# SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

## Financial Results for the First Three Quarters (April 1 to December 31, 2014) of the Fiscal Year Ending March 31, 2015

February 6, 2015

**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: February 13, 2015
Scheduled date of dividend payment commencement: —
Supplementary materials for the quarterly financial statements: No
Presentation to explain for the quarterly financial statements: No

### 1. Consolidated Financial Results for the First Three Quarters (April 1 to December 31, 2014) of the Fiscal Year Ending March 31, 2015

(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 | % |
| First three quarters ended December 31, 2014 | 18,893 | 16.6 | 1,841 | 286.1 | 2,279 | 106.4 | 1,921 | 116.1 |
| December 31, 2013 | 16,203 | 6.9 | 476 | – | 1,104 | – | 889 | – |

Note: Comprehensive income First three quarters ended December 31, 2014 ¥2,385 million (81.5%)
First three quarters ended December 31, 2013 ¥1,314 million (–%)

| | Net profit per share | Diluted net profit per share |
|---|---|---|
| | Yen | Yen |
| First three quarters ended December 31, 2014 | 82.51 | — |
| December 31, 2013 | 38.19 | — |

(2) Consolidated Financial Positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31, 2014 | 26,408 | 16,153 | 61.1 | 692.86 |
| As of March 31, 2014 | 23,582 | 13,482 | 57.1 | 578.27 |

Reference: Shareholders' equity as of December 31, 2014: ¥16,134 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 | – | 0.00 | – | | |
| Forecast: Year ending March 31, 2015 | | | | 12.00 | 12.00 |

Note: Modifications in the dividend projection from the latest announcement: Yes

### 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 |
| Year ending March 31, 2015 | 25,200 | 15.7 | 2,250 | 178.8 | 2,500 | 93.4 | 2,050 | 111.3 | 88.03 |

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

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## 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:

| | |
|---|---|
| December 31, 2014 | 23,289,775 shares |
| March 31, 2014 | 23,289,775 shares |

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

| | |
|---|---|
| December 31, 2014 | 2,790 shares |
| March 31, 2014 | 2,790 shares |

3) Average number of outstanding shares (during the three quarters ended December 31):

| | |
|---|---|
| December 31, 2014 | 23,286,985 shares |
| December 31, 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 on Current Quarter Account Settlement

### (1) Statements of Operating Results

While the management environment of the current third consolidated quarter was attracted by the strong U.S. economy, non-transparent situation in the future could not be wiped out due to the political unrest in the Middle East and the sluggish economy of emerging countries in foreign countries. In Japan, the business transited in a rebounding tendency as equipment investment moderately increased while corporate profits rose with the background of the improvement of export environment.

In the industries of semiconductors and electronic parts to which our Group is related, the market of smartphones continued to favorably transit mainly due to the overseas demand, and the markets related to cars and equipment investment related to semiconductors showed steady progress. However, the demand for digital appliances generally transited on a low level.

Under the circumstances, the Group is tackling “the business structure renovation,” strengthening the cooperation among the Group companies, aiming at the efficiency of business and tackling the further cut of fixed costs. Furthermore, we have made and implemented global growth strategies for each region, market, customer and product so that we may supply products and services that satisfy our customers, and are advancing our activities for sustainable growth and the improvement of earning capacity.

As a result of the above, the sales during the current third consolidated quarter amounted to 18,893 million yen (up 16.6% from the same period the previous year) thanks to the increase of incomes in the test solution business and the connector solution business. In terms of profit too, as a result of effect from the increase of incomes, and the improvement of profits caused by the advancement of the structure renovation, operating profit amounted to 1,841 million yen (up 286.1 % from the same period the previous year), ordinary profit amounted to 2,279 million yen (up 106.4% from the same period the previous year) due to the accounting-for of 459 million yen of exchange gain and net quarterly profit amounted to 1,921 million yen (up 116.1% from the same period the previous year).

Business results by segment are as follows.

**[Test solution business]**

Although we had estimated that the current third quarter would be a seasonal adjustment period for the demand for semiconductor, because the Christmas sales in the U.S.A. was vigorous and the investments of semiconductors into servers and cars were continuously favorable in addition to the mobile equipment such as smartphones, the sales of burn-in socket and test sockets for the inspection of semiconductors continued to transit relatively favorably.

As a result, sales of 8,509 million yen (up 26.2 % from the same period the previous year) and operating profit of 1,489 million yen (up 85.1 % from the same period the previous year) were counted.

**[Connector solution business]**

In the domestic markets, the sales of YFLEX products for amusement industry and the sales of connector products for printers and cars relatively solidly transited. In addition, in the overseas markets, the sales of connectors for communication infrastructure and those for industrial equipment solidly transited.

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As a result, sale of 9,498 million yen (up 12.9 % from the same period the previous year) and operating profit of 297 million yen (vs. operating loss of 94 million yen in the same period the previous year) were counted.

**[Optics-related business]**

Because we paid much attention to the distribution of thin-film filter products for optical communication and medical equipment, the sales of thin-film filter products relatively solidly transited.

As a result, sales of 886 million yen (up 4.5 % from the same period the previous year) and operating profit of 21 million yen (down 2.7 % from the same period the previous year) were counted.

**(2) Statements of Financial Conditions**

The total asset as of the end of the current third consolidated quarter amounted to 26,408 million yen (up 2,825 million yen from the end of the previous year).

Because bills receivable and accounts receivable increased due to the increase of sales, current assets increased by 1,323 million yen, resulting in 13,584 million yen.

Caused by the acquisition of machinery, equipment and molds and by the acquisition of a building by Pricon Microelectronics Inc., tangible fixed asset increased by 367 million yen, resulting in 9,471 million yen.

Due to the increase of evaluation amount of investment securities and to the increase of assets related to retirement allowance by the review of the calculation methods of retirement allowance liabilities and service costs, investment and other assets increased by 1,095 million yen, resulting in 3,231 million yen.

Total liabilities amounted to 10,254 million yen (up 153 million yen from the end of the previous year).

Although bills payable and accounts payable increased by the increase of sales, current liabilities decrease by 86 million yen due to the decrease of short-term loan, resulting in 8,525 million yen.

Due to the increase of deferred tax liabilities by the review of the calculation methods of retirement allowance liabilities and service costs, fixed liabilities increased by 240 million yen, resulting in 1,728 million yen.

Total net assets amounted to 16,153 million yen (up 2,671 million yen from the end of the previous year).

Although shareholders' equity decreased by the payment of year-end dividends, because the quarterly net profit was accounted for and retained earnings increased by the review of the calculation methods of retirement allowance liabilities and service costs, it increased by 2,204 million yen, resulting in 16,288 million yen.

**(3) Statements of Forecast Information Such As the Forecasts of Consolidated Business Results**

As to the forecasts of consolidated business results during the full term that will end in March 2015 that we publicized on November 7, 2014, we revise it as follows.

Revision of the forecasts for the consolidated business results during the full term that will end in March 2015 (from April 1, 2014 to March 31, 2015)

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| | Sales | Operating profit | Ordinary profit | Net profit | Net profit per share |
|---|---|---|---|---|---|
| Forecast publicized last time (A) | Million yen<br>24,700 | Million yen<br>2,100 | Million yen<br>2,050 | Million yen<br>1,650 | Yen<br>70.86 |
| Forecast revised this time (B) | 25,200 | 2,250 | 2,500 | 2,050 | 88.03 |
| Amount of increase/ decrease (B-A) | 500 | 150 | 450 | 400 | _____ |
| Ratio of increase/decrease (%) | 2.0 | 7.1 | 22.0 | 24.2 | _____ |
| (For your information) Results in previous year (year ended March 2014) | 21,778 | 806 | 1,292 | 970 | 41.65 |

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

Changes in accounting principles, accounting estimate and restatement

Changes in accounting principles

(Application of Accounting Standard for Retirement Allowance etc.)

We applied “Accounting Standard for Retirement Allowance” (Corporate Accounting Standard No.26 dated on May 17, 2012. Hereinafter, “Accounting Standard for Retirement Allowance”) and “Application Guideline of Accounting Standard for Retirement Allowance” (Application Guideline of Corporate Accounting Standard No.25 dated on May 17, 2012. Hereinafter, “Application Guideline for Retirement Allowance”) to the first consolidated accounting quarter in relation with the provisions of the main text of Section 35 of the Accounting Standard for Retirement Allowance and those of the main text of Section 67 of the Application Guideline for Retirement Allowance, reviewed the calculation methods of retirement allowance liabilities and service costs, changed the time attribution method of the estimated amount of retirement allowance from the standard of fixed amount for time to the standard of provision calculation formula, and changed the decision method of discount rate to use single weighted average discount rate.

With respect to the application of the Accounting Standard for Retirement Allowance etc., in accordance with the transitional handling set forth in Section 37 of the Accounting Standard for Retirement Allowance, at the beginning of the current third consolidated quarter, we added or deducted the amount affected by the change of the calculation methods of retirement allowance liabilities and service costs to retained earnings and deferred tax liabilities.

As a result of the above, the asset related to retirement allowance at the beginning of the current third consolidated quarter, retained earnings and deferred tax liabilities respectively increased by 619,975 thousand yen each. Its influence on the profit and loss of the current third consolidated quarter is minute.

# Consolidated Balance Sheets

(Thousand of yen)

| | As of March 31, 2014 | As of December 31, 2014 |
|---|---|---|
| | Amount | Amount |
| **〔ASSETS〕** | | |
| **Current assets** | | |
| Cash and deposits | 4,890,952 | 5,133,470 |
| Notes and accounts receivable-trade | 3,943,119 | 4,614,395 |
| Merchandise and finished goods | 1,241,731 | 1,272,635 |
| Work in process | 226,183 | 280,984 |
| Raw materials and supplies | 1,332,222 | 1,441,729 |
| Deferred tax assets | 53,288 | 90,835 |
| Other | 583,656 | 762,448 |
| Allowance for doubtful accounts | △10,018 | △12,002 |
| **Total current assets** | 12,261,134 | 13,584,497 |
| **Fixed assets** | | |
| **Tangible fixed assets** | | |
| Buildings and structures | 2,775,372 | 3,002,692 |
| Machinery, equipment and vehicles | 1,209,221 | 1,277,515 |
| Tools, furniture and fixtures | 1,434,748 | 1,552,094 |
| Land | 3,437,510 | 3,442,634 |
| Lease assets | 60,350 | 53,348 |
| Construction in progress | 186,427 | 142,789 |
| **Total tangible fixed assets** | 9,103,631 | 9,471,075 |
| **Intangible fixed assets** | | |
| **Total intangible fixed assets** | 77,087 | 117,333 |
| **Investments and other assets** | | |
| Investment securities | 1,627,780 | 1,998,222 |
| Deferred tax assets | 118,637 | 175,069 |
| Net defined benefit asset | 170,507 | 791,544 |
| Other | 254,666 | 303,546 |
| Allowance for doubtful accounts | △35,183 | △36,558 |
| **Total investments and other assets** | 2,136,407 | 3,231,823 |
| **Total fixed assets** | 11,317,127 | 12,820,232 |
| **Deferred assets** | | |
| **Total deferred assets** | 4,659 | 4,013 |
| **Total assets** | 23,582,921 | 26,408,744 |

(Thousand of yen)

| | As of March 31, 2014 | As of December 31, 2014 |
|---|---|---|
| | Amount | Amount |
| **〔LIABILITIES〕** | | |
| **Current liabilities** | | |
| Notes and accounts payable-trade | 1,521,447 | 1,711,742 |
| Current portion of bonds | 35,000 | 35,000 |
| Short-term loans payable | 4,898,480 | 4,624,020 |
| Income taxes payable | 119,862 | 146,649 |
| Provision for bonuses | 163,895 | 160,457 |
| Provision for directors' bonuses | – | 60,000 |
| Deferred tax liabilities | 67,258 | 88,478 |
| Other | 1,806,092 | 1,699,540 |
| **Total current liabilities** | 8,612,036 | 8,525,888 |
| **Non-current liabilities** | | |
| Bonds payable | 162,500 | 145,000 |
| Long-term borrowings | 428,740 | 519,400 |
| Provision for directors retirement benefits | 62,689 | 64,422 |
| Net defined benefit liability | 32,225 | 54,786 |
| Asset retirement obligations | 18,311 | 18,627 |
| Deferred tax liabilities | 239,492 | 591,045 |
| Other | 544,871 | 335,602 |
| **Total Non-current liabilities** | 1,488,830 | 1,728,883 |
| **Total liabilities** | 10,100,867 | 10,254,771 |
| **〔NET ASSETS〕** | | |
| **Shareholders' equity** | | |
| Common stock | 10,047,063 | 10,047,063 |
| Capital surplus | 1,586,633 | 1,586,633 |
| Retained earnings | 2,454,079 | 4,658,216 |
| Treasury stock - at cost | △3,754 | △3,754 |
| **Total shareholders' equity** | 14,084,022 | 16,288,158 |
| **Valuation and translation adjustments** | | |
| Unrealized gains on available-for-sale securities | 413,945 | 647,201 |
| Foreign currency translation adjustments | △926,748 | △701,034 |
| Provision for retirement translation adjustments | △105,111 | △99,778 |
| **Total valuation and translation adjustments** | △617,915 | △153,611 |
| Subscription rights to shares | – | 3,216 |
| **Minority interests** | 15,946 | 16209 |
| **Total net assets** | 13,482,053 | 16,153,972 |
| **Total liabilities and total net assets** | 23,582,921 | 26,408,744 |

# Consolidated Statements of Income

(Thousand of yen)

| | 3Q period of previous year (From April 1, 2013 to December 31, 2013) | 3Q period of current year (From April 1, 2014 to December 31, 2014) |
|---|---|---|
| | Amount | Amount |
| **Net sales** | 16,203,384 | 18,893,962 |
| **Cost of sales** | 11,672,144 | 12,702,310 |
| **Gross profit** | 4,531,240 | 6,191,652 |
| **Selling, general and administrative expenses** | 4,054,423 | 4,350,581 |
| **Operating income** | 476,817 | 1,841,070 |
| **Non-operating income** | | |
| Interests income | 5,668 | 3,943 |
| Dividends income | 34,039 | 30,832 |
| Foreign exchange gains | 678,436 | 459,370 |
| | — | 2,915 |
| Gain on sales of scraps | 43,676 | 26,468 |
| Subsidy income | 25,407 | 16760 |
| Other | 48,452 | 43,840 |
| **Total non-operating income** | 835,681 | 584,130 |
| **Non-operating expenses** | | |
| Interests expense | 126,519 | 86,619 |
| Equity in losses of affiliates | 13,804 | — |
| Other | 67,658 | 59,373 |
| **Total non-operating expenses** | 207,983 | 145,993 |
| **Ordinary income** | 1,104,515 | 2,279,207 |
| **Extraordinary income** | | |
| Gain on sales of fixed assets | 38,704 | 10,621 |
| **Total extraordinary income** | 38,704 | 10,621 |
| **Extraordinary loss** | | |
| Loss on sale of fixed assets | 83 | 28,644 |
| **Total extraordinary loss** | 83 | 28,644 |
| **Income before income taxes** | 1,143,135 | 2,261,184 |
| **Income taxes** | 254,208 | 339,614 |
| **Minority interests** | △324 | 262 |
| **Net income** | 889,251 | 1,921,307 |

(Thousand of yen)

| | 3Q period of previous year (From April 1, 2013 to December 31, 2013) | 3Q period of current year (From April 1, 2014 to December 31, 2014) |
|---|---|---|
| | Amount | Amount |
| **Income before minority interests** | 888,927 | 1,921,569 |
| **Other comprehensive income** | | |
| Unrealized gains on available-for-sale securities | 256,065 | 233,255 |
| Foreign currency translation adjustments | 148,928 | 221,894 |
| Remeasurements of defined benefit plans | — | 5,332 |
| Other | 20,638 | 3,819 |
| **Total other comprehensive income** | 425,632 | 464,303 |
| **Comprehensive income** | 1,314,559 | 2,385,873 |
| Attribute to | | |
| Comprehensive income attribute to owners of the parent | 1,314,503 | 2,385,610 |
| Comprehensive income attribute to minority interests | 56 | 262 |