

(This is a translation in English from the original in Japanese. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.)

February 6, 2015

To whom it may concern

Company name: UKC Holdings Corporation
(Security Code: 3156 Tokyo Stock Exchange 1st Section)
Representative: Yukio Fukuju, President
Contact: Masaaki Taguchi, Executive Vice President
(TEL: 03-3491-6575)

Notice of Conclusion of Absorption-type Company Split (Simple Absorption-type Company Split) Agreement with Consolidated Subsidiary

UKC Holdings Corporation (hereinafter referred to as "UKC Holdings") passed a resolution at its Board of Directors Meeting on February 6, 2015 that it will succeed the semiconductor and electronic component business from UKC Electronics Corporation (hereinafter referred to as "UKC Electronics" or "Splitting Company"), its wholly-owned subsidiary on April 1, 2015, and concluded an absorption-type company split agreement. Certain information is omitted from this notice since the Company Split is a simple absorption-type company split in which UKC Holdings will succeed the business of its wholly-owned subsidiary.

Splitting Company is scheduled to change its company name from UKC Electronics Corporation to UKC Technosolution Corporation on April 1, 2015 and carry on the system equipment business.

1. Objectives of the Company Split

UKC Holdings Group has strengthened its core business of selling semiconductors and electronic components manufactured by Sony, and focused on expanding high value-added businesses such as EMS (Electronic Manufacturing Service) and creating new businesses since its establishment on October 1, 2009 by the management integration between USC Corporation and Kyoshin Technosonic Co., Ltd.

UKC Holdings has played roles of promoting management integration and business plan, selection and focus of businesses, and strengthening corporate governance, and believes to have attained its initial objectives.

On the other hand, the electronics industry especially the domain of semiconductor and electronic component to which UKC group belongs, slowdowns of developed countries and rises of emerging countries including China and India are so significant that prompt and global decision-making is indispensable for the ever-changing business environment. Against such a background, UKC Holdings decided to succeed the semiconductor and electronic component business from UKC Electronics Corporation by absorption-type company split method in order for prompt decision-making, earlier creation of business synergies in the Group, and more efficient operations.

Meanwhile, Splitting Company will focus on the system equipment business and steadily reap the growth of domestic market.

2. Outline of the Company Split

(1) Company Split Schedule

Approval of conclusion of the Company Split agreement by the Board of Directors Meeting: February 6, 2015

Conclusion of the Company Split Agreement: February 6, 2015

Date of the Company Split: April 1, 2015 (Scheduled)

Change of Company Name of Splitting Company: April 1, 2015 (Scheduled)

(Note) The Company Split falls under the category of a simple absorption-type company split for UKC Holdings under Article 796, Paragraph 3 of the Companies Act, whereas it comes under the category of a Short Form Reorganization for Splitting Company under Article 784, Paragraph 1 of said Act. Therefore, the Company Split is scheduled to be executed without obtaining any approval at general meetings of shareholders of UKC Holdings and Splitting Company.

(2) Company Split Method

This is an absorption-type split in which UKC Holdings is a succeeding company and UKC Electronics is a splitting company.

(3) Decrease in Paid-in Capital accompanying the Company Split

There will be no change in paid-in capital of UKC Holdings.

Splitting Company will decrease paid-in capital in order to restructure financial composition for its business size since it will focus on the system equipment business after splitting the semiconductor and electronic components business.

(i) Amount of Decrease in Paid-in Capital of Splitting Company

Paid-in capital will be decreased 2,700 million yen from 3,000 million yen to 300 million yen.

(ii) Method of Decreasing Paid-in Capital of Splitting Company

There will be no change in the total number of outstanding shares. Only paid-in capital amount will be changed and decreased 2,700 million yen will be transferred to other capital surplus.

(4) Treatment of Share Options, etc.

Splitting Company has issued neither any share options nor bonds with share options.

(5) Rights and Obligations to be succeeded by the Succeeding Company

UKC Holdings will succeed the assets, liabilities, and contractual status, as well as other related rights and obligations which are deemed necessary to perform the transferred business from Splitting Company.

The liabilities to be succeeded by UKC Holdings will be also assumed jointly and severally by the original debtor, UKC Technosolution Corporation whose former company name is UKC Electronics Corporation.

(6) Allotment of Shares Regarding the Company Split

As Splitting Company is a wholly-owned subsidiary of UKC Holdings, no payment including allotment of shares or other considerations will be made regarding the Company Split.

(7) Prospect of Fulfillment of Obligations

UKC Holdings judges that there will be no issues regarding prospect for fulfilling the obligations to be borne by UKC Holdings and Splitting Company after the Company Split.

3. Summary of the Companies involved in the Company Split

(As of March 31, 2014)

(1) Company Name	UKC Holdings Corporation (Succeeding Company)	UKC Electronics Corporation (Splitting Company)
(2) Business	Engagement in businesses, including sales of various semiconductors and electronic components, sales of electronic equipment, system equipment, quality inspection services, and EMS business, and control and management of the business activities of the companies that engage in the above-mentioned businesses by holding their shares	Engagement in business, including sales of various semiconductors and electronic components, sales of system equipment, and quality inspection services
(3) Established on	October 1, 2009	October 18, 1961
(4) Headquarters	1-11-2 Osaki, Shinagawa-ku, Tokyo 141-0032, Japan	1-11-2 Osaki, Shinagawa-ku, Tokyo 141-0032, Japan
(5) Representative	Yukio Fukuju, President	Mitsuharu Inoue, President
(6) Paid-in Capital	4,383 Million Yen	3,000 Million Yen
(7) No. of Issued Shares	15,700,021 Shares	7,147,981 Shares
(8) Net Assets	50,425 Million Yen (Consolidated)	32,649 Million Yen
(9) Total Assets	118,436 Million Yen (Consolidated)	56,023 Million Yen
(10) Fiscal Year End	March 31	March 31
(11) No. of Employees	1,402 (Consolidated)	262
(12) Major Shareholders	Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust Account Held by Sony Corporation:003)14.23% BBH For Fidelity Low-Priced Stock Fund 9.75% Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust Account Held by The Tokyo Tomin Bank, Ltd.) 3.97% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 3.16% Japan Trustee Services Bank, Ltd. (Trust account) 2.59%	UKC Holdings 100%
(13) Relationship of the Companies Involved	Capital	UKC Holdings holds all issued shares of UKC Electronics.
	Personal	One (1) director of UKC Holdings concurrently serves as a corporate auditor of UKC Electronics.
	Transaction	UKC Holdings offers an entrusted business service to UKC Electronics.

(14) Operating Results for the Last Three (3) Years

(Million Yen unless otherwise specifically noted)

Fiscal Year Ended	UKC Holdings Corporation (Consolidated)			UKC Electronics Corporation (Stand-alone)		
	March 2012	March 2013	March 2014	March 2012	March 2013	March 2014
Net Assets	39,671	45,402	50,425	28,965	31,755	32,649
Total Assets	104,385	114,223	118,436	63,247	56,788	56,023
Net Assets Per Share (Yen)	2,505.07	2,869.23	3,186.08	4,052.19	4,442.52	4,567.64
Net Sales	257,088	284,508	317,042	99,163	149,281	114,717
Operating Income	5,389	7,360	6,925	3,686	5,238	3,598
Ordinary Income	5,008	8,162	7,237	3,616	6,031	4,073
Net Income	2,722	5,025	4,398	1,783	3,572	2,566
Net Income Per Share (Yen)	173.43	320.14	280.21	249.46	499.76	359.09

4. Outline of the Business to be Split

(1) Description of the Business to be Split and Succeeded

Semiconductor and Electronic Component Business

(2) Net Sales of the Business to be Split and Succeeded (Fiscal Year March 2014)

112,142 Million Yen

(3) Items and Amounts of Assets and Liabilities to be Split and Succeeded

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current Assets	55,888 Million Yen	Current Liabilities	22,914 Million Yen
Fixed Assets	1,602 Million Yen	Fixed Liabilities	4,468 Million Yen
Total	57,491 Million Yen	Total	27,382 Million Yen

(Note) Above-mentioned book values are estimates based on the balance sheet as of December 31, 2014.

The real split amounts will be fixed by adjusting possible increase and decrease of such items to be materialized until the date of the Company Split

5. Status after the Company Split

(1) UKC Holdings

There will be no change in the company name, description of business, location of headquarters, name and title of representative, paid-in capital, and fiscal year.

The purpose of UKC Holdings was changed to be sufficient to operate a business-operating holding company following the approval of the Proposal 2, Partial Change in the Article of Incorporation, at the 1st Ordinary General Meeting of Shareholders held on June 29, 2010.

(i) Board of Directors (on April 1, 2015): No change

President	Yukio Fukuju
Executive Vice President	Masaaki Taguchi
Executive Vice President	Shigeru Ojima
Director (outside)	Nobuyuki Oneda
Statutory Auditor	Kiyofumi Morita
Statutory Auditor (outside)	Harukazu Akiyama
Statutory Auditor (outside)	Yukihiro Matsumura

(ii) Change in the role of Group Executive Officers (on April 1, 2015)

Title	Name	In Charge (New)	In Charge (Current)
Group Senior Executive Officer	Michiharu Inoue	Sales & Marketing Divisions, UKC Holdings	UKC Electronics
Group Senior Executive Officer	Akira Miyao	Eastern Japan, UKC Holdings	UKC Electronics
Group Executive Officer	Masayoshi Amabe	Western Japan, UKC Holdings	UKC Electronics
Group Executive Officer	Takeshi Jinnai	Business Promotion Division, UKC Holdings Senior General Manager, Sales & Marketing Division 3	UKC Electronics

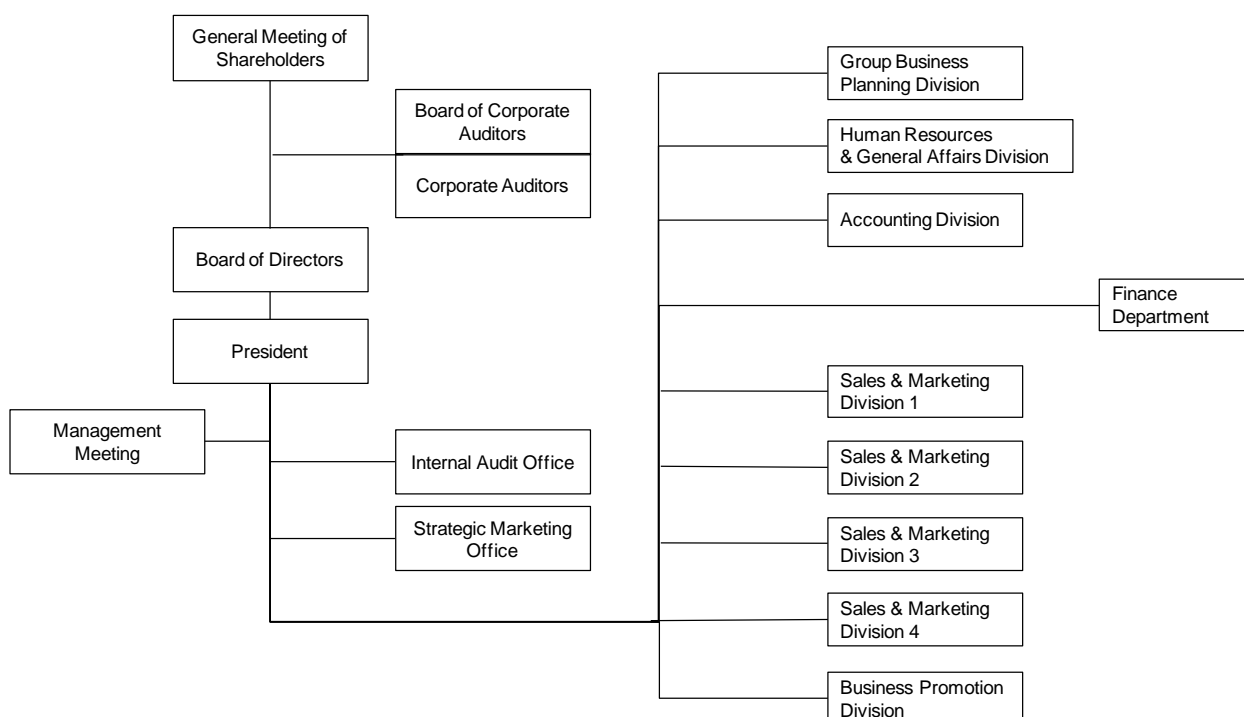
(iii) Organization Change: Division Level (on April 1, 2015)

- Sales & Marketing Division 1 of UKC Electronics is transferred to UKC Holdings and named Sales & Marketing Division 1.
- Sales & Marketing Division 2 of UKC Electronics is transferred to UKC Holdings and named Sales & Marketing Division 2.
- Sales & Marketing Division 3 of UKC Electronics is transferred to UKC Holdings and named Sales & Marketing Division 3.
- Western Japan Sales & Marketing Division of UKC Electronics is transferred to UKC Holdings and named Sales & Marketing Division 4.
- Business Promotion Division of UKC Electronics is transferred to UKC Holdings and named Business Promotion Division.

(iv) Personnel Change: Senior General Manager (on April 1, 2015)

Name	(New)	(Current)
Masashi Yamamoto	Senior General Manager, Sales & Marketing Division 1	Senior General Manager, Sales & Marketing Division 1, UKC Electronics Corporation
Koji Yoshino	Senior General Manager, Sales & Marketing Division 2	Senior General Manager, Sales & Marketing Division 2, UKC Electronics Corporation
Takeshi Jinnai	Senior General Manager, Sales & Marketing Division 3	Senior General Manager, Sales & Marketing Division 3, UKC Electronics Corporation
Hidekazu Kunoki	Senior General Manager, Sales & Marketing Division 4	Senior General Manager, Western Japan Sales & Marketing Division, UKC Electronics Corporation
Masaichi Ishino	Senior General Manager, Business Promotion Division	Senior General Manager, Business Promotion Division, UKC Electronics Corporation

(v) Organization (Divisions and Directly Controlled Department) (on April 1, 2015)



(2) Splitting Company

Splitting Company will change its company name to UKC Technosolution Corporation from UKC Electronics Corporation on April 1, 2015 and carry on the system equipment business.

Company Name: UKC Technosolution Corporation

Headquarters: 1-11-2 Osaki, Shinagawa-ku, Tokyo 141-0032, Japan

Representative: Tomio Noguchi, President

Business: System Equipment Business

Paid-in Capital: 300 Million Yen

Fiscal Year-End: March 31

6. Outline of Accounting Procedure

Accounting of the Company Split will be based on a jointly controlled entity.

7. Future Outlook

Since the Company Split is an absorption-type company split in which UKC Holdings succeeds the business from a wholly-owned subsidiary, the impact on the consolidated financial results will be insignificant.