SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the First Quarter (April 1 to June 30, 2014) of the Fiscal Year Ending March 31, 2015

August 8, 2014

Company Name: Yamaichi Electronics Co., Ltd.

Code：6941 Tokyo Stock Exchange 1st section URL: http://www.yamaichi.co.jp
President：Yoshitaka Ota
Managing Director：katsuichi kato Tel: (03)3734-0171

Scheduled date of securities report submission: August 14, 2014
Scheduled date of dividend payment commencement: —
Supplementary materials for the quarterly financial statements: None
Presentation to explain for the quarterly financial statements: None

1. Consolidated Financial Results for the First Quarter Ended June 30, 2014

(1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous year.)

	Net Sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q ended June 30, 2014	6,253	11.9	683	399.4	532	35.3	411	18.4
1Q ended June 30, 2013	5,589	3.1	136	—	393	—	347	—

Note: Comprehensive income First quarter ended June 30, 2014 ¥506 million(6.0%)

First quarter ended June 30, 2013 ¥478 million(–%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q ended June 30, 2014	17.67	—
1Q ended June 30, 2013	14.92	—

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	24,243	14,271	58.8	612.17
As of March 31, 2014	23,582	13,482	57.1	578.27

Reference: Shareholders' equity as of June 30, 2014: ¥14,255 million as of March 31, 2014: ¥13,466 million.

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	—	0.00	—	5.00	5.00
Year ending March 31, 2015	—				
Forecast: Year ending March 31, 2015		0.00	—	—	—

Note: Modifications in the dividend projection from the latest announcement : None

Our company establishes the fiscal year ending date as the date of right allotment. The dividend amount on the date of right allotment is to be determined yet at the moment.

3. Forecast of Consolidated Operating Results for the year ending March 31, 2015

(Percentage figures represent changes from the same period of previous year.)

	Net Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year ending Sep.30, 2014	12,000	8.0	1,100	157.9	930	45.0	740	43.5	31.78
Year ending March 31, 2015	—	—	—	—	—	—	—	—	—

Note: Modifications in forecasts of consolidated operating results from the latest announcement : Yes

Since it is difficult to predict the trend in business from the third quarter onward, we have disclosed only the consolidated earnings forecast for the second quarter (accumulated) with respect to consolidated results for the year ending March, 2015. See the "Announcement on Consolidated Financial Forecast Revision for the Second Quarter of the Fiscal Year ending March 31, 2015" that we have published today (August 8, 2014) for more details.

4. Other

(1) Changes in significant subsidiaries during the period: No

(changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Adoption of special accounting treatments for quarterly consolidated financial statements : No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc.: Yes

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) at term end :

June 30, 2014	23,289,775 shares
March 31, 2014	23,289,775 shares

2) Number of shares of treasury stock at term end:

June 30, 2014	2,790 shares
March 31, 2014	2,790 shares

3) Average number of outstanding shares (during the first quarter ended June 30):

June 30, 2014	23,286,985 shares
June 30, 2013	23,286,985 shares

＊ Status of Performance of Quarterly Review Procedures

This summary of financial statements is exempt from quarterly review procedures required by Financial Instruments and Exchange Act. A part of quarterly review for securities report based on Financial Instruments and Exchange Act have not finished at the time of disclosure of this summary of financial statements.

＊ Explanation of the appropriate use of performance forecasts and other related items

All forecasts in this presentation are based on information currently available to the management and on assumptions judged to be reasonable. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

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5. Qualitative Information Concerning Current Quarterly Results

(1) Statements of Operating Results

The business environment during the current first consolidated quarter is slowly recovering led mainly by the strong US economy. Arising from a concern over the deceleration in economic growth in China and new-emerging countries and high oil prices due to geopolitical risks, however, the overall economic situation has continued to be difficult.

In the meantime, Japanese economy has experienced continued moderate recovery as a whole due to the increase in corporate capital investment and supported by public spending despite the reaction to the last-minute demand in anticipation of the consumption tax increase.

In the semiconductor and electronics components industry to which our Company Group is related, overseas demand has continued to be strong bolstered by the remarkable rise of Chinese manufacturers in the global smartphone and tablet markets, and the automobile-related markets as well as capital investment markets have also experienced a slow recovery. The overall situation for products for consumer electronics such as flat-screen TVs, digital cameras, personal computers and others still remains difficult, however.

Under such business environment, we have carried out a “business structure innovation” aimed to promote coordination among the group companies as a whole, improve efficiency in business and reduce fixed costs. In addition, in order to focus corporate resources on the three businesses of the “test solution business,” “connector solution business” and “optics-related business” to provide products and services that meet or exceed our customers' expectations, we have developed and implemented strategies designed to meet the needs of each region, market, customer, and product in order to achieve sustained growth and improved profits

Consequently, the business results during the current first consolidated quarter were sales of 6,253 million yen (up 11.9% from the same period previous year) and operating profit of 683 million yen (up 399.4% from the same period previous year), while the ordinary income amounted to 532 million yen by recording a foreign exchange loss of 115 million yen due to yen appreciation (up 35.3% from the same period previous year). As a result, current quarterly net income amounted to 411 million yen (up 18.4% from the same period previous year).

Business results by segment are as follows:

[Test solution business]

Sales of IC socket products for testing memory-based and logic-based semiconductors registered strong results due to a strong increase in demand of semiconductors for mobile equipment and sales of IC socket products for testing for vehicles also registered strong results due to increasing use of electronics in motor vehicles. In addition, sales of test socket products for cutting-edge semiconductors were significantly increased by the introduction of new products.

Consequently, sales amounted to 2,773 million yen (up 11.9% from the same period the previous year), and operating profit amounted to 518 million yen (up 14.5% from the same period the previous year).

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[Connector solution business]

Connector products for communication infrastructure showed strong sales mainly in North America and connector products for industrial applications also increased sales mainly in Europe. In addition, sales of YFLEX products for amusement and vehicle equipment as well as connector products for printers, multifunction printers and vehicle equipment in Japan were also relatively strong.

Consequently, sales amounted to 3,203 million yen (up 20.7% from the same period the previous year), and operating profit amounted to 198 million yen (vs. operating loss of 81 million yen in the same period the previous year).

[Optics-related business]

Thin-filter products for medical equipment registered increases sales, but sales of thin-filter products for video equipment including digital cameras, digital video cameras etc., and for optical communication were slow.

Consequently, sales amounted to 276 million yen (up 6.3% from the same period the previous year), and operating loss amounted to 25 million yen (vs. operating profit of 6 million yen in the same period the previous year).

(2) Statements of Financial Conditions

Assets at the end of the current first consolidated quarter amounted to 24,243 million yen (up 660 million yen from the end of the same period the previous year).

Current assets increased 71 million yen due to increase in notes receivable and accounts receivable resulting from an increase in sales despite a decrease in cash and time deposits due to repayment of debts.

Tangible fixed assets decreased 126 million yen due to depreciation etc.

Investments and other assets increased 717 million yen because of an increase in Net defined benefit asset due to a revision of the calculation method of retirement benefit obligations and service cost.

Liabilities amounted to 9,972 million yen (down 128 million yen from the end of the same period the previous year).

Current liabilities decreased 523 million yen because of decrease in short-term loans despite an increase in bills payable and accounts payable due to increase in sales.

Fixed liabilities increased 394 million yen because of an increase in deferred tax liabilities due to a revision of the calculation method of retirement benefit obligations and service cost and an increase in long-term lease debts.

Net assets amounted to 14271 million yen (up 789 million yen from the end of the same period the previous year).

Shareholders' equity increased 694 million yen because of the recording of quarterly net income and an increase in retained earnings due to a revision of the calculation method of retirement benefit obligations and service cost despite the payment of the year-end dividend.

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(3) Consolidated earnings forecasts and other forward-looking statements

We hereby announce a revision of the consolidated earnings forecast for the second quarter of the fiscal year ending March 31, 2015, which we originally announced on May 16, 2014 as described in the “Announcement on Consolidated Financial Forecast Revision for the Second Quarter of the Fiscal Year ending March 31, 2015” that we have published today.

Additionally, since it is difficult to predict the trend of capital investment by semiconductor manufacturers from the third quarter onward, we will disclose our full-year consolidated earnings forecast when it is possible to clearly predict the trend in the future.

6. Matters related to Summary Information (Notes)

Changes in accounting principles, accounting estimate and restatement

Changes in accounting principle

(Application of Accounting Standard for Retirement Benefits)

The “Accounting Standard for Retirement Benefits” (Accounting Standard for Retirement Benefits No. 26 issued on May 17, 2012. Hereinafter, “Accounting Standard for Retirement Benefits”) and the “Implementation Guidance for Accounting Standard for Retirement Benefits No. 25 issued on May 17, 2012. Hereinafter, “Implementation Guidance for Retirement Benefits”) have been implemented from the current quarterly consolidated accounting period pursuant to the provisions listed in the main text of the section 35 of the Accounting Standard for Retirement Benefits and the main text of the section 67 of the Implementation Guidance for Retirement Benefits to revise the calculation method of retirement benefit obligations and service cost. As a result, the attribution period for estimating retirement benefits has been changed from the straight-line attribution (a type of pro-rata method to allocate the projected benefit obligations and service cost in direct proportion to the years of service) to benefits calculation system, and the determination of the discount rate has been changed to the weighted average discount rate.

In the implementation of the Accounting Standard for Retirement Benefits etc., in light of the transitional consideration provided in the section 37 of the Accounting Standard for Retirement Benefits, the amount affected by the change in the calculation method of retirement benefit obligations and service cost has been adjusted by retained earnings and deferred tax liability in the current consolidated quarter accounting period.

Consequently, assets related to retirement benefits in the current consolidated quarter accounting period, retained earnings and deferred tax liabilities increased 619,975 thousand yen, 399,264 thousand yen and 220,711 thousand yen, respectively. Incidentally, the effect this change has on our profits and losses in the current consolidated quarter accounting period is negligible.

Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2014	As of June 30, 2014
	Amount	Amount
(ASSETS)		
Current assets		
Cash and deposits	4,890,952	3,902,031
Notes and accounts receivable-trade	3,943,119	4,938,837
Merchandise and finished goods	1,241,731	1,130,678
Work in process	226,183	298,823
Raw materials and supplies	1,332,222	1,451,747
Deferred tax assets	53,288	48,491
Other	583,656	574,527
Allowance for doubtful accounts	△10,018	△12,496
Total current assets	12,261,134	12,332,639
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,775,372	2,723,191
Machinery, equipment and vehicles	1,209,221	1,170,561
Tools, furniture and fixtures	1,434,748	1,440,991
Land	3,437,510	3,438,901
Lease assets	60,350	55,262
Construction in progress	186,427	148,650
Total tangible fixed assets	9,103,631	8,977,559
Intangible fixed assets	77,087	74,830
Investments and other assets		
Investment securities	1,627,780	1,733,886
Deferred tax assets	118,637	115,961
Net defined benefit asset	170,507	785,809
Other	254,666	255,289
Allowance for doubtful accounts	△35,183	△36,897
Total investments and other assets	2,136,407	2,854,048
Total fixed assets	11,317,127	11,906,438
Deferred assets	4,659	4,444
Total assets	23,582,921	24,243,522

(Thousand of yen)

	As of March 31, 2014	As of June 30, 2014
	Amount	Amount
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	1,521,447	1,654,753
Current portion of bonds	35,000	35,000
Short-term loans payable	4,898,480	4,244,980
Income taxes payable	119,862	122,050
Provision for bonuses	163,895	154,340
Provision for directors' bonuses	—	20,000
Deferred tax liabilities	67,258	78,615
Other	1,806,092	1,778,806
Total current liabilities	8,612,036	8,088,545
Long-term liabilities		
Bonds payable	162,500	162,500
Long-term borrowings	428,740	662,350
Allowance for director's retirement benefits	62,689	61,593
Net defined benefit liability	32,225	47,641
Asset retirement obligations	18,311	18,416
Deferred tax liabilities	239,492	499,103
Other	544,871	431,988
Total long-term liabilities	1,488,830	1,883,594
Total liabilities	10,100,867	9,972,139
(NET ASSETS)		
Shareholders' equity		
Capital stock	10,047,063	10,047,063
Capital surplus	1,586,633	1,586,633
Retained earnings	2,454,079	3,148,330
Treasury stock - at cost	△3,754	△3,754
Total shareholders' equity	14,084,022	14,778,273
Valuation and translation adjustments		
Unrealized gains on available-for-sale securities	413,945	484,992
Foreign currency translation adjustments	△926,748	△904,253
Provision for retirement translation adjustment	△105,111	△103,334
Total valuation and translation adjustments	△617,915	△522,595
Minority interests	15,946	15,704
Total net assets	13,482,053	14,271,382
Total liabilities and total net assets	23,582,921	24,243,522

Consolidated Statements of Income

(Thousand of yen)

	1Q period of previous year (From April 1, 2013 to June 30, 2013)	1Q period of current year (From April 1, 2014 to June 30, 2014)
	Amount	Amount
Net sales	5,589,933	6,253,764
Cost of sales	4,034,260	4,132,759
Gross profit	1,555,672	2,121,005
Selling, general and administrative expenses	1,418,752	1,437,284
Operating income	136,920	683,720
Non-operating income		
Interests income	2,540	705
Dividends income	8,407	9,645
Foreign exchange gains	241,636	—
Equity in earnings of affiliates	8,343	1,477
Other	52,945	19,541
Total non-operating income	313,874	31,371
Non-operating expenses		
Interests expense	44,013	36,242
Foreign exchange loss	—	115,625
Other	13,208	30,716
Total non-operating expenses	57,222	182,584
Ordinary income	393,572	532,508
Extraordinary income		
Gain on sales of fixed assets	28,339	2,728
Total extraordinary income	28,339	2,728
Extraordinary loss		
Loss on sales of noncurrent assets	—	173
Total extraordinary loss	—	173
Income before income taxes	421,912	535,062
Income taxes	74,847	123,883
Minority interests	△316	△241
Net income	347,382	411,421

(Thousand of yen)

	1Q period of previous year (From April 1, 2013 to June 30, 2013)	1Q period of current year (From April 1, 2014 to June 30, 2014)
	Amount	Amount
Income before minority interests	347,065	411,179
Other comprehensive income		
Unrealized gains on available-for-sale securities	107,940	71,046
Foreign currency translation adjustments	12,800	28,961
Remeasurements of defined benefit plans, net of tax	—	1,777
Other	10,236	△6,466
Total other comprehensive income	130,976	95,320
Comprehensive income	478,041	506,499
attribute to		
Comprehensive income attribute to owners of the parent	478,201	506,741
Comprehensive income attribute to minority interests	△159	△241