

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019
(Three Months Ended June 30, 2018)**

[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 8, 2018
 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 8, 2018 at 15:30 (GMT +9).

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

1. Consolidated Financial Results (April 1, 2018 – June 30, 2018)

(1) Results of operations

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2018	12,394	8.7	2,046	11.8	2,170	16.2	1,470	13.0
Three months ended Jun. 30, 2017	11,399	8.8	1,830	32.9	1,867	50.3	1,301	22.3

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2018: 180 (down 86.6%)
 Three months ended Jun. 30, 2017: 1,344 (-%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2018	163.38	-
Three months ended Jun. 30, 2017	144.63	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2018	72,645	57,055	78.5	6,338.16
As of Mar. 31, 2018	73,611	58,225	79.1	6,468.14

Reference: Shareholders' equity (million yen) As of Jun. 30, 2018: 57,055 As of Mar. 31, 2018: 58,225

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2018	-	0.00	-	150.00	150.00
Fiscal year ending Mar. 31, 2019	-				
Fiscal year ending Mar. 31, 2019 (forecast)		0.00	-	150.00	150.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,250	1.9	3,830	(0.8)	3,910	(0.9)	2,650	1.4	294.38
Full year	51,390	6.8	8,430	1.3	8,550	1.5	5,120	(4.1)	568.76

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

*** Notes**

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

Newly added: -

Excluded: -

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

As of Jun. 30, 2018:	9,878,040 shares	As of Mar. 31, 2018:	9,878,040 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2018:	876,129 shares	As of Mar. 31, 2018:	876,091 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2018:	9,001,924 shares	Three months ended Jun. 30, 2017:	9,002,255 shares
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***The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.**

***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 (hereinafter “the period under review”) remained on track to recovery as corporate earnings stayed resilient, and employment conditions and personal income moderately improved. Meanwhile, the world economy has been recovering, but its outlook still remains unclear due to concerns about the impacts of the U.S. economic and trade policies, as well as the risk of rising crude oil prices.

In the electronic devices market, which is the Uyemura Group’s main market area, demand for electronic components expanded thanks to the advancement of the mounting technology that allows smartphones to be more functional and high-performing, as well as a phenomenal increase in the number of on-board electrical components for car electronics.

In this management environment, the Group has focused on development of high value-added products, and proposal and sales activities for these products, while strengthening efforts to improve productivity to make the operations more profitable.

As a result, consolidated sales for the period under review were 12,394 million yen (up 8.7% year-over-year), operating profit 2,046 million yen (up 11.8% year-over-year), ordinary profit 2,170 million yen (up 16.2% year-over-year), and profit attributable to owners of parent 1,470 million yen (up 13.0% year-over-year).

Performance by business segment is shown as below. The year-over-year comparison is provided as a reference.

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs increased year-over-year thanks to the continued strong demand for electronic components used for smartphones and car electronics products. In particular for car electronics applications, trends for improved safety and eco-friendliness caused sales of the plating chemicals for automotive power devices and on-board camera modules to increase and exceed those for the same period of the previous fiscal year.

Consequently, sales in the surface finishing materials business increased 13.6% year-over-year to 9,742 million yen, and segment profit increased 13.6% year-over-year to 1,938 million yen.

2) Surface finishing machinery business

In the electronic components industry, as capital investments to accommodate demand for new thin and high-density wiring boards for high-end smartphones ran their course, both sales and segment profit decreased year-over-year.

Consequently, sales in the surface finishing machinery business decreased 34.2% year-over-year to 995 million yen, and segment profit decreased 47.2% year-over-year to 40 million yen.

3) Plating job business

Sales of the segment increased year-over-year thanks to the recovering automobile industry in Thailand and Indonesia. However, the segment recorded a loss mainly because the consolidated subsidiary in Indonesia suffered lower yield and squeezed profit margins for large-scaled items requiring high level of expertise.

Consequently, sales in the plating job business increased 30.5% year-over-year to 1,530 million yen, while there was a segment loss of 32 million yen (compared with a segment loss of 54 million yen in the same period of the previous fiscal year).

4) Real estate rental business

The real estate rental business was adversely affected by rent-free periods given to new tenants of the office buildings for rent, resulting in a year-over-year decrease in both sales and segment profit.

Consequently, sales in the real estate rental business decreased 4.2% year-over-year to 175 million yen, and segment profit decreased 4.7% year-over-year to 97 million yen.

Meanwhile, intersegment sales and transfers are included in the above segment sales.

(2) Explanation of Financial Position

Total assets decreased 965 million yen from the end of the previous fiscal year to 72,645 million yen at the end of the period under review. This was primarily attributable to a 738 million yen decrease in notes and accounts receivable-trade, a 309 million yen decrease in buildings and structures, net, and a 246 million yen decrease in cash and deposits with banks, which were partially offset by a 288 million yen increase in construction in progress.

Total liabilities increased 205 million yen from the end of the previous fiscal year to 15,590 million yen. This was primarily attributable to a 260 million yen increase in income taxes payable, which was partially offset by a 114 million yen decrease in allowance for directors' bonuses.

Total net assets decreased 1,170 million yen from the end of the previous fiscal year to 57,055 million yen. This was primarily attributable to a 1,214 million yen decrease in foreign currency translation adjustments, which was partially offset by a 120 million yen increase in retained earnings.

As a result, the equity ratio decreased by 0.6 percentage points from 79.1% at the end of the previous fiscal year to 78.5%.

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

We have maintained the first-half and full-year consolidated forecasts that we announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2018" on May 11, 2018 as our performance has largely trended in line with the plan.

Actual results may differ from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY3/2018 (As of Mar. 31, 2018)	First quarter of FY3/2019 (As of Jun. 30, 2018)
Assets		
Current assets		
Cash and deposits with banks	31,403,251	31,157,242
Notes and accounts receivable-trade	13,536,467	12,798,200
Marketable securities	40,581	37,700
Merchandise and finished goods	2,027,445	2,077,950
Work in process	1,263,488	1,297,244
Raw materials and supplies	1,146,193	1,211,974
Other current assets	782,927	1,165,122
Allowance for doubtful accounts	(51,936)	(52,020)
Total current assets	50,148,416	49,693,414
Fixed assets		
Tangible fixed assets		
Buildings and structures	20,671,622	20,413,730
Accumulated depreciation	(12,007,809)	(12,059,635)
Buildings and structures, net	8,663,812	8,354,094
Machinery and vehicles	10,890,322	10,626,773
Accumulated depreciation	(8,052,879)	(8,012,285)
Machinery and vehicles, net	2,837,443	2,614,487
Land	4,692,402	4,611,224
Lease assets	203,539	200,354
Accumulated depreciation	(115,901)	(120,823)
Lease assets, net	87,638	79,531
Construction in progress	1,950,302	2,238,837
Other tangible fixed assets	4,750,187	4,713,327
Accumulated depreciation	(3,667,656)	(3,681,963)
Other tangible fixed assets, net	1,082,531	1,031,363
Total tangible fixed assets	19,314,130	18,929,539
Intangible assets	302,273	277,999
Investments and other assets		
Investment securities	3,037,070	2,924,773
Net defined benefit asset	90,535	92,075
Deferred tax assets	243,565	254,627
Other investments and other assets	548,517	545,839
Allowance for doubtful accounts	(73,365)	(72,364)
Total investments and other assets	3,846,323	3,744,951
Total fixed assets	23,462,726	22,952,490
Total assets	73,611,143	72,645,905

	(Thousands of yen)	
	FY3/2018 (As of Mar. 31, 2018)	First quarter of FY3/2019 (As of Jun. 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,715,595	2,655,781
Electronically recorded obligations-operating	3,179,285	3,227,485
Short-term loans payable	882,448	873,764
Current portion of long-term loans payable	171,704	160,945
Lease obligations	53,014	51,953
Income taxes payable	1,760,095	2,020,239
Accrued bonuses	154,369	95,160
Allowance for directors' bonuses	152,950	38,200
Other current liabilities	2,111,939	2,324,134
Total current liabilities	11,181,402	11,447,663
Long-term liabilities		
Long-term loans payable	42,676	-
Long-term guarantee deposit	592,790	609,575
Lease obligations	86,847	73,462
Deferred tax liabilities	2,323,677	2,306,922
Allowance for directors' retirement benefits	190,595	194,120
Net defined benefit liability	736,907	739,768
Other long-term liabilities	230,380	218,813
Total long-term liabilities	4,203,874	4,142,663
Total liabilities	15,385,277	15,590,327
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	54,080,028	54,200,471
Treasury shares	(3,326,952)	(3,327,258)
Total shareholders' equity	53,359,762	53,479,900
Accumulated other comprehensive income		
Cumulative securities holding gain	917,857	840,133
Foreign currency translation adjustments	3,957,658	2,743,580
Remeasurements of defined benefit plans	(9,412)	(8,035)
Total accumulated other comprehensive income	4,866,103	3,575,678
Total net assets	58,225,865	57,055,578
Total liabilities and net assets	73,611,143	72,645,905

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

(Thousands of yen)

	First three months of FY3/2018 (Apr. 1, 2017 – Jun. 30, 2017)	First three months of FY3/2019 (Apr. 1, 2018 – Jun. 30, 2018)
Sales	11,399,686	12,394,262
Cost of goods sold	7,119,885	7,820,775
Gross profit	4,279,800	4,573,487
Selling, general and administrative expenses	2,448,962	2,527,264
Operating profit	1,830,837	2,046,223
Non-operating income		
Interests received	20,891	26,328
Dividends received	28,743	27,698
Gains on valuable resources recovery	16,443	21,709
Technical advisory fee	-	32,382
Other non-operating income	20,840	31,557
Total non-operating income	86,918	139,677
Non-operating expenses		
Interest expense	4,966	3,584
Foreign exchange losses	40,236	4,950
Commission fee	3,532	3,901
Other non-operating expenses	1,577	2,695
Total non-operating expenses	50,311	15,133
Ordinary profit	1,867,444	2,170,767
Extraordinary income		
Gains on sales of fixed assets	2,674	4,228
Total extraordinary income	2,674	4,228
Extraordinary loss		
Loss on disposal and sales of fixed assets	449	3,304
Total extraordinary losses	449	3,304
Profit before income taxes	1,869,668	2,171,691
Income taxes-current	244,824	700,846
Income taxes-deferred	311,444	108
Total income taxes	556,268	700,954
Profit	1,313,399	1,470,736
Profit attributable to:		
Owners of parent	1,301,983	1,470,736
Non-controlling interests	11,415	-
Other comprehensive income		
Cumulative securities holding gain	9,617	(77,724)
Foreign currency translation adjustments	20,266	(1,214,077)
Remeasurements of defined benefit plans, net of tax	1,010	1,376
Total other comprehensive income	30,894	(1,290,425)
Comprehensive income	1,344,294	180,310
Comprehensive income attributable to:		
Owners of parent	1,322,601	180,310
Non-controlling interests	21,692	-

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Additional Information(Application of *Partial Amendments to Accounting Standard for Tax Effect Accounting*, etc.)

Effective from the beginning of the current period, the Company applied *Partial Amendments to Accounting Standard for Tax Effect Accounting* (ASBJ Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the long-term liabilities section of the balance sheet, respectively.

Segment and Other Information**Segment Information**

I. First three months of FY3/2018 (Apr. 1, 2017 – Jun. 30, 2017)

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	8,543,279	1,498,523	1,171,871	183,622	11,397,298	2,387	11,399,686	-	11,399,686
Intersegment sales and transfers	32,649	13,391	360	-	46,401	-	46,401	(46,401)	-
Total	8,575,929	1,511,915	1,172,232	183,622	11,443,699	2,387	11,446,087	(46,401)	11,399,686
Segment profit (loss)	1,705,458	75,952	(54,922)	102,372	1,828,860	1,977	1,830,837	-	1,830,837

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

2. Total segment profit (loss) is equal to operating profit shown on the consolidated statements of income and comprehensive income.

II. First three months of FY3/2019 (Apr. 1, 2018 – Jun. 30, 2018)

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	9,711,035	974,311	1,529,721	175,975	12,391,044	3,218	12,394,262	-	12,394,262
Intersegment sales and transfers	31,542	21,005	394	-	52,941	-	52,941	(52,941)	-
Total	9,742,577	995,317	1,530,115	175,975	12,443,986	3,218	12,447,204	(52,941)	12,394,262
Segment profit (loss)	1,938,087	40,086	(32,199)	97,569	2,043,544	2,678	2,046,223	-	2,046,223

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

2. Total segment profit (loss) is equal to operating profit shown on the consolidated statements of income and comprehensive income.

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