

Business Results for FY2016 First Quarter ended June 30, 2016

August 12, 2016

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



UKC Holdings Corporation





Consolidated Results for FY2016 1Q



Business Segment



Business Segment		Major Products and Services	Major Market / Customer
Semiconductors / Electronic components business	Semiconductors	Image sensors, memory, microcomputers, system LSI, power, and other semiconductors	Electronics manufacturer
	Electronic components	LCD panels, batteries, optical pick-ups, Anisotropic Conductive Film (ACF)*, circuit boards, touch panels, composite parts, and other practical electronic components	
	EMS	Electronic Manufacturing Services	
	Environmental products	LED lighting, Solar Panel, DDS (Dust Detection System) Business*	Shop, Factory, Office Mega-solar, Home builder
Electronic equipment business	Electronic equipment	Various VTRs, cameras, video printers, and audio-visual related equipment	Broadcast station, Production, Enterprise, Education, Medical, Semiconductor production equipment manufacturer, System Integrator
	Recording media	Magnetic tapes, optical disks, and data memory disks	
	Products	System products that combine electronic equipment, and security-related products	
	Other	Electronic equipment repairs, audio-visual devices rentals, and educational software	
System equipment business	Contactless IC card terminal equipment	Contactless IC card (FeliCa, NFC) R/W module, electronic payment terminal, and access control terminal	e-Money industry, Digital signage industry, PC / Tablet manufacturer
	Other	Reliability assessment services and environmental material analysis services	Semiconductor / component manufacturer, Solar cell

*DDS business consists of developing, designing, manufacturing, and selling equipment incorporating sensors that monitor energy loss resulting from dust on and temperature rise of solar panels, and data providing service on power generation efficiency.



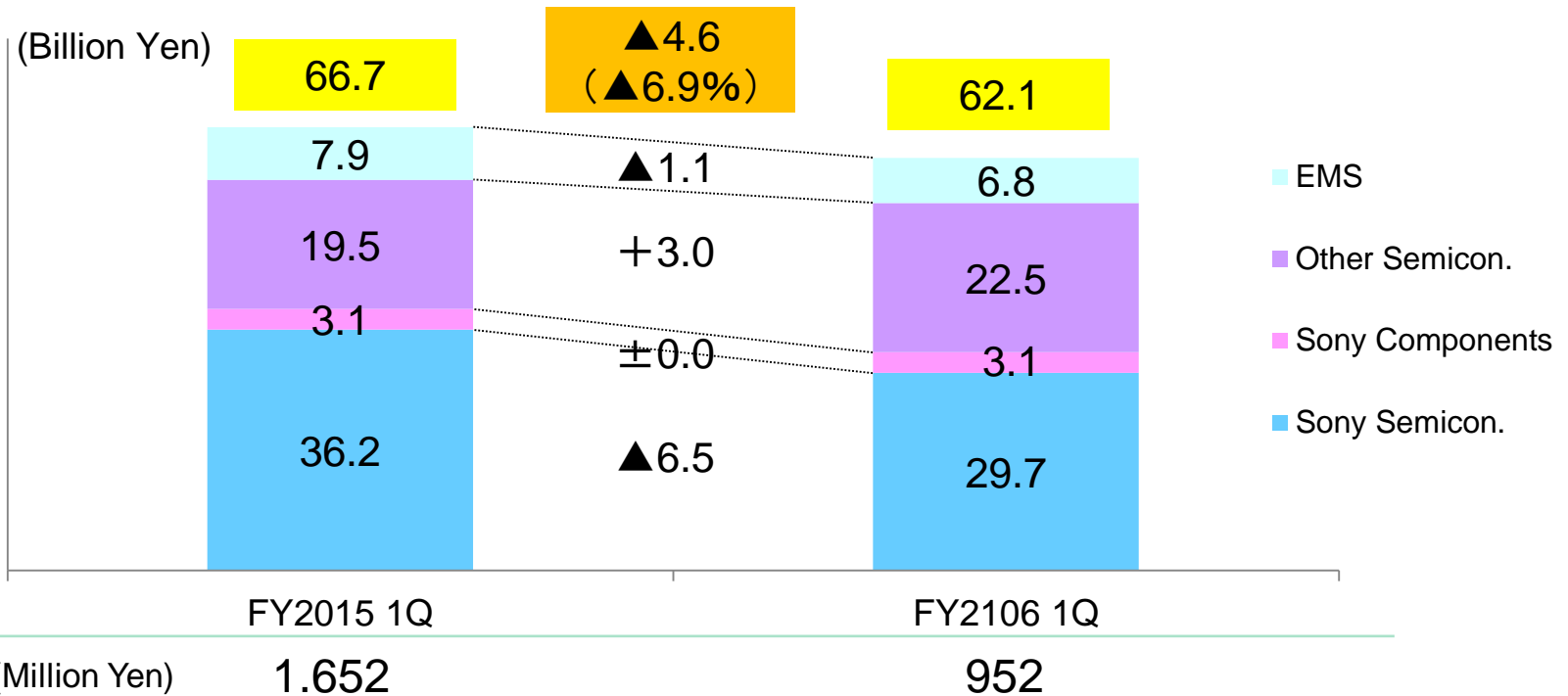
Consolidated Results for FY2016 1Q - Overview



(Million Yen)	FY2015 1Q		FY2016 1Q		1Q Progress		Year on Year	
	Amount	%	Amount	%	1st Half Forecast (2016/5/10)	% Progress	Amount Change	% Change
Net sales	69,889	100.0%	65,117	100.0%	144,000	45.2%	▲4,772	▲6.8%
Gross profit	4,333	6.2%	3,357	5.2%	8,900	37.7%	▲976	▲22.5%
SGA	2,898	4.1%	2,641	4.1%	5,900	44.8%	▲257	▲8.9%
Operating income	1,434	2.1%	715	1.1%	3,000	23.8%	▲718	▲50.1%
Ordinary income	1,535	2.2%	233	0.4%	2,900	8.0%	▲1,302	▲84.8%
Net income attributable to owners of parent	1,147	1.6%	163	0.3%	2,000	8.2%	▲983	▲85.7%
EPS(Yen)	73.09		10.43		127.41			

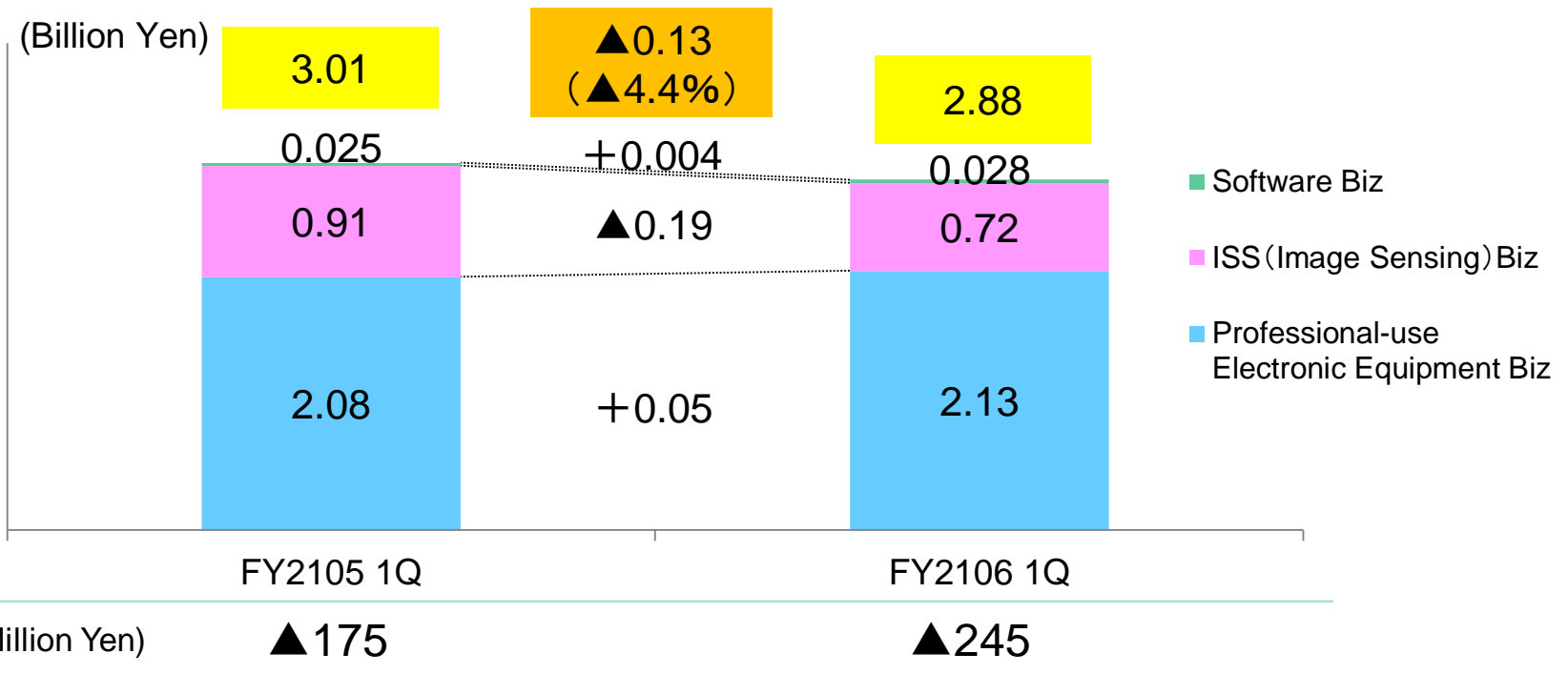
- Net Sales: YoY ▲4.8Bil. Yen (▲6.8%)
Dropped due to a negative impact of the Kumamoto Earthquake in addition to the strong yen
- Gross profit: YoY ▲0.98Bil. Yen (Gross margin ▲1.0%)
Significantly dropped due to negative impacts from the sales of foreign products purchased when the yen was weaker and the sales of products purchased by the yen and sold by the dollar
- Operating income: YoY ▲0.72Bil. Yen (▲50.1%)
Significantly dropped because of a decrease in gross profit despite a decrease of 0.26Bil. Yen in SGA
- Ordinary income: YoY ▲1.3Bil. Yen (▲84.8%)
Significantly dropped on account of a deterioration in foreign exchange (¥116M gain ⇒¥402M loss) attributable to yen's sharp appreciation
- Net income attributable to owners of parent: YoY ▲0.98Bil. Yen (▲85.7%)
- Forecast of financial results for the first half and full fiscal year remains unchanged from the original disclosed on May 10, 2016 as profitability is expected to improve in the second quarter and after. UKC intends to promptly disclose if the forecast requires any revisions according to a close examination of the business environment and progresses in business performance.

Segment Results - Semiconductors and Electronic Components



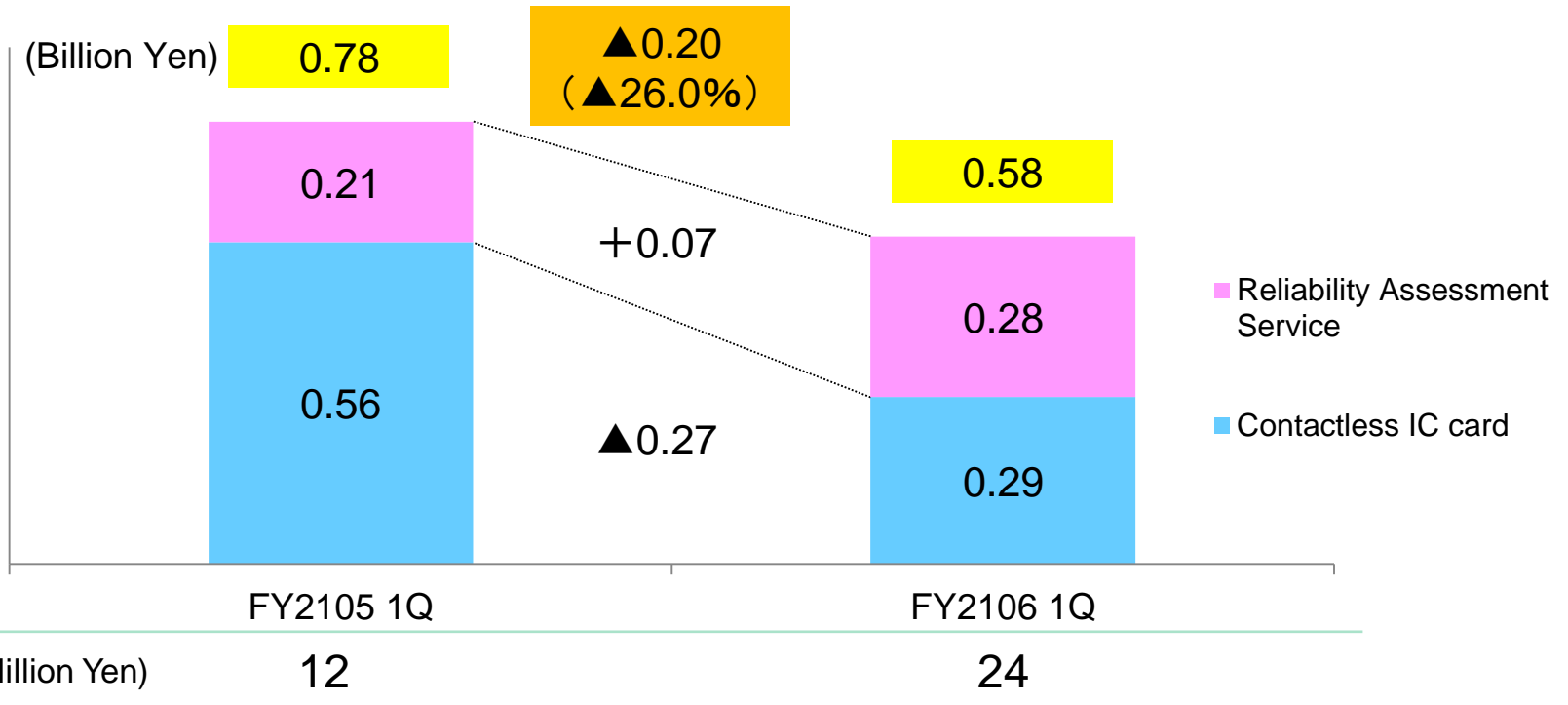
- Sony Semiconductor
Net sales dropped due to a sales opportunity loss caused by the Kumamoto Earthquake in addition to a negative impact of the strong yen.
- Other semiconductor: Sales of products for industrial equipment and fingerprint sensors grew.
- EMS
Net sales dropped due to the strong yen in addition to a sales strip of 0.5Bil. Yen of fabless EMS recorded last year despite steady demand in China. Vietnam factory contributes from 2Q.
- Segment income significantly dropped due to negative impacts from the sales of foreign products purchased when the yen was weaker and the sales of products purchased by the yen and sold by the dollar.

Segment Results - Electronic Equipment



- Professional-use Electronic Equipment
Good result of the broadcast-related business propelled by the approaching Olympics
- Image Sensing
Net sales dropped due to a difficulty in procuring surveillance cameras caused by the Kumamoto Earthquake.
- Segment loss deteriorated 70 million yen year on year due to a decrease in net sales.

Segment Results - System Equipment



- Contactless IC card business
Net sales dropped due to a demand concentration of some customer to the second quarter although e-money related business has been still active.
- Contracted reliability test and environmental material analysis service business
Net sales grew thanks to an increase in orders related to automobiles and power semiconductors.
- Segment income grew with the improved margin.

Consolidated Balance Sheets

(Million Yen)	Mar-16	Jun-16
Cash & deposit	22,705	21,292
Accounts receivable*	72,225	71,235
Inventories	18,942	18,841
Other	5,454	8,010
Current assets	119,328	119,380
Fixed assets	7,079	6,925
Total assets	126,408	126,305
Accounts payable	34,945	36,480
Short-term borrowings	22,522	23,932
Current portion of long-term borrowings	2,825	3,579
Other	3,876	2,607
Current liabilities	64,169	66,599
Long-term borrowings	3,635	2,440
Other	874	881
Fixed liabilities	4,509	3,321
Net assets	57,728	56,384
Net assets to total assets	45.3%	44.4%
BPS (Yen)	3,651.57	3,569.88

	vs. '16/3E	Main Factors
Total assets	▲ 102	<ul style="list-style-type: none"> Cash and deposit ▲ 1,413 Notes and accounts receivable-trade ▲ 989 Investment Securities ▲ 451 Other current assets +2,556
Liabilities	+ 1,241	<ul style="list-style-type: none"> Long-term borrowings ▲ 1,194 Income taxes payable ▲ 574 Current portion of long-term borrowings + 754 Short-term borrowings +1,409 Notes and accounts payable-trade +1,534
Net assets	▲ 1,343	<ul style="list-style-type: none"> Net income attributable to owners of parent 163 Dividends from retained earnings ▲ 392 Change in accumulated other comprehensive income ▲1,036
Net assets to total assets	▲ 1.0%	dropped as net assets dropped mainly due to a decrease in foreign currency translation adjustments

* Electronically recorded monetary claims-operating included



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Data and forecasts in this presentation are based on judgments made in accordance with information available at the time this material was prepared. Actual results may differ significantly from these forecasts for a number of factors. Therefore, UKC Holdings Corporation does not guarantee the accuracy and completeness of the information in this material.