



# Business Results for FY2014 First Quarter ended June 30, 2014

---

August 8, 2014

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 FY2014 1Q

# Business Segment



Business Segment		Major Products and Services	Major Market / Customer
Semiconductors / Electronic components business	Semiconductors	Image sensors, memory, microcomputers, system LSI, 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	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

\*A conductive adhesive tape that connects flexible printed circuit boards with mid- and small-sized LCD panels

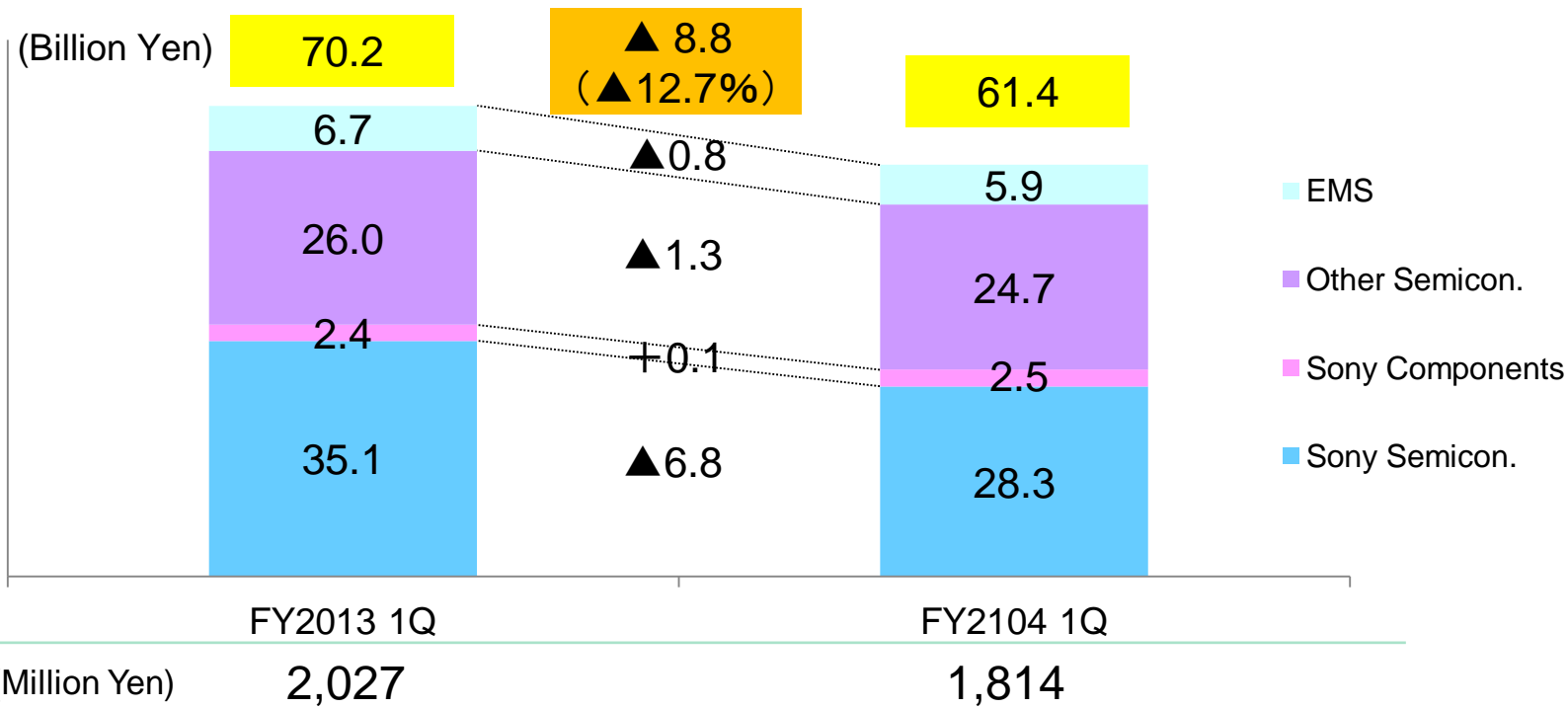


# Consolidated Results for FY2014 1Q - Overview

(Million Yen)	FY2013 1Q		FY2014 1Q		1Q Progress		Year on Year	
	Amount	%	Amount	%	1st Half Forecast (2014/5/6)	% Progress	Amount Change	% Change
Net Sales	73,529	100.0%	64,339	100.0%	140,000	46.0%	▲9,189	▲12.5%
Gross Profit	4,500	6.1%	4,357	6.8%			▲143	▲3.2%
SGA	2,685	3.7%	2,811	4.4%			+126	+4.7%
Operating Income	1,815	2.5%	1,545	2.4%	2,900	53.3%	▲269	▲14.9%
Ordinary Income	1,817	2.5%	1,406	2.2%	2,800	50.2%	▲411	▲22.6%
Net Income	1,254	1.7%	921	1.4%	1,800	51.2%	▲332	▲26.5%
EPS(Yen)	79.88		58.72		114.66			

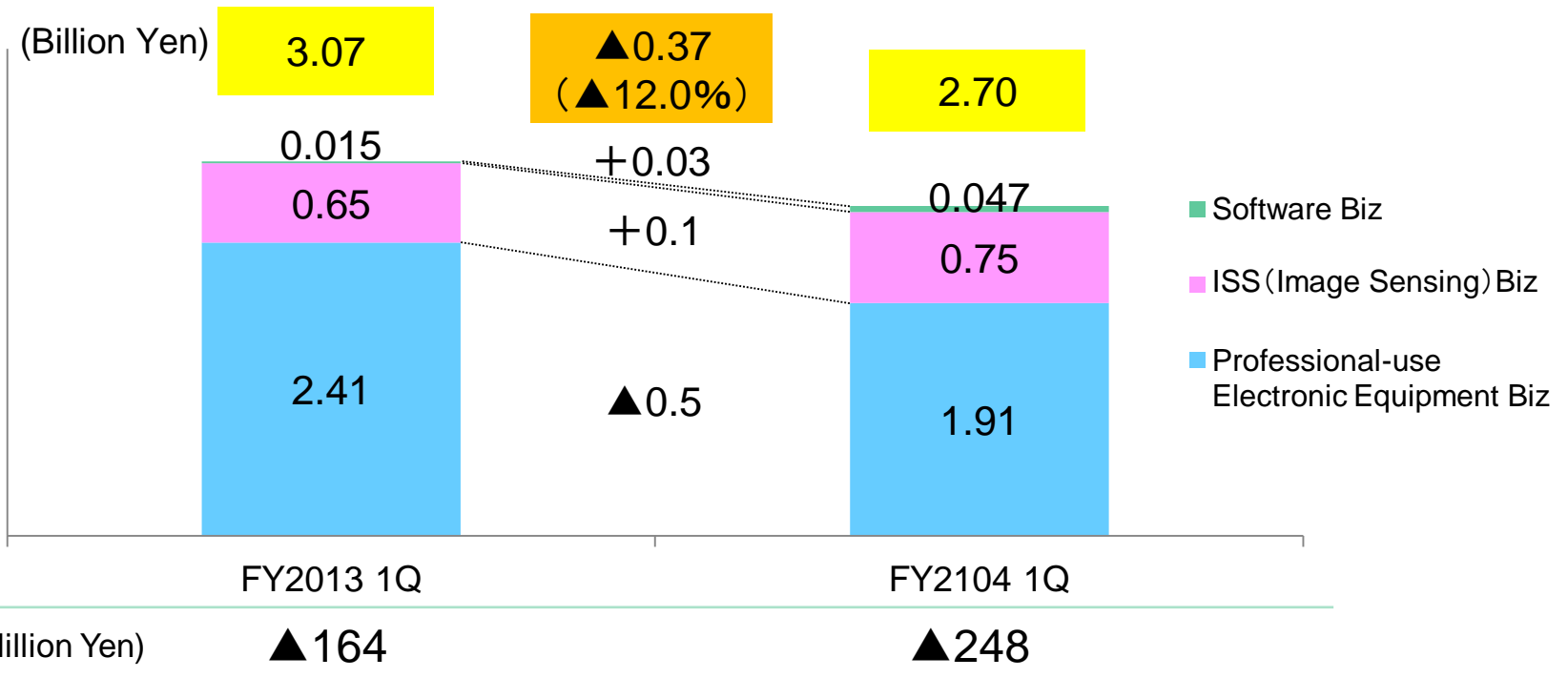
- Net Sales: YoY ▲9.2Bil. Yen (▲12.5%)  
Decreased mainly because of temporary slowdown in sales for smartphones overseas
- Gross profit: YoY ▲0.14Bil. Yen (Gross margin +0.7%)  
Decreased on account of drop in net sales although gross margin improved as a result of increase in ratio of domestic sales with comparatively high gross margin
- Progress toward 1st half forecast is within the expectation at the beginning of this fiscal year, although operating income, ordinary income, and net income dropped year on year.
  - Operating income: YoY ▲0.27Bil. Yen (▲14.9%)  
Dropped on account of decrease in gross margin as well as increase in SGA overseas
  - Ordinary income: YoY ▲0.41Bil. Yen (▲22.6%)  
Dropped on account of decrease in OP as well as deteriorated foreign exchange (¥46M gain⇒¥167M loss)

# Segment Results - Semiconductors and Electronic Components



- Sony Semiconductor: Sales for foreign smartphones dropped.
- Other semiconductor: Some portion of LCD sales dropped.
- EMS: Own factory in Dongguan, China did well while fabless business was sluggish.
- Segment income dropped on account of decrease in sales while gross margin improved.

# Segment Results - Electronic Equipment



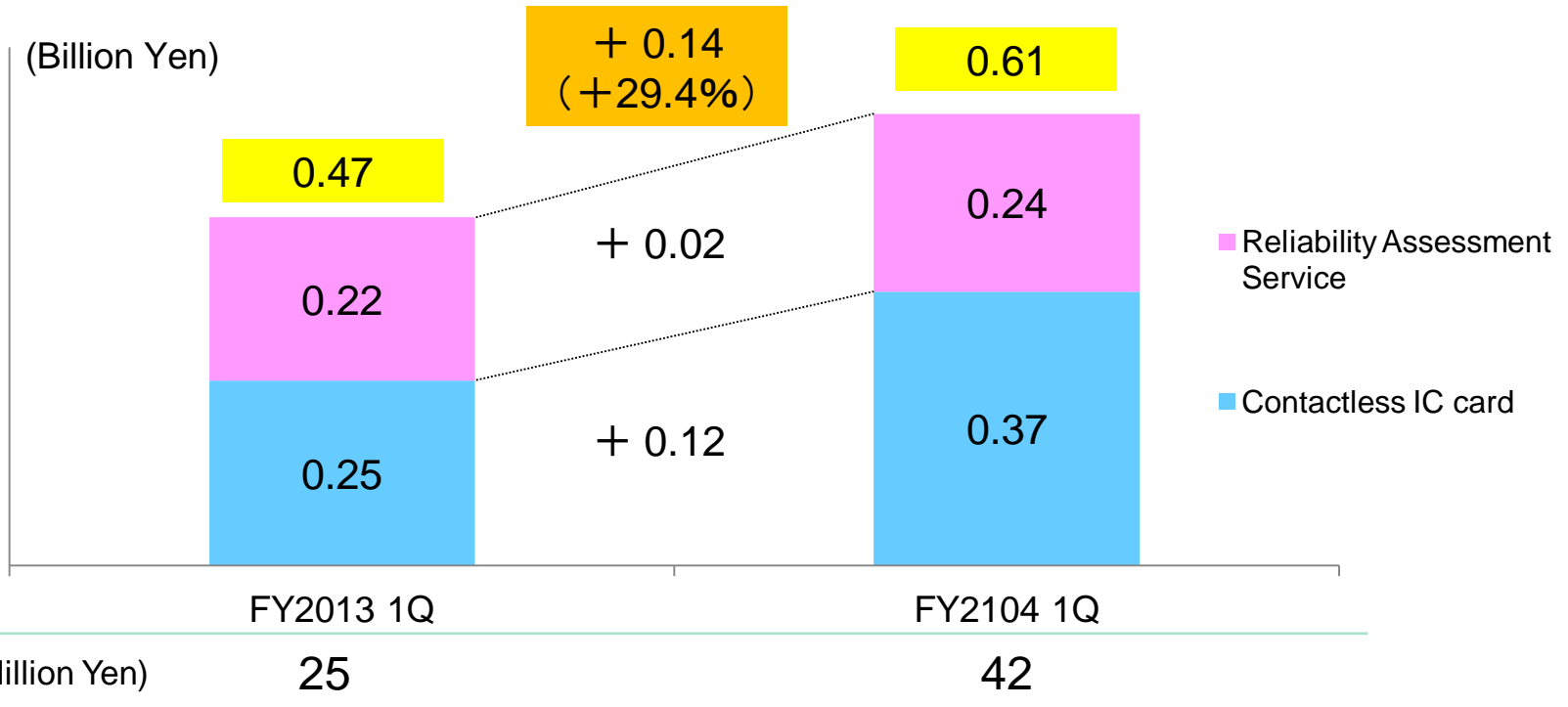
## ➤ Professional-use Electronic Equipment

The business has been proceeding as originally planned. Sales dropped since such large-scale deals as had been realized in the same period last year got delayed to the second quarter or later.

## ➤ Image Sensing: Solid foreign sales

➤ Segment loss deteriorated year on year on account of drop in net sales.

# Segment Results - System Equipment



- Contactless IC card business  
Sales greatly grew as number of customers adopting e-payment terminals increases as e-money users are on the rise.
- Contracted reliability test and environmental material analysis service business  
Customer demand is improving.
- Increase in sales helped segment income substantially grow.

# Consolidated Balance Sheets

(Million Yen)	2014 March	2014 June
Cash & deposit	17,658	20,462
Accounts receivable	69,633	64,863
Inventories	18,416	19,696
Other	5,804	6,695
<b>Current assets</b>	<b>111,512</b>	<b>111,718</b>
<b>Fixed assets</b>	<b>6,924</b>	<b>6,771</b>
<b>Total assets</b>	<b>118,436</b>	<b>118,490</b>
Accounts payable	37,487	35,797
Short-term borrowings*	18,164	20,471
Other	5,388	3,709
<b>Current liabilities</b>	<b>61,040</b>	<b>59,978</b>
Long-term borrowings	5,893	6,593
Other	1,076	985
<b>Fixed liabilities</b>	<b>6,970</b>	<b>7,579</b>
<b>Net assets</b>	<b>50,425</b>	<b>50,932</b>
<b>Net assets to total assets</b>	<b>42.2%</b>	<b>42.7%</b>
<b>BPS (Yen)</b>	<b>3,186.08</b>	<b>3,222.35</b>

\* include current portion of long-term borrowings

	vs. '14/3E	Main Factors
Total assets	+ 53	<ul style="list-style-type: none"> <li>• Cash and deposit +2,804</li> <li>• Inventories +1,280</li> <li>• Other assets (excluding Reserves for bad debts) +813</li> <li>• Notes and accounts receivable-trade ▲4,769</li> </ul>
Liabilities	▲ 453	<ul style="list-style-type: none"> <li>• Short-term borrowings* +2,307</li> <li>• Income taxes payable ▲952</li> <li>• Notes and accounts payable-trade ▲1,690</li> </ul>
Net assets	+ 507	<ul style="list-style-type: none"> <li>• Net income 921</li> <li>• Dividends from retained earnings ▲313</li> <li>• Foreign currency translation adjustments ▲94</li> </ul>
Net assets to total assets	+0.5%	Increased from 42.2% to 42.7% as retain earnings accumulated





**UKC Holdings Corporation**

<Inquiries>

[Mailto:ir@ukcgroup.com](mailto:ir@ukcgroup.com)

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.