

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014**  
**(Three Months Ended June 30, 2013)**

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** Listing: Second Section of the Tokyo Stock Exchange  
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 Scheduled date of filing of Quarterly Report: August 14, 2013  
 Starting date of dividend payment: -  
 Preparation of supplementary materials for quarterly financial results: None  
 Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on August 9, 2013 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results (April 1, 2013 – June 30, 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	%
Three months ended Jun. 30, 2013	9,875	11.8	1,038	35.3	1,226	47.9	(625)	(181.7)
Three months ended Jun. 30, 2012	8,834	(16.4)	767	(46.7)	829	(43.0)	765	(12.8)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2013: 1,005 (down 50.7%)  
 Three months ended Jun. 30, 2012: 2,040 (up 69.3%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2013	(68.66)	-
Three months ended Jun. 30, 2012	84.05	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2013	54,758	38,637	68.3	4,109.78
As of Mar. 31, 2013	52,348	38,157	70.8	4,068.54

Reference: Shareholders' equity (million yen) As of Jun. 30, 2013: 37,415 As of Mar. 31, 2013: 37,040

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2013	-	0.00	-	55.00	55.00
Fiscal year ending Mar. 31, 2014	-				
Fiscal year ending Mar. 31, 2014 (forecast)		0.00	-	90.00	90.00

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

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 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	610	(60.9)	67.00
Full year	45,890	21.1	5,660	31.3	5,740	24.0	2,130	(25.9)	233.96

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

As for revisions to the consolidated forecast, please refer to the press release titled "Revisions to Consolidated Forecast (Japanese version only)" that was announced today (August 9, 2013).

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

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

As of Jun. 30, 2013:	9,878,040 shares	As of Mar. 31, 2013:	9,878,040 shares
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2) Number of treasury stock shares at the end of period

As of Jun. 30, 2013:	773,929 shares	As of Mar. 31, 2013:	773,901 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2013:	9,104,120 shares	Three months ended Jun. 30, 2012:	9,104,225 shares
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**\* Indication of quarterly review procedure implementation status**

This quarterly summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have been completed.

**\* Cautionary statement with respect to forward-looking statements and other special items**

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 of the attachments.

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## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

### **(1) Explanation of Results of Operations**

The Japanese economy for the first quarter of the fiscal year under review saw signs of turnaround as the strong yen was corrected and the stock prices began to rise due to expectation about the economic policy of the new government. However, uncertainty over the future has continued to prevail as there are a number of concerns overseas including the financial instability in Europe and slowdown of the Chinese economic growth.

In the electronic devices market, which is the Company's main market area, growth of smartphones and tablet terminals remained high but that for PCs, liquid crystal display TVs and other digital home appliances stayed sluggish due to a global economic slowdown and a prolonged inventory adjustment.

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

As a result, consolidated sales in the first quarter of the fiscal year under review amounted to 9,875 million yen (up 11.8% year-over-year), operating income 1,038 million yen (up 35.3%) and ordinary profit 1,226 million yen (up 47.9%). However, the Group reported net loss of 625 million yen (a net income of 765 million yen in the same period previous fiscal year) as a consequence of recognizing income tax penalty of 1,304 million yen because the Company received, on June 28, 2013, the reassessment notice with respect to transfer pricing taxation from Osaka Regional Taxation Bureau, which had determined that profits allocated to the Company in transactions with its overseas subsidiaries for the six year period from the fiscal year ended March 31, 2007 to the fiscal year ended March 31, 2012 were too small.

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

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

As for the mainstay plating chemicals for printed wiring boards (PWBs), sales increased due to the shipment for smartphones and tablet terminals remained solid, despite the prolonged sluggish demand for PCs. While sales of plating chemicals for hard disks was affected by the weakness in PC demand, it showed higher demand for servers caused by cloud computing.

Meanwhile, completion of the Company's new Central Research & Development Center caused R&D expenses to rise, which led to an increase in selling and administrative expenses and a decrease in operating income of the surface finishing materials business.

As a result, sales in the surface finishing materials business increased 2.8% year-over-year to 7,858 million yen, and operating income decreased 8.9% to 831 million yen.

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

Regarding the overseas business for the first quarter of the fiscal year under review, sales of machinery to Japanese semiconductor manufacturers and auto parts manufacturers contributed to the segment performance. Looking at the domestic business, we have yet to see the full-scale recovery of the order receiving environment despite the positive development of capital expenditure by some customers, which is driven by the government's economic stimulus package.

As a result, sales in the surface finishing machinery business increased 54.4% year-over-year to 1,058 million yen, and there was an operating income of 68 million yen (an operating loss of 62 million yen in the same period previous fiscal year).

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

While the consolidated subsidiary in Thailand, which is our main manufacturing base, suspended its factory operations due to immersion in flood water for the first quarter of its previous fiscal year (for January to March 2012), it saw the recovery of plating job operations for exterior components and printed wiring boards for automobiles thanks to an increase in automobile production in Thailand. Consequently, it saw its sales and operating income increase year over year.

As a result, sales in the plating job business increased 123.4% year-over-year to 855 million yen, and there was an operating income of 41 million yen (an operating loss of 193 million yen in the same period previous fiscal year).

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

Due to a decline in the occupancy rate and rents of the office buildings located mainly in Shin-Osaka area given the market situation in Osaka city that has become more competitive with a wave of large-scale office buildings completed for a short period of time, sales and operating income decreased year over year.

As a result, sales in the real estate rental business decreased 7.1% year-over-year to 174 million yen, and operating income decreased 11.7% to 95 million yen.

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

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

Total assets increased 2,409 million yen from the end of the previous fiscal year to 54,758 million yen at the end of the first quarter of the current fiscal year. This was primarily attributable to a 1,412 million yen increase in cash and deposits with banks, a 500 million yen increase in long-term deposits with banks, a 327 million yen increase in construction in progress, and a 321 million yen increase in buildings and structures, net. On the other hand, we posted a 192 million yen decrease in notes and accounts receivable-trade, and a 115 million yen decrease in work in process.

Liabilities increased 1,930 million yen to 16,121 million yen. This was primarily attributable to a 1,057 million yen increase in income taxes payable, a 604 million yen increase in other current liabilities due to an increase of 292 million yen in accounts payable-facilities, and a 445 million yen increase in long-term loans payable. On the other hand, we posted a 260 million yen decrease in notes and accounts payable-trade.

Net assets increased 479 million yen to 38,637 million yen. This was primarily attributable to a 1,454 million yen increase in foreign currency translation adjustments. On the other hand, we posted a 1,125 million yen decrease in retained earnings.

As a result, equity ratio decreased by 2.5 percentage points from 70.8% at the end of the previous fiscal year, to 68.3%.

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

The Company has revised its first-half and full-year consolidated forecasts for the current fiscal year disclosed in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2013” dated May 14, 2013.

For more details, please refer to the press release titled “Revisions to Consolidated Forecast (Japanese version only)” that was announced today (August 9, 2013).

**2. Matters Related to Summary Information (Notes)**

**(1) Changes in Consolidated Subsidiaries during the Period**

Not applicable.

**(2) Application of the Specific Method for Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements**

Not applicable.

**(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Not applicable.

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

Not applicable.

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

	(Thousands of yen)	
	FY3/2013 (As of Mar. 31, 2013)	First quarter of FY3/2014 (As of Jun. 30, 2013)
Assets		
Current assets		
Cash and deposits with banks	18,063,056	19,475,861
Notes and accounts receivable-trade	11,021,117	10,828,803
Marketable securities	25,190	27,665
Merchandise and finished goods	1,634,092	1,622,935
Work in process	1,078,516	962,997
Raw materials and supplies	1,016,575	1,165,586
Deferred tax assets	302,699	229,089
Other current assets	1,578,393	1,479,308
Allowance for doubtful accounts	(40,827)	(40,922)
Total current assets	34,678,815	35,751,325
Fixed assets		
Tangible fixed assets		
Buildings and structures	17,530,021	18,124,416
Accumulated depreciation	(8,125,455)	(8,398,151)
Buildings and structures, net	9,404,566	9,726,265
Machinery and vehicles	6,767,573	7,177,416
Accumulated depreciation	(4,819,765)	(5,199,119)
Machinery and vehicles, net	1,947,807	1,978,296
Land	3,346,650	3,466,505
Lease assets	289,616	289,616
Accumulated depreciation	(68,308)	(82,633)
Lease assets, net	221,308	206,983
Construction in progress	269,650	596,763
Other tangible fixed assets	3,133,211	3,171,073
Accumulated depreciation	(2,331,813)	(2,399,379)
Other tangible fixed assets, net	801,397	771,693
Total tangible fixed assets	15,991,381	16,746,507
Intangible assets	261,680	281,791
Investments and other assets		
Investment securities	936,468	1,009,709
Long-term loans receivable	26,161	24,294
Deferred tax assets	93,224	94,587
Long-term deposits with banks	-	500,000
Other investments and other assets	388,326	377,771
Allowance for doubtful accounts	(27,796)	(27,796)
Total investments and other assets	1,416,384	1,978,567
Total fixed assets	17,669,446	19,006,866
Total assets	52,348,261	54,758,191

	(Thousands of yen)	
	FY3/2013 (As of Mar. 31, 2013)	First quarter of FY3/2014 (As of Jun. 30, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	4,970,330	4,709,913
Short-term loans payable	729,909	700,000
Current portion of long-term loans payable	186,600	191,920
Lease obligations	54,909	54,286
Income taxes payable	884,479	1,941,608
Accrued bonuses	138,474	69,329
Allowance for directors' bonuses	94,600	23,650
Notes payable-facilities	40,887	1,470
Deferred tax liabilities	4,205	4,058
Other current liabilities	2,857,780	3,462,434
<b>Total current liabilities</b>	<b>9,962,176</b>	<b>11,158,670</b>
<b>Long-term liabilities</b>		
Long-term loans payable	578,604	1,024,504
Long-term guarantee deposit	586,753	594,284
Lease obligations	166,963	159,226
Deferred tax liabilities	2,376,315	2,619,520
Allowance for employees' retirement benefits	306,414	354,276
Allowance for directors' retirement benefits	160,687	152,874
Other long-term liabilities	52,849	57,734
<b>Total long-term liabilities</b>	<b>4,228,588</b>	<b>4,962,421</b>
<b>Total liabilities</b>	<b>14,190,765</b>	<b>16,121,092</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	38,132,977	37,007,160
Treasury stock	(2,825,400)	(2,825,532)
<b>Total shareholders' equity</b>	<b>38,289,167</b>	<b>37,163,218</b>
<b>Accumulated other comprehensive income</b>		
Cumulative securities holding gain	259,033	305,710
Foreign currency translation adjustments	(1,507,629)	(53,040)
<b>Total accumulated other comprehensive income</b>	<b>(1,248,596)</b>	<b>252,670</b>
<b>Minority interests</b>	<b>1,116,925</b>	<b>1,221,211</b>
<b>Total net assets</b>	<b>38,157,496</b>	<b>38,637,099</b>
<b>Total liabilities and net assets</b>	<b>52,348,261</b>	<b>54,758,191</b>

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

(Thousands of yen)

	First three months of FY3/2013 (Apr. 1, 2012 – Jun. 30, 2012)	First three months of FY3/2014 (Apr. 1, 2013 – Jun. 30, 2013)
Sales	8,834,105	9,875,470
Cost of goods sold	6,185,692	6,650,657
Gross profit	2,648,412	3,224,812
Selling, general and administrative expenses	1,880,597	2,186,209
Operating income	767,814	1,038,603
Non-operating income		
Interests received	27,742	28,197
Dividends received	8,243	14,778
Exchange gains	4,764	134,926
Gains on valuable resources recovery	6,772	3,046
Other non-operating income	33,384	25,019
Total non-operating income	80,908	205,966
Non-operating expenses		
Interest expense	10,714	7,607
Sales discounts	1,289	1,178
Other non-operating expenses	7,699	9,333
Total non-operating expenses	19,702	18,119
Ordinary profit	829,020	1,226,451
Extraordinary income		
Gains on sales of fixed assets	15	4,155
Insurance income	1,038,933	33,646
Total extraordinary income	1,038,948	37,802
Extraordinary loss		
Loss on disposal and sales of fixed assets	4,053	1,215
Loss on disaster	391,773	28,139
Loss on valuation of investment securities	2,055	964
Total extraordinary losses	397,882	30,320
Net income before income taxes and minority interests	1,470,086	1,233,933
Income taxes-current	184,314	231,118
Income taxes for prior periods	-	1,304,704
Income taxes-deferred	410,121	292,634
Total income taxes	594,435	1,828,457
Income (loss) before minority interests	875,650	(594,524)
Minority interests in income	110,397	30,565
Net income (loss)	765,252	(625,089)
Minority interests in income	110,397	30,565
Income (loss) before minority interests	875,650	(594,524)
Other comprehensive income		
Cumulative securities holding gain	(63,742)	46,677
Foreign currency translation adjustments	1,228,883	1,553,483
Total other comprehensive income	1,165,140	1,600,161
Comprehensive income	2,040,791	1,005,636
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,809,356	876,176
Comprehensive income attributable to minority interests	231,434	129,459

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

I. First three months of FY3/2013 (Apr. 1, 2012 – Jun. 30, 2012)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	7,611,188	662,848	370,974	188,112	8,833,123	981	8,834,105	-	8,834,105
Intersegment sales and transfers	30,474	22,464	12,045	-	64,984	-	64,984	(64,984)	-
Total	7,641,662	685,313	383,019	188,112	8,898,108	981	8,899,089	(64,984)	8,834,105
Segment profit (loss)	913,491	(62,123)	(193,005)	108,631	766,993	821	767,814	-	767,814

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

2. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated statements of income and comprehensive income.

2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

II. First three months of FY3/2014 (Apr. 1, 2013 – Jun. 30, 2013)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	7,801,109	1,054,697	843,231	174,765	9,873,803	1,667	9,875,470	-	9,875,470
Intersegment sales and transfers	57,044	3,318	12,330	-	72,692	-	72,692	(72,692)	-
Total	7,858,153	1,058,015	855,561	174,765	9,946,496	1,667	9,948,163	(72,692)	9,875,470
Segment profit	831,755	68,631	41,017	95,892	1,037,296	1,306	1,038,603	-	1,038,603

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

2. Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income and comprehensive income.

2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

*Note: This report of consolidated financial results is solely a translation of summary of Japanese “Kessan Tanshin” (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.*