
Total changes of items during the period	146,493	4,494,121
Balance at the end of current period	33,663,374	38,157,496



**(4) Consolidated Statements of Cash Flows**

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Cash flows from operating activities		
Net income before income taxes and minority interests	4,453,029	5,136,941
Depreciation and amortization	1,160,465	1,258,858
Increase (decrease) in allowance for doubtful accounts	7,986	2,796
Increase (decrease) in allowance for directors' bonuses	11,000	8,600
Increase (decrease) in allowance for employees' retirement benefits	60,367	37,300
Increase (decrease) in allowance for directors' retirement benefits	(152)	13,350
Interests and dividends income	(104,412)	(115,438)
Interest expense	41,182	34,697
Losses (gains) on sales of investment securities	-	(16,903)
Losses (gains) on disposal and sales of fixed assets	187,035	127,180
Insurance income	-	(1,038,933)
Loss on disaster	259,991	391,773
Loss on dissolution of employees' pension fund	-	27,629
Decrease (increase) in notes and accounts receivable	(333,678)	(546,986)
Decrease (increase) in inventories	568,662	9,201
Increase (decrease) in notes and accounts payable	(655,254)	(96,378)
Others	399,829	4,584
Subtotal	6,056,051	5,238,275
Interests and dividends received	103,809	116,614
Interests paid	(38,639)	(36,431)
Proceeds from insurance income	-	1,038,933
Payments for loss on radio interference prevention	(70,020)	-
Payments for loss on disaster	-	(611,218)
Payments for loss on dissolution of employees' pension fund	-	(27,629)
Income taxes paid	(1,822,256)	(1,711,056)
Net cash provided by operating activities	4,228,943	4,007,485
Cash flows from investing activities		
Payments into time deposits	(1,027,841)	(1,507,964)
Proceeds from withdrawal of time deposits	1,167,155	362,313
Proceeds from withdrawal of long-term deposits with banks	-	600,000
Payment for acquisition of fixed assets	(2,442,596)	(3,620,557)
Proceeds from sales of fixed assets	54,691	101,921
Payment for acquisition of investment securities	(7,210)	(160,609)
Proceeds from sales of investment securities	-	71,947
Payment for purchase of investments in subsidiaries	-	(743,400)
Payment for loans receivable	(22,595)	(16,950)
Proceeds from collection of loans receivable	14,060	18,989
Others	(68,443)	(26,161)
Net cash used in investing activities	(2,332,779)	(4,920,470)

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(Apr. 1, 2011 – Mar. 31, 2012)	(Apr. 1, 2012 – Mar. 31, 2013)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,179)	(23,525)
Proceeds from long-term loans payable	415,725	300,000
Repayment for long-term loans payable	(36,750)	(344,670)
Repayments for lease obligations	(17,461)	(40,445)
Payment for acquisition of treasury stock	(754,294)	(524)
Payment for acquisition of treasury stock of subsidiaries	-	(123,843)
Proceeds from payments by minority shareholders	-	941
Cash dividends paid	(515,278)	(500,737)
Payment for dividends to minority shareholders	(74,064)	(50,511)
Net cash used in financing activities	(983,303)	(783,316)
Effect of exchange rate changes on cash and cash equivalents	(309,754)	690,486
Increase (decrease) in cash and cash equivalents	603,106	(1,005,815)
Cash and cash equivalents at beginning of period	13,747,330	14,350,437
Cash and cash equivalents at end of period	*1 14,350,437	*1 13,344,622

## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Basis for Presentation of the Consolidated Financial Statements**

#### 1. Scope of consolidation

The number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Sumix Corporation

Taiwan Uyemura Co., Ltd.

Uyemura International Corporation

Uyemura (Shanghai) Co., Ltd.

Sum Hitechs Co., Ltd.

Uyemura (Malaysia) Sdn. Bhd.

Uyemura International (Singapore) Pte., Ltd.

Uyemura-Solar Co., Ltd.

Uyemura-Solar (Shenzhen) Co., Ltd.

Uyemura Korea Co., Ltd.

PT. Uyemura Indonesia

In the current fiscal year, PT. Uyemura Indonesia was established and included in consolidated accounts.

#### 2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

#### 3. Closing date of consolidated subsidiaries

At the overseas subsidiaries' fiscal year end on December 31. Therefore, the financial statements of the overseas subsidiaries as of their closing date are used herein with necessary adjustments applied for consolidation purposes regarding the important transactions that have occurred between the said closing date, December 31 and the consolidation closing date, March 31.

#### 4. Accounting standards

##### (1) Valuation standards and method for major assets

##### 1. Marketable securities

###### 1) Trading securities

Valued at the market price, cost of sales being determined by the moving average method.

###### 2) Other securities

Securities with market quotations

Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold being determined by the moving average method.

Securities without market quotations

Valued at cost being determined by the moving average method.

##### 2. Inventories

###### 1) Merchandise

Primarily valued at cost being determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

###### 2) Finished goods and work in process

Plating chemicals

Primarily valued at cost being determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

Surface finishing machinery

Primarily valued at cost being determined by the identified cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

3) Raw materials and supplies

Primarily valued at cost being determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation method for major depreciable assets

1) Tangible fixed assets (excluding lease assets)

The declining balance method is used in the Company and its domestic consolidated subsidiaries, while the straight-line method is primarily used in overseas consolidated subsidiaries.

Useful life of principle assets is as follows.

Buildings and structures: 15-50 years

Machinery and vehicles: 2-15 years

2) Lease assets

Lease assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions.

(3) Recognition of major reserves

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are accounted for based on historical write-off ratio for general receivables, and based on case-by-case determination of collectibility for bad receivables and claims in bankruptcy.

2) Accrued bonuses

In the Company and its domestic consolidated subsidiaries, to prepare for the payment of bonus to employees, an allowance is accounted for a portion accrued for the current fiscal year of the estimated amount of future payment.

3) Allowance for directors' bonuses

In the Company and its domestic consolidated subsidiaries, to prepare for the payment of bonus to directors, an allowance is accounted for the estimated bonus obligations in the current fiscal year.

4) Allowance for employees' retirement benefits

To provide for retirement benefits to employees, allowances for employees' retirement benefits are accounted in the amount deemed to have accrued at the end of the current fiscal year, based on the estimated retirement benefit obligations and plan assets at the end of the fiscal year.

The actuarial difference is expensed in the following fiscal years using the straight-line method, based on the specified number of years within the average length of remaining work period of employees.

5) Allowance for directors' retirement benefits

In the Company and its domestic consolidated subsidiaries, to prepare for the payment of retirement benefits to directors, an allowance is accounted for in the aggregate amount payable at the end of the fiscal year pursuant to the company's rules on directors' retirement benefits.

(4) Translation of the important assets or liabilities in foreign currency into Japanese currency

The monetary assets and liabilities in foreign currency are translated into Japanese currency based on the spot exchange rate as of the closing date of the current fiscal year, with the conversion difference to be accounted for as profit or loss. The assets and liabilities of overseas subsidiaries are translated into Japanese currency based on the spot exchange rate as of their closing date respectively, and revenue and expenses into Japanese currency based on the average conversion rate throughout the entire period, with the conversion difference to be accounted for so as to be included in foreign currency translation adjustments in the net assets.

(5) Accounting for hedges

The Company uses derivatives transactions such as forward foreign exchange contract to manage its exposures to fluctuations in foreign exchange related to forecasted transactions and obligation created by demand trading.

The Company applies the deferred hedge accounting method. Forward foreign exchange contracts, a hedge is accounted by the short-cut method if the hedging relationship meets certain criteria.

The Company uses only derivative financial instruments that meet certain hedging criteria, so that hedge effectiveness is maintained.

(6) Amortization method and amortization period of goodwill

Goodwill is amortized by the straight-line method over a period of five years. Negative goodwill recorded on or before March 31, 2010 is amortized by the straight-line method over a period of five years.

(7) Definition of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows is composed of 1) cash on hand, 2) bank deposit payable on demand, and 3) short-term investments readily redeemable within six months from the acquisition that has little risk on changes in valuation

(8) Other important principles for presentation of consolidated financial statements

Consumption taxes

All amounts stated are exclusive of consumption taxes.

### **Changes in Accounting Policies**

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

Following tax law revisions, from 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 current fiscal year is insignificant.

### **Reclassifications**

“Bank charge,” included in “Other” under “Non-operating expenses” in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of total non-operating expenses. The prior-period statements of income are restated to conform to the current-period presentation.

Accordingly, “Other” under “Non-operating expenses” (52,306 thousand yen) shown in the FY3/2012 statements of income is reclassified and divided into “Bank charge” (12,784 thousand yen) and “Other” (39,522 thousand yen).

**Notes to Consolidated Balance Sheets****\*1. Assets pledged as collateral and liabilities with collateral**

(Thousands of yen)		
Assets pledged as collateral	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Buildings and structures	1,963,258	1,864,434
Land	47,200	47,200
<b>Total</b>	<b>2,010,458</b>	<b>1,911,634</b>
(Thousands of yen)		
Liabilities with collateral	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Short-term loans payable	400,000	400,000
Long-term loans payable (including current portion of long-term loans payable)	13,000	-
<b>Total</b>	<b>413,000</b>	<b>400,000</b>

**\*2. Accumulated depreciation**

Amounts of accumulated depreciation include accumulated impairment losses.

**\*3. Notes receivable/payable maturing on the balance sheet date**

Notes receivable/payable maturing on the balance sheet date is treated as if they were settled at the clearing date of notes.

Consequently, as the balance sheet date was a bank holiday, the following notes receivable/payable maturing on the balance sheet date were included in the ending balance of notes receivable/payable of the fiscal year.

(Thousands of yen)		
	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Notes receivable	420,191	442,180
Notes payable	18,615	5,390

**Notes to Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****\*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of sales.**

(Thousands of yen)		
	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
	59,744	64,945

**\*2. R&D expenses included in selling, general and administrative expenses**

(Thousands of yen)		
	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
	1,469,649	1,652,984

**\*3. Gains on sales of fixed assets**

(Thousands of yen)		
	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Buildings and structures	20,000	2,340
Machinery and vehicles	8,076	4,289
Land	-	29,030
Others	0	62
<b>Total</b>	<b>28,076</b>	<b>35,723</b>

## \*4. Losses on disposal and sales of fixed assets

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Buildings and structures	81,638	97,942
Machinery and vehicles	33,357	11,377
Land	28,725	-
Retirement cost	60,046	26,862
Others	11,344	26,721
Total	215,112	162,904

## \*5. Insurance income

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

It is the amount we received as insurance proceeds to cover the loss from the Thai floods that occurred in October 2011 and includes the proceeds from the pecuniary loss insurance during the period of operation suspension.

## \*6. Loss on disaster

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

Breakdown of loss caused by the floods in Thailand in October 2011 was as follows. (Thousands of yen)

Restoration expenses on fixed assets, etc.	229,121
Loss on abandonment of inventories, etc.	30,870
Total	259,991

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

It is the amount of extraordinary repair expenses of the items of fixed assets that were damaged by the Thai floods that occurred in October 2011.

## \*7. Loss on dissolution of employees' pension fund

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

It is the amount of loss that incurred in conjunction with Sumix Corporation, one of the Group's consolidated subsidiaries, having received the approval for the dissolution of the Employees' Pension Fund in which it had participated.

## \*8. Re-classification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Cumulative securities holding gain		
Amount incurred during the year	(9,458)	79,829
Re-classification adjustments	-	(16,903)
Before tax effect adjustments	(9,458)	62,925
Tax effect	21,016	(22,470)
Cumulative securities holding gain	11,557	40,455
Foreign currency translation adjustments		
Amount incurred during the year	(941,123)	2,673,892
Total other comprehensive income	(929,566)	2,714,347

**Notes to Consolidated Statements of Changes in Shareholders' Equity**

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

## 1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2011 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2012 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares	509,334	264,386	-	773,720
Total	509,334	264,386	-	773,720

Note: The number of common shares of treasury stock was increased due to the purchase of treasury stock based on the Board of Directors resolution (264,300 shares) and the purchase of odd-lot shares (86 shares).

## 2. Dividends

## (1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2011	Common shares	515,278	55	Mar. 31, 2011	Jun. 30, 2011

## (2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 28, 2012	Common shares	500,737	Retained earnings	55	Mar. 31, 2012	Jun. 29, 2012



FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

## 1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2012 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2013 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares	773,720	181	-	773,901
Total	773,720	181	-	773,901

Note: The number of common shares of treasury stock was increased due to the purchase of odd-lot share (181 shares).

## 2. Dividends

## (1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 28, 2012	Common shares	500,737	55	Mar. 31, 2012	Jun. 29, 2012

## (2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 27, 2013	Common shares	500,727	Retained earnings	55	Mar. 31, 2013	Jun. 28, 2013

**Notes to Consolidated Statements of Cash Flows**

\*1. Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and the amount of each period stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Cash and deposits with banks	17,319,179	18,063,056
Time deposits maturing with deposit period of more than 6 months	(2,968,741)	(4,718,434)
Cash and cash equivalents	14,350,437	13,344,622

## Segment and Other Information

### a. Segment information

#### 1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company has established individual sales divisions that oversee specific product, merchandise and service categories. Each division conducts its business in line with the comprehensive strategy it has devised for products, merchandise and services in both domestic and overseas markets.

The Company's business activities thus comprise of four reportable business segments classified by type and nature of the products, merchandise and services; the surface finishing materials business, the surface finishing machinery business, the plating job business and the real estate rental business.

The surface finishing materials business handles the sale of plating chemicals for PWBs, plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals and others. The surface finishing machinery business mainly deals with plating machinery for PWBs and plating machinery for aluminum magnetic disks. The plating job business is mainly engaged in plastic plating services and PWB plating services. The real estate rental business generates revenue by renting out office buildings and apartment houses.

#### 2. Calculation method for sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is same as the methods listed in "Basis for Presentation of the Consolidated Financial Statements."

Intersegment sales and transfer sum are based on market prices.

#### 3. Information related to sales, profit or loss, assets or liabilities, and other items for each reportable segment

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	31,793,261	5,191,436	2,509,960	754,103	40,248,761	14,240	40,263,002	-	40,263,002
Intersegment sales and transfers	142,545	214,498	265	-	357,309	-	357,309	(357,309)	-
Total	31,935,806	5,405,934	2,510,226	754,103	40,606,070	14,240	40,620,311	(357,309)	40,263,002
Segment profit (loss)	4,301,169	(132,122)	212,092	398,924	4,780,063	12,049	4,792,113	-	4,792,113
Segment assets	25,514,295	4,494,312	3,763,808	2,334,871	36,107,286	-	36,107,286	9,979,986	46,087,272
Other items									
Depreciation	790,596	108,604	119,435	141,829	1,160,465	-	1,160,465	-	1,160,465
Loss on disaster	-	-	229,121	-	229,121	-	229,121	-	229,121
Increase in tangible fixed assets and intangible assets	1,461,775	88,067	892,754	-	2,442,596	-	2,442,596	-	2,442,596

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 9,979,986 thousand yen adjustment to segment assets refers to corporate assets, which are not allocated to any of the reportable segments, mainly composed of surplus funds (cash and deposits with banks), and long-term invested assets (investment securities) of the parent company.

3. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated financial statements.

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	30,201,148	4,524,637	2,449,553	723,601	37,898,940	6,949	37,905,890	-	37,905,890
Intersegment sales and transfers	163,464	116,387	51,510	-	331,363	-	331,363	(331,363)	-
Total	30,364,613	4,641,024	2,501,064	723,601	38,230,304	6,949	38,237,254	(331,363)	37,905,890
Segment profit (loss)	3,974,824	(58,328)	(7,558)	396,257	4,305,194	5,762	4,310,956	-	4,310,956
Segment assets	29,023,793	5,662,249	5,803,932	2,202,591	42,692,567	-	42,692,567	9,655,694	52,348,261
Other items									
Depreciation	784,528	99,918	242,132	132,279	1,258,858	-	1,258,858	-	1,258,858
Amortization of goodwill	8,800	1,927	419	-	11,147	-	11,147	-	11,147
Increase in tangible fixed assets and intangible assets	2,511,560	170,775	1,082,398	-	3,764,734	-	3,764,734	-	3,764,734

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 9,655,694 thousand yen adjustment of segment assets includes -117,093 thousand yen in elimination of inter-segment transactions and corporate assets of 9,772,788 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks), and long-term invested assets (investment securities) of the parent company.

3. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated financial statements.

#### b. Related information

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

##### 1. Information by product or service

Omitted because the same information is presented in the segment information section.

##### 2. Information by region

###### (1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
17,914,937	5,905,989	5,433,934	11,008,141	40,263,002

###### (2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Other	Total
7,727,039	2,271,101	2,752,043	12,750,184

##### 3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

##### 1. Information by product or service

Omitted because the same information is presented in the segment information section.

## 2. Information by region

(1) Sales (Thousands of yen)

Japan	China	Taiwan	Other	Total
16,346,950	5,048,193	5,009,194	11,501,552	37,905,890

(2) Tangible fixed assets (Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
9,235,631	2,502,053	1,845,147	2,408,548	15,991,381

## 3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

## c. Information related to impairment losses of fixed assets for each reportable segment

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

Not applicable.

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

Not applicable.

## d. Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

Not applicable.

Amortization and the unamortized balance of negative goodwill as a result of the additional acquisition of shares of subsidiaries that completed before April 1, 2010 are as follows.

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or Corporate	Total
Amortization for the period	-	-	2,304	-	-	-	2,304
Balance at the end of period	-	-	6,913	-	-	-	6,913

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments and its sales include loyalty revenues.

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or Corporate	Total
Amortization for the period	8,800	1,927	419	-	-	-	11,147
Balance at the end of period	63,370	27,158	-	-	-	-	90,528

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments and its sales include loyalty revenues.

Amortization and the unamortized balance of negative goodwill as a result of the additional acquisition of shares of subsidiaries that completed before April 1, 2010 are as follows.

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or Corporate	Total
Amortization for the period	-	-	2,304	-	-	-	2,304
Balance at the end of period	-	-	4,609	-	-	-	4,609

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments and its sales include loyalty revenues.

e. Information related to negative goodwill profits for each reportable segment

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

Not applicable.

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

Not applicable.

### Lease Transactions

1. Finance lease transaction

Finance leases where there is no transfer of ownership

1) Breakdown of lease assets

Machinery and vehicles

Other tangible fixed assets

2) The depreciation method of lease assets

As described in the section "Basis for Presentation of the Consolidated Financial Statements, 4. Accounting standards, (2)

Depreciation method for major depreciable assets."

For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions. Details are as follows.

(1) Acquisition costs, accumulated depreciation, impairment loss, and the balance at the end of the fiscal year

(Thousands of yen)

	FY3/2012 (As of Mar. 31, 2012)		
	Acquisition costs	Accumulated depreciation	Year-end balance
Machinery and vehicles	4,900	2,282	2,617
Others	116,336	102,766	13,570
Total	121,237	105,049	16,188

(Thousands of yen)

	FY3/2013 (As of Mar. 31, 2013)		
	Acquisition costs	Accumulated depreciation	Year-end balance
Machinery and vehicles	4,757	3,700	1,057
Others	293	275	17
Total	5,051	3,976	1,075

## (2) Future lease payments as of the end of the fiscal year

(Thousands of yen)

	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Future lease payments as of the end of the fiscal year		
Due within one year	15,835	1,075
Due after one year	1,000	-
Total	16,835	1,075

## (3) Lease payments, reversal from lease asset impairment, depreciation, interest equivalent and impairment loss

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Lease payments	29,874	15,766
Depreciation equivalents	28,328	14,910
Interest equivalent	688	140

## (4) Method of calculating depreciation equivalents

Depreciation is based on the straight-line method, assuming the lease period to be the useful life and no residual value.

## (5) Method of calculating interest equivalents

Interest represents the difference between the total lease payments and the acquisition cost equivalents, and is allocated for each fiscal year using the simple-interest method.

## (Impairment loss)

There is no impairment loss on lease asset-impairment account.

## 2. Operating lease transactions

Future lease payments of non-cancelable outstanding commitments

(Thousands of yen)

	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Due within one year	10,369	12,525
Total	10,369	12,525

**Related Party Information**

Transaction with related parties

Transaction between the Company and related parties

Directors of the Company, major individual shareholders, etc.

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

Type	Name	Address	Capital contribution (Thousand yen)	Business or occupation	Voting power	Relationships	Type of transaction	Transaction amount (Thousand yen)	Account	Year-end balance (Thousand yen)
Company, etc. with majority voting rights owned by director or his immediate relatives	Namihana Shokusan Co., Ltd. (Note 3)	Tennouji-ku, Osaka	40,000	Casualty insurance service, real estate leasing, dividends, etc.	(Owned) Direct 21.12%	Payment of casualty insurance, receipt of real estate leasing, concurrent directors	Payment of casualty insurance	87,541	Prepaid expenses	57,704
							Income from real estate leasing	881	Advances received	77
							Other	240	-	-

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

Type	Name	Address	Capital contribution (Thousand yen)	Business or occupation	Voting power	Relationships	Type of transaction	Transaction amount (Thousand yen)	Account	Year-end balance (Thousand yen)
Company, etc. with majority voting rights owned by director or his immediate relatives	Namihana Shokusan Co., Ltd. (Note 3)	Tennouji-ku, Osaka	40,000	Casualty insurance service, real estate leasing, dividends, etc.	(Owned) Direct 21.12%	Payment of casualty insurance, receipt of real estate leasing, concurrent directors	Payment of casualty insurance	84,823	Prepaid expenses	62,355
							Income from real estate leasing	881	Advances received	77
							Other	240	-	-

Notes: 1. Consumption taxes are not included in the above transaction amounts, but included in year-end balances.

2. Transaction conditions and policies regarding transaction conditions Refer to market price.

3. Namihana Shokusan Co., Ltd. is a company wholly and directly owned by the Company's director Hiroya Uyemura and his immediate relatives.

**Deferred Income Taxes**

## 1. Significant components of deferred tax assets and liabilities

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(As of Mar. 31, 2012)	(As of Mar. 31, 2013)
Deferred tax assets		
Allowance for doubtful accounts	451	513
Accrued enterprise tax	37,462	41,922
Unrealized income	115,294	101,344
Accrued bonuses	53,718	52,688
Others	81,650	130,484
Subtotal	288,576	326,953
Valuation allowance	(16,780)	(17,610)
Internal offset to deferred tax liabilities (current)	(6,335)	(6,644)
Total deferred tax assets (current)	265,460	302,699
Deficit carried forward	305,469	319,780
Allowance for employees' retirement benefits	61,949	76,325
Allowance for directors' retirement benefits	52,629	57,395
Investment securities	131,778	131,778
Tangible fixed assets	109,664	127,669
Others	24,266	22,369
Subtotal	685,759	735,318
Valuation allowance	(269,877)	(278,744)
Internal offset to deferred tax liabilities (non-current)	(335,525)	(363,350)
Total deferred tax assets (non-current)	80,357	93,224
Deferred tax liabilities		
Others	(8,823)	(10,849)
Internal offset to deferred tax assets (current)	6,335	6,644
Total deferred tax liabilities (current)	(2,487)	(4,205)
Undistributed earnings of consolidated subsidiaries	(1,989,836)	(2,434,304)
Cumulative securities holding gain	(121,090)	(233,680)
Deferred gain on sale of investments in subsidiaries and affiliates under the group taxation system	(90,120)	-
Others	(68,890)	(71,681)
Subtotal	(2,269,936)	(2,739,666)
Internal offset to deferred tax assets (non-current)	335,525	363,350
Total deferred tax liabilities (non-current)	(1,934,411)	(2,376,315)



## 2. Significant components of differences between the statutory tax and effective tax rate

	(Thousands of yen)	
	FY3/2012	FY3/2013
	(As of Mar. 31, 2012)	(As of Mar. 31, 2013)
Statutory tax rate	40.7%	38.0%
Adjustments		
Permanent difference	3.4%	(0.6)%
Differences in tax rates at subsidiaries	(10.2)%	(8.9)%
R&D tax credit	(2.1)%	(2.3)%
Increase (decrease) in valuation allowance	4.5%	(0.1)%
Consolidation adjustment for gain on sale of investments in subsidiaries	2.3%	-
Foreign withholding taxes	3.0%	3.8%
Undistributed earnings of consolidated subsidiaries	1.9%	8.7%
Income taxes for prior periods	2.4%	1.4%
Others	(0.3)%	0.1%
Effective tax rate	45.6%	40.1%

## Financial Instruments

### 1. Conditions of financial instruments

#### (1) Management policy for financial instruments

It is the Group's policy that investments of funds are limited to bank deposits and other equivalents, and financing is obtained through bank borrowings. Derivatives are used only for the purpose of avoiding risks of certain assets and liabilities exposed to market fluctuations, and speculative transactions are not carried out.

#### (2) Details of financial instruments and their risks

Notes and accounts receivable-trade ("operating receivables") are exposed to the credit risk of clients, while foreign currency denominated operating receivables at foreign operations are exposed also to the foreign exchange risk.

Marketable securities and investment securities are primarily stock shares of companies with which the Group has a business relationship, and are exposed to the risk of fluctuating market prices. Most long-term loans are extended mainly to employees of the Company.

Notes and accounts payable-trade ("operating debt") are due for payment within one year. Some of this operating debt are denominated in foreign currencies associated with importing raw materials, etc., and exposed to the risk of fluctuations in exchange rates. However, outstanding balance always remains not more than that of accounts receivable-trade denominated in the same foreign currencies.

Short-term loans payable are undertaken primarily to finance working capital, and long-term loans payable primarily to finance capital investment.

Derivatives transactions consist of forward exchange contracts to avoid the risk of future exchange rate fluctuations related to foreign denominated operating receivables and payable that arise during the course of regular operations. They are subject to market risks of fluctuations in exchange rates and interest rates, and also credit risks of non-performance by a counterparty of a transaction.

#### (3) Risk management system

##### 1) Management of credit risk (risk of default by customers)

Operating receivables are regularly monitored by the Sales Department and Accounting Department in accordance with Credit Control Rules and Sales Control Rules. Specifically, the both departments control the customer-specific payment dates and credit balance, through which the departments can detect and reduce the concern over collectability caused by deterioration of certain customers' financial position at the earliest possible time. Consolidated subsidiaries also manage risks in a similar way and in reference to the Company's Receivables Control Rules and Sales Control Rules.

Regarding the derivatives transactions, we consider that there is no significant credit risk arising from the transactions because we have a policy to deal with highly-rated banks only.

##### 2) Management of market risk (risks associated with fluctuations in foreign exchange and interest rates)

The Company tracks exchange gains and losses on foreign currency denominated operating receivables and payables on a monthly basis, and estimate possible gains and losses based on various foreign exchange scenarios. And thereby preparing for changes in the markets, we manage market risks of foreign exchange fluctuations. Furthermore, an update on market risks is reported, as necessary, to the Board of Directors in order to minimize impacts of fluctuations in exchange rates, interest rates and commodity prices on the performance of the entire group or a specific segment.

Regarding market risks inherent in marketable securities and investment securities, we regularly monitor the securities for the market prices, and issuers, which are our customers, for their financial position.

Derivatives transactions are controlled by the Accounting Department of the Company based on regular reporting from the departments that involve in relevant transactions.

##### 3) Management of liquidity risk associated with financing activities (risk of failing to meet payment obligation on the maturity date)

The Company effectively manages liquidity risk by having the Accounting Department prepare and update cash flow projections on a timely manner based on reports from other operating divisions of the Company and consolidated subsidiaries as well as by maintaining a certain level of liquidity on hand.

## (4) Supplemental explanation concerning fair value of financial instruments

Fair value of the financial instrument is measured at a quoted market price, if available, or reasonably assessed value if a quoted market price is not available. As the calculation of the reasonably assessed value incorporates varying factors, the amount may vary if different assumptions are used.

## 2. Fair value of financial instruments

The carrying value, fair value, and their differences are shown as follows. However, financial instruments, whose fair value is deemed to be extremely difficult to measure, are not included. (Please refer to Note 2 below.)

FY3/2012 (As of Mar. 31, 2012)

(Thousands of yen)

	Carrying value	Fair value	Unrealized gain (loss)
(1) Cash and deposits with banks	17,319,179	17,319,179	-
(2) Notes and accounts receivable-trade	9,820,377	9,820,377	-
(3) Marketable securities and investment securities	777,446	777,446	-
(4) Long-term loans receivable	25,121	25,532	410
(5) Long-term deposits with banks	600,000	597,861	(2,138)
Assets total	28,542,125	28,540,397	(1,728)
(1) Notes and accounts payable-trade	4,760,345	4,760,345	-
(2) Short-term loans payable	749,770	749,770	-
(3) Income taxes payable	860,475	860,475	-
(4) Notes payable-facilities	115	115	-
(5) Long-term loans payable*	718,720	723,429	4,709
(6) Long-term guarantee deposit	591,839	398,310	(193,528)
Liabilities total	7,681,267	7,492,447	(188,819)

\*“(5) Long-term loans payable” include current portions of long-term loans payable.

FY3/2013 (As of Mar. 31, 2013)

(Thousands of yen)

	Carrying value	Fair value	Unrealized gain (loss)
(1) Cash and deposits with banks	18,063,056	18,063,056	-
(2) Notes and accounts receivable-trade	11,021,117	11,021,117	-
(3) Marketable securities and investment securities	950,160	950,160	-
(4) Long-term loans receivable	26,161	26,547	386
(5) Long-term deposits with banks	-	-	-
Assets total	30,060,496	30,060,882	386
(1) Notes and accounts payable-trade	4,970,330	4,970,330	-
(2) Short-term loans payable	729,909	729,909	-
(3) Income taxes payable	884,479	884,479	-
(4) Notes payable-facilities	40,887	40,887	-
(5) Long-term loans payable*	765,204	767,820	2,616
(6) Long-term guarantee deposit	586,753	414,150	(172,603)
Liabilities total	7,977,564	7,807,577	(169,987)

\*“(5) Long-term loans payable” include current portions of long-term loans payable.

Note 1: Matters concerning determination of fair value of financial instruments and marketable securities

Assets

(1) Cash and deposits with banks, (2) Notes and accounts receivable-trade

Fair value of the financial instruments in these categories is deemed to be equal to their carrying amount because they are settled within a short period of time.

(3) Marketable securities and investment securities

For fair value of the financial instruments in these categories, stocks are valued based on their prices on securities exchanges.

(4) Long-term loans receivable, (5) Long-term deposits with banks

Fair value of the financial instruments in these categories are determined by calculating present value obtained by discounting the amount of principal and interest receivable reflecting collectability at interest swap rates or other appropriate rates.

Liabilities

(1) Notes and accounts payable-trade, (2) Short-term loans payable, (3) Income taxes payable, (4) Notes payable-facilities

Fair value of the financial instruments in this category is deemed to be equal to their carrying amount because they are settled within a short period of time.

(5) Long-term loans payable, (6) Long-term guarantee deposit

Fair value of the financial instruments in these categories is determined by calculating present value obtained by discounting the combined value of principal and interest by the interest rate assumed were the Company to borrow new money.

Note 2: Financial instruments whose fair value is deemed to be extremely difficult to measure.

(Thousands of yen)

Item	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Unlisted stock	11,497	11,497

These instruments are not included in "(3) Marketable securities and investment securities" because there is no market price and the fair value is deemed to be extremely difficult to determine.

3. Balance of money claims and marketable securities with maturity scheduled to be redeemed in the subsequent years

FY3/2012 (As of Mar. 31, 2012)

(Thousands of yen)

	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits with banks	17,319,179	-	-	-
Notes and accounts receivable-trade	9,820,377	-	-	-
Long-term loans receivable	-	24,258	863	-
Long-term deposits with banks	-	100,000	500,000	-
Total	27,139,556	124,258	500,863	-

FY3/2013 (As of Mar. 31, 2013)

(Thousands of yen)

	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits with banks	18,063,056	-	-	-
Notes and accounts receivable-trade	11,021,117	-	-	-
Long-term loans receivable	-	26,114	46	-
Long-term deposits with banks	-	-	-	-
Total	29,084,174	26,114	46	-

Note: There were no securities with maturity under the line item of marketable securities and investment securities.

**Securities**

## 1. Securities for trade purposes

(Thousands of yen)

Item	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
Unrealized gain (loss) included in profit/loss	(944)	1,828

## 2. Other securities

FY3/2012 (As of Mar. 31, 2012)

(Thousands of yen)

	Type	Carrying value	Acquisition costs	Unrealized gain (loss)
Securities with carrying value exceeds acquisition costs	(1) Shares	670,273	320,869	349,404
	(2) Bonds			
	1) Government bonds, municipal bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Others	-	-	-
	(3) Others	-	-	-
	Subtotal	670,273	320,869	349,404
Securities with carrying value not exceeding acquisition costs	(1) Shares	28,196	32,628	(4,431)
	(2) Bonds			
	1) Government bonds, municipal bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Others	-	-	-
	(3) Others	58,139	63,445	(5,306)
	Subtotal	86,335	96,073	(9,737)
Total		756,609	416,942	339,667

FY3/2013 (As of Mar. 31, 2013)

(Thousands of yen)

	Type	Carrying value	Acquisition costs	Unrealized gain (loss)
Securities with carrying value exceeds acquisition costs	(1) Shares	801,065	395,507	405,558
	(2) Bonds			
	1) Government bonds, municipal bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Others	-	-	-
	(3) Others	71,148	63,315	7,833
	Subtotal	872,213	458,822	413,391
Securities with carrying value not exceeding acquisition costs	(1) Shares	52,757	63,555	(10,797)
	(2) Bonds			
	1) Government bonds, municipal bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Others	-	-	-
	(3) Others	-	-	-
	Subtotal	52,757	63,555	(10,797)
Total		924,970	522,377	402,593

Note: Acquisition costs in the table represent book values after impairment.

Unlisted stocks (carrying value of 11,497 thousand yen) are not included in the above table reporting the status of other securities because there is no market price and the fair value is deemed to be extremely difficult to determine.

## 3. Sales of other securities during the fiscal year

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Thousands of yen)

Type	Sales amount	Aggregate gain	Aggregate loss
(1) Shares	-	-	-
(2) Bonds			
1) Government bonds, municipal bonds, etc.	-	-	-
2) Corporate bonds	-	-	-
3) Others	-	-	-
(3) Others	-	-	-
Total	-	-	-

FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)

(Thousands of yen)

Type	Sales amount	Aggregate gain	Aggregate loss
(1) Shares	71,947	16,903	-
(2) Bonds			
1) Government bonds, municipal bonds, etc.	-	-	-
2) Corporate bonds	-	-	-
3) Others	-	-	-
(3) Others	-	-	-
Total	71,947	16,903	-

## 4. Securities written down due to impairment

Not applicable.

**Derivative Transactions**

## 1. Derivative transactions not accounted by the hedge accounting method

Not applicable.

## 2. Derivative transactions accounted by the hedge accounting method

Currency related

FY3/2012 (As of Mar. 31, 2012)

(Thousands of yen)

Type of transaction	Derivatives	Risk hedged	Notional amount	Notional amount over one year	Fair value
“Furiate shori” of forward exchange contracts, etc.	Forward exchange contracts Buy Japanese yen	Accounts payable	329,802	-	(Note)

FY3/2013 (As of Mar. 31, 2013)

(Thousands of yen)

Type of transaction	Derivatives	Risk hedged	Notional amount	Notional amount over one year	Fair value
“Furiate shori” of forward exchange contracts, etc.	Forward exchange contracts Buy Japanese yen	Accounts payable	348,419	-	(Note)

Note: As forward exchange contracts accounted for under the temporarily allowed treatment are paired with the corresponding payables that are hedged by these contracts, their fair values are included in those of the corresponding payables.

\*Translation note: “Furiate shori” is a temporarily allowed treatment under the Japanese GAAP and is a method of translating foreign currency receivables and payables on the basis of rates in the related forward contract.

## Retirement Benefit

### 1. Retirement benefit plans

FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)												
<p>The Company has a defined benefit pension plan and a defined contribution pension plan, and one of its domestic consolidated subsidiaries has a funded pension plan entrusted to an outside third party. Retirement lump sum plan is also applicable to certain employees. Other than those plans, Welfare Pension Fund is adopted, too. Also, some overseas consolidated subsidiaries have adopted a pension plan that complies with their country's social retirement benefit plan.</p> <p>Following is the information regarding the multi-employer pension plan under which the amount to be contributed to pension assets is accounted for as retirement benefit expenses. The most recent date as of which funding status of the plan as a whole is available is March 31, 2011.</p> <p>(1) Information regarding funding status of the plan as a whole (As of Mar. 31, 2011)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Amount of plan assets</td> <td style="text-align: right;">239,856 million yen</td> </tr> <tr> <td>2) Amount of actuarially computed benefit obligation</td> <td style="text-align: right;">363,315 million yen</td> </tr> <tr> <td>3) Difference 1)-2)</td> <td style="text-align: right; border-top: 1px solid black;">(123,458) million yen</td> </tr> </table> <p>(2) The percentage of contribution by the Company out of the total contribution to the plan (As of Mar. 31, 2011) 1.07%</p> <p>(3) Supplemental information The difference shown in the above information (1) was caused by 20,024 million yen excess of actuarially computed value of plan assets over their fair value, present value of special contributions of 25,648 million yen and deficit carryforward of 77,785 million yen. The 20,024 million yen excess of actuarially computed value of plan assets over their fair value is included in the difference because Osaka Yakugyo Employees' Pension Fund, to which the Company contributes, adopts an actuarial method to value its plan assets. The present value of special contributions represents the amount of expected cash inflows to amortize the past actuarial deficit over the future periods, and the Company has already made necessary fund arrangements for special contribution based on the contribution rate predetermined by the employees' pension fund regulation. In addition, the amortization method under the plan is equal installments of principal and interest. In fiscal 2008, there was a financial verification and revised financial statements as of March 31, 2010 were prepared. As a result, although there was no requirement to raise the contribution rate, the remaining amortization period was 18 years. The Company accounted for the special contribution of 17,905 thousand yen as expense in the consolidated financial statements for the previous fiscal year ended March 31, 2011 (April 1, 2010 – March 31, 2011). The percentage shown in the above information (2) does not correspond to the actual percentage borne by the Company because the amount of special contribution is computed by multiplying the amount of standard salary at the time of contribution by the predetermined contribution rate.</p>	1) Amount of plan assets	239,856 million yen	2) Amount of actuarially computed benefit obligation	363,315 million yen	3) Difference 1)-2)	(123,458) million yen	<p>The Company has a defined benefit pension plan and a defined contribution pension plan, and other than those plans, Welfare Pension Fund is adopted, too. One of the domestic consolidated subsidiaries has a funded pension plan entrusted to an outside third party. Retirement lump sum plan is also applicable to certain employees. Also, some overseas consolidated subsidiaries have adopted a pension plan that complies with their country's social retirement benefit plan.</p> <p>Following is the information regarding the multi-employer pension plan under which the amount to be contributed to pension assets is accounted for as retirement benefit expenses. The most recent date as of which funding status of the plan as a whole is available is March 31, 2012.</p> <p>(1) Information regarding funding status of the plan as a whole (As of Mar. 31, 2012)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Amount of plan assets</td> <td style="text-align: right;">231,281 million yen</td> </tr> <tr> <td>2) Amount of actuarially computed benefit obligation</td> <td style="text-align: right;">338,375 million yen</td> </tr> <tr> <td>3) Difference 1)-2)</td> <td style="text-align: right; border-top: 1px solid black;">(107,094) million yen</td> </tr> </table> <p>(2) The percentage of contribution by the Company out of the total contribution to the plan (As of Mar. 31, 2012) 0.97%</p> <p>(3) Supplemental information The difference shown in the above information (1) was caused by 53,231 million yen of actuarially computed value of present value of special contributions and deficit carryforward of 53,862 million yen. The present value of special contributions represents the amount of expected cash inflows to amortize the past actuarial deficit over the future periods, and the Company has already made necessary fund arrangements for special contribution based on the contribution rate predetermined by the employees' pension fund regulation. In addition, the amortization method under the plan is equal installments of principal and interest. In fiscal 2008, there was a financial verification and revised financial statements as of March 31, 2011 were prepared. As a result, although there was no requirement to raise the contribution rate, the remaining amortization period was 19 years. The Company accounted for the special contribution of 18,003 thousand yen as expense in the consolidated financial statements for the previous fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012). The percentage shown in the above information (2) does not correspond to the actual percentage borne by the Company because the amount of special contribution is computed by multiplying the amount of standard salary at the time of contribution by the predetermined contribution rate.</p>	1) Amount of plan assets	231,281 million yen	2) Amount of actuarially computed benefit obligation	338,375 million yen	3) Difference 1)-2)	(107,094) million yen
1) Amount of plan assets	239,856 million yen												
2) Amount of actuarially computed benefit obligation	363,315 million yen												
3) Difference 1)-2)	(123,458) million yen												
1) Amount of plan assets	231,281 million yen												
2) Amount of actuarially computed benefit obligation	338,375 million yen												
3) Difference 1)-2)	(107,094) million yen												

## 2. Retirement benefit obligations

(Thousands of yen)

	FY3/2012 (As of Mar. 31, 2012)	FY3/2013 (As of Mar. 31, 2013)
(1) Retirement benefit obligation	( 1,405,296)	( 1,614,741)
(2) Plan assets at fair value	1,062,647	1,186,821
(3) Unfunded retirement benefit obligation	( 342,648)	( 427,920)
(4) Unrecognized actuarial gain or loss	101,000	121,505
(5) Allowance for employees' retirement benefit obligation	( 241,648)	( 306,414)

## 3. Retirement benefit expenses

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Retirement benefit expenses		
(1) Service cost	142,713	143,166
(2) Interest cost	15,087	16,070
(3) Expected return on plan assets	( 8,849)	( 251)
(4) Amortization of actuarial differences	23,306	23,961
Total	172,258	182,946
(5) Defined contribution pension fund	33,090	32,296
(6) Contribution of Welfare Pension Fund	97,923	96,215
(7) Retirement benefit expenses	303,272	311,458

## 4. Assumptions used in accounting for the above plans

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
(1) Distribution of estimated retirement benefit obligations	Straight-line	Straight-line
(2) Discount rate	Mainly 1.5%	Mainly 0.8%
(3) Expected return on assets	Mainly 1.0%	Mainly 0.0%
(4) Amortization of actuarial differences	12 years	12 years

**Stock Options**

Not applicable.



## Investment and Rental Property

The Company owns office buildings for rent and apartment houses (including land) for rent. In the fiscal year ended March 31, 2012, the Company's net profit on investment and rental property was 398,924 thousand yen (754,103 thousand yen rent revenue was posted to sales while 355,179 thousand yen rent expenses to cost of goods sold.) In the fiscal year ended March 31, 2013, the Company's net profit on investment and rental property was 396,257 thousand yen (723,601 thousand yen rent revenue was posted to sales while 327,344 thousand yen rent expenses to cost of goods sold.)

Carrying value, differences and fair value of investment and rental property are as follows.

(Thousands of yen)

		FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Carrying value	Balance at the beginning of the fiscal year	2,777,168	2,659,117
	Differences	(118,050)	(188,788)
	Balance at the end of the fiscal year	2,659,117	2,470,329
Fair value at the end of the fiscal year		7,539,913	7,538,087

Notes: 1. The carrying value is the amount of acquisition costs, net of accumulated depreciation.

2. The fair value for major properties at the end of the fiscal year is based on the amount determined by inspection reports prepared by an independent, external real-estate appraiser.

However, if there has been no significant change in appraised amounts or indicators that are deemed to reflect the market price appropriately since the most recent date of appraisal, those appraised amounts or amounts adjusted in accordance with the indicators are used as the fair value.

## Per Share Data

(Yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Net assets per share	3,528.65	4,068.54
Net income per share (basic)	243.35	315.85

Notes: 1. Net income per share (diluted) is not disclosed since there is no dilutive share.

2. Basis for calculation of net assets per share

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Total net assets on balance sheets	33,663,374	38,157,496
Deduction from total net assets	1,537,410	1,116,925
[Minority interests]	[1,537,410]	[1,116,925]
Net assets applicable to common stock	32,125,964	37,040,570
Number of shares outstanding (common stock)	9,878,040 shares	9,878,040 shares
Number of treasury stock (common stock)	773,720 shares	773,901 shares
Number of common stock used in calculation of net assets per share	9,104,320 shares	9,104,139 shares

3. Basis for calculation of net income per share (basic)

(Thousands of yen)

	FY3/2012 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/2013 (Apr. 1, 2012 – Mar. 31, 2013)
Net income	2,259,392	2,875,547
Amount not available to common shareholders	-	-
Net income applicable to common stock	2,259,392	2,875,547
Average number of shares outstanding during period	9,284,643 shares	9,104,190 shares

## 6. Others

### Changes in Directors

#### 1) Changes in Representative

Not applicable.

#### 2) Changes in other directors (Effective June 27, 2013)

##### 1. Candidates for Directors

Director: Koji Shimada (current Head of Osaka Sales Division, Osaka Head Office)

Director: Tsutomu Sekiya (current Head of Tokyo Sales Division, Tokyo Branch Office)

##### 2. Retiring Director

Director: Setsuo Kitasato

##### 3. Candidate for Auditor

Statutory Auditor: Masayuki Somete (current Head of Internal Audit Office)

##### 4. Retiring Auditor

Statutory Auditor: Kunihiro Morita

*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.*