SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the First Quarter (April 1 to June 30, 2015) of the Fiscal Year Ending March 31, 2016

August 07, 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: August 14, 2015
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, 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	%
1Q ended June 30, 2015	7,298	16.7	1,162	70.1	1,260	136.8	1,043	153.7
1Q ended June 30, 2014	6,253	11.9	683	399.4	532	35.3	411	18.4

Note: Comprehensive income First quarter ended June 30, 2015 ¥1,174 million (131.8%)
First quarter ended June 30, 2014 ¥506 million (6.0%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q ended June 30, 2015	44.83	—
1Q ended June 30, 2014	17.67	—

(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, 2015	27,754	17,609	63.4	755.39
As of March 31, 2015	27,107	16,785	61.9	719.96

Reference: Shareholders' equity as of June 30, 2015: ¥17,590 million as of March 31, 2015: ¥16,765 million.

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	—	0.00	—	15.00	15.00
Year ending March 31, 2016	—				
Forecast: Year ending March 31, 2015		—	—	—	—

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, 2016

(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	14,200	11.2	1,720	13.2	1,800	14.9	1,500	11.6	64.41
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, 2016. See the "Announcement on Consolidated Financial Forecast Revision for the Second Quarter of the Fiscal Year ending March 31, 2016" that we have published today (August 7, 2015) 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, 2015	23,289,775 shares
March 31, 2015	23,289,775 shares

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

June 30, 2015	2,800 shares
March 31, 2015	2,790 shares

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

June 30, 2015	23,286,976 shares
June 30, 2014	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 the Statement of Accounts of the Current Quarter

(1) Statements of Operating Results

Although there were concerns such as the decelerating of Chinese economy and sovereign debt crisis in Europe, the world economy during the current first consolidated accumulative quarter moderately rebounded as a whole pulled by the favorable transition of the U.S. economy etc.

The Japanese economy transited in rebounding tendency such as the improvements of corporate profits and employment environment as well as the recovery of equipment investment.

In the industry of electronic parts to which our Group is related, though the demand for personal computer was sluggish etc., the demands for mobile-related equipment markets such as that of high functional smartphones were large. Also, the market of network-related equipment and the market of car-related equipment constantly transited.

Under the circumstances, the Group is continuously tackling “the business structure renovation,” focusing on “the structure renovation,” “higher profitability” and “growth strategy” set forth in mid-term management plan, strengthening the cooperation among the Group companies, aiming at the cutting of fixed costs and efficiency of business. Specially in order to accelerate the “growth strategy” further, we elaborated major measures for each business globally by region, market, customer and product, implemented the measures and have advanced the activities toward the sustainable growth and the improvement of profitability.

As a result, the sales during the current first consolidated accumulative quarter resulted in 7,298 million yen (up 16.7% from the same period of the previous year), the operating profit counted 1,162 million yen (up 70.1% from the same period of the previous year), the ordinary profit counted 1,260 million yen (up 136.8% from the same period of the previous year) and the quarterly net profit that attributes to the shareholders of the parent company counted 1,043 million yen (up 153.7% from the same period of the previous year).

Business results by segment are as follows:

［Test solution business］

Thanks to the activation of equipment investment of semiconductor for mobile-related equipment and network-related equipment, burn-in socket products for the inspection of memory semiconductor and the test socket products for the inspection of logic semiconductor favorably transited. In addition, burn-in socket products for the inspection of semiconductor for car-related equipment solidly transited.

As a result, the sales counted 3,469 million yen (up 25.1% from the same period of the previous year) and operating profit counted 881 million yen (up 69.9% from the same period of the previous year).

[Connector solution business]

Based on the increase of communication infrastructure investment accompanying the increase of digital data communication volume, mainly in the North American markets, connector products for communication infrastructure-related equipment favorably transited. Furthermore, in Europe and Japanese market, connector products for car-related equipment and industrial equipment firmly transited.

As a result, the sales counted 3,537 million yen (up 10.4% from the same period of the previous year) and the operating profit resulted in 251 million yen (up 26.9% from the same period of the previous year).

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[Optics-related business]

Thin film filter products for medical equipment and optic fiber communication transited relatively solidly.

As a result, the sales counted 290 million yen (up 5.2% from the same period of the previous year) and the operating profit resulted in 6 million yen (the operating loss in the same period of the previous year was 25 million yen).

(2) Statements of Financial Conditions

The total asset as of the end of the current first consolidated accumulative quarter resulted in 27,754 million yen (up 647 million yen from the end of the previous quarter).

Thanks to the increase of bills receivable and accounts receivable caused by the increase of the sales, liquid assets increased by 330 million yen, resulting in 14,359 million yen.

Thanks to the acquisition of machining machinery in the test solution business, tangible fixed assets increased by 229 million yen, resulting in 9,856 million yen.

Thanks to the increase of the evaluation values of investment securities, investment and others increased by 87 million yen, resulting in 3,416 million yen.

Total liabilities counted 10,144 million yen (down 177 million yen from the end of the previous quarter).

Although the bills payable and accounts payable increased caused by the increase of the sales, liquid liabilities decreased by 127 million yen due to the decrease of bonus allowance by the payment of bonuses and the decrease of facility accounts payable-other, resulting in 8,469 million yen.

Fixed liabilities decreased by 50 million yen due to the decrease of long-term loan, resulting in 1,675 million yen.

Total net asset counted 17,609 million yen (up 824 million yen from the end of the previous quarter).

Though the shareholders' equity decreased by the payment of quarter-end dividends etc., it increased by 694 million yen by accounting for the net quarterly profit that is attributed to the shareholders of the parent company, resulting in 17,620 million yen.

(3) Explanation about Future Forecasting Information of the Forecast of Consolidated Operating Results

As to the forecast of consolidated operating results of the second quarter ending in March 2016 that we publicly announced on May 14, 2015, we revise the forecast as follows in accordance with "the Notice of Revision of Forecast of Operating Results during the Second Consolidated Accumulative Quarter Ending in March 2016" which we announced today. The contents of the revision are as follows.

Revision of the Forecasted Values of Consolidated Operating Results of the Second Quarter (Accumulative) Ending in March 2016 (From April 1, 2015 until September 30, 2015)

Meantime, as to the forecast of consolidated operating results throughout the year, as the movement of equipment investment of semiconductor manufacturers in and later than the third quarter is difficult to foresee at this moment, we leave it undetermined once, and we will announce it newly at the time when the future movement becomes foreseeable more clearly.

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	Sales	Operating profit	Ordinary profit	Net profit attributable to the shareholders of the parent company	Net profit per share
Forecast announced last time (A)	Million yen 13,600	Million yen 1,350	Million yen 1,300	Million yen 1,100	Yen and Sen 47.24
Forecast revised this time (B)	14,200	1,720	1,800	1,500	64.41
Amount of increase/decrease (B-A)	600	370	500	400	____
Ratio of increase/decrease (%)	4.4	27.4	38.5	36.4	____
(Reference) Operating results of the previous second quarter (second quarter ended in March 2015)	12,770	1,519	1,566	1,343	57.71

6. Matters Related to Summary (Note Matters)

Change of accounting policy, change and revised description of accounting quotation

Change of accounting policy (Application of Accounting Standard etc. Relating to Corporate Consolidation)

We have been applying “Accounting Standard Relating to Corporate Consolidation” (Corporate Accounting Standard No.21 dated September 13, 2013, hereinafter called “Corporate Consolidation Accounting Standard”), “Accounting Standard Relating to Consolidated Financial Statements” (Corporate Accounting Standard No.22 dated September 13, 2013, hereinafter called “Consolidated Accounting Standard”) and “Accounting Standard Relating to Business Separation” (Corporate Accounting Standard No.7 dated September 13, 2013, hereinafter called “Accounting Standard for Business Separation etc.” from the current first consolidated accumulative quarter, and changed the method to allocate the difference amount caused by the fluctuation of the equity of the Company in the subsidiaries which we are continuing to dominate as capital surplus, and to allocate the acquisition-related costs as the costs in the consolidated fiscal year in which they occurred. Furthermore, as to the corporate consolidation to be executed from the beginning of the current first consolidated quarter onwards, we changed to a method to reflect the review of the distribution amount of acquisition costs by the fixation of temporary accounting disposal in the quarterly financial statements of the quarterly consolidated period to which the date of corporate consolidation belongs. In addition, we changed the representation of the quarterly net income etc. and changed the representation from equity of minority shareholders to non-dominating shareholders’ equity. In order to reflect these representations, as to the previous first consolidated accumulative period and the previous consolidated fiscal year, we changed the quarterly financial statements and consolidated financial statements.

As to the application of the Corporate Consolidation Accounting Standard etc., in accordance with the temporary handling set forth in paragraph 58-2 (4) of the Corporate Consolidation Accounting Standard, paragraph 44-5(4) of the Consolidated Accounting Standard and paragraph 57-4 (4) of the Accounting Standard for Business Separation etc., we are applying it from the beginning of the current first consolidated quarter onwards.

There is no impact on the profit and loss by the above.

Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2015	As of June 30, 2015
	Amount	Amount
ASSETS)		
Current assets		
Cash and deposits	4,727,294	4,851,731
Notes and accounts receivable-trade	5,294,056	5,570,959
Merchandise and finished goods	1,247,510	1,381,918
Work in process	287,863	260,527
Raw materials and supplies	1,447,412	1,403,876
Deferred tax assets	223,219	168,842
Other	850,745	771,305
Allowance for doubtful accounts	△ 48,775	△ 49,643
Total current assets	14,029,326	14,359,516
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,798,733	2,793,014
Machinery, equipment and vehicles	1,420,171	1,622,879
Tools, furniture and fixtures	1,587,694	1,626,981
Land	3,442,277	3,442,555
Lease assets	54,357	48,749
Construction in progress	324,248	322,402
Total tangible fixed assets	9,627,480	9,856,582
Intangible fixed assets	117,458	117,976
Investments and other assets		
Investment securities	2,008,596	2,073,381
Deferred tax assets	239,727	251,763
Net defined benefit asset	814,225	813,196
Other	302,906	314,475
Allowance for doubtful accounts	△ 36,496	△ 36,325
Total investments and other assets	3,328,959	3,416,491
Total fixed assets	13,073,899	13,391,050
Deferred assets	3,798	3,583
Total assets	27,107,024	27,754,151

(Thousand of yen)

	As of March 31, 2015	As of June 30, 2015
	Amount	Amount
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	1,584,411	1,666,484
Current portion of bonds	35,000	35,000
Short-term loans payable	4,414,510	4,451,010
Income taxes payable	194,658	236,560
Provision for bonuses	380,658	248,956
Provision for directors' bonuses	—	30,000
Other	1,987,172	1,801,053
Total current liabilities	8,596,410	8,469,064
Long-term liabilities		
Bonds payable	127,500	127,500
Long-term borrowings	633,080	585,090
Allowance for director's retirement benefits	128,686	127,064
Net defined benefit liability	49,407	48,582
Asset retirement obligations	18,732	18,840
Deferred tax liabilities	512,788	546,299
Other	255,225	221,822
Total long-term liabilities	1,725,420	1,675,198
Total liabilities	10,321,831	10,144,262
(NET ASSETS)		
Shareholders' equity		
Capital stock	10,047,063	10,047,063
Capital surplus	1,586,633	1,586,633
Retained earnings	5,296,310	5,990,939
Treasury stock - at cost	△3,754	△3,763
Total shareholders' equity	16,926,252	17,620,872
Valuation and translation adjustments		
Unrealized gains on available-for-sale securities	695,566	758,873
Foreign currency translation adjustments	△760,351	△697,656
Provision for retirement translation adjustment	△95,756	△91,265
Total valuation and translation adjustments	△160,540	△30,048
Minority interests	16,265	15,847
Subscription rights to shares	3,216	3,216
Total net assets	16,785,193	17,609,888
Total liabilities and total net assets	27,107,024	27,754,151

Consolidated Statements of Income

(Thousand of yen)

	1Q period of previous year (From April 1, 2014 to June 30, 2014)	1Q period of current year (From April 1, 2015 to June 30, 2015)
	Amount	Amount
Net sales	6,253,764	7,298,249
Cost of sales	4,132,759	4,558,129
Gross profit	2,121,005	2,740,120
Selling, general and administrative expenses	1,437,284	1,577,387
Operating income	683,720	1,162,732
Non-operating income		
Interests income	705	1,707
Dividends income	9,645	12,302
Foreign exchange gains	—	81,649
Equity in earnings of affiliates	1,477	—
Other	19,541	27,720
Total non-operating income	31,371	123,380
Non-operating expenses		
Interests expense	36,242	18,880
Foreign exchange loss	115,625	—
Other	30,716	6,396
Total non-operating expenses	182,584	25,278
Ordinary income	532,508	1,260,834
Extraordinary income		
Gain on sales of fixed assets	2,728	—
Gain on sales of securities	—	50,294
Total extraordinary income	2,728	50,294
Extraordinary loss		
Loss on sales of noncurrent assets	173	—
Total extraordinary loss	173	—
Income before income taxes	535,062	1,311,129
Income taxes	123,883	267,613
Minority interests	△241	△418
Net income	411,421	1,043,934

(Thousand of yen)

	1Q period of previous year (From April 1, 2014 to June 30, 2014)	1Q period of current year (From April 1, 2015 to June 30, 2015)
	Amount	Amount
Income before minority interests	411,179	1,043,516
Other comprehensive income		
Unrealized gains on available-for-sale securities	71,046	63,306
Foreign currency translation adjustments	28,961	60,708
Share of other comprehensive income of entities accounted for using equity method	1,777	4,490
Other	△6,466	1,986
Total other comprehensive income	95,320	130,492
Comprehensive income	506,499	1,174,008
attribute to		
Comprehensive income attribute to owners of the parent	506,741	1,174,426
Comprehensive income attribute to minority interests	△241	△418