



Results Briefing for Fiscal Year 2013 ended March 31, 2014

May 28, 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 Fiscal Year 2013

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



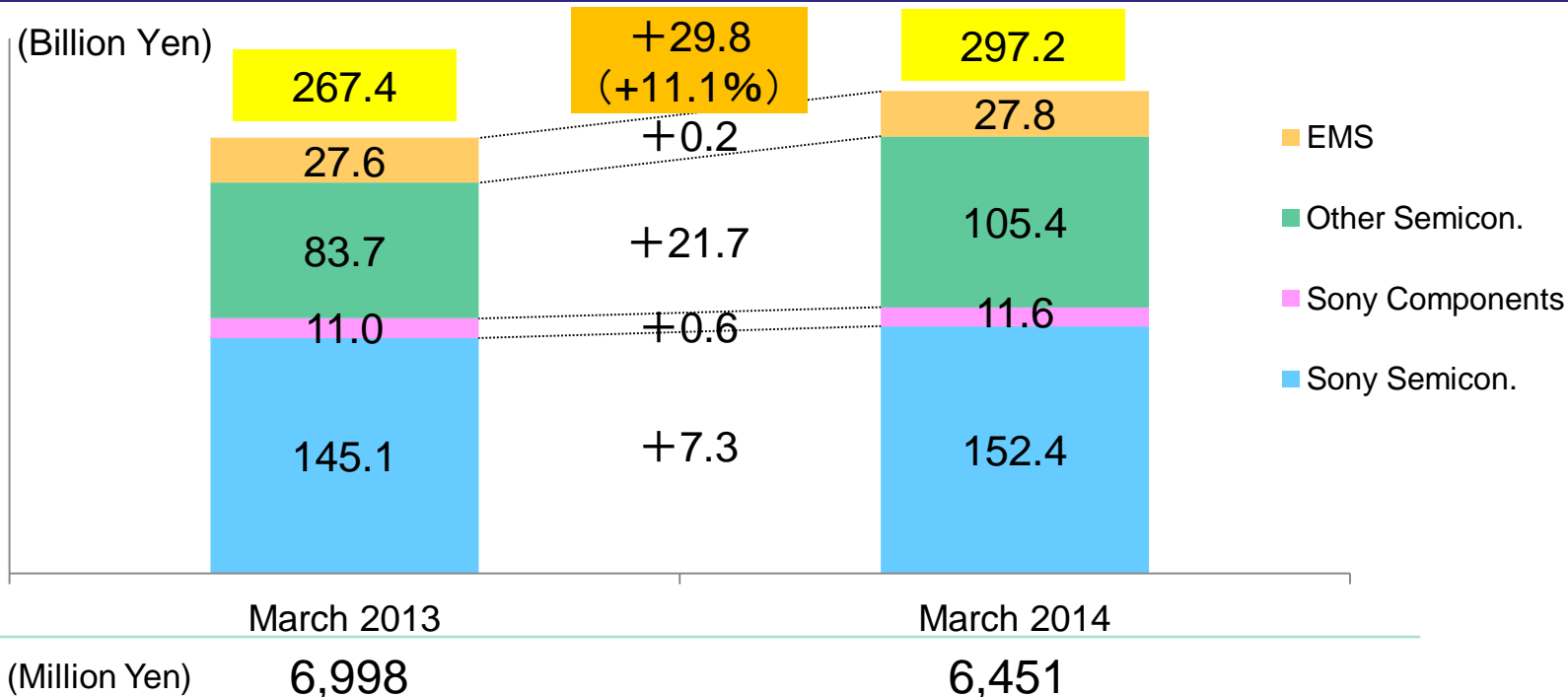
Consolidated Results for Fiscal Year 2013 - Overview



| (Million Yen) | Fiscal 2012 | | Fiscal 2013 Forecast (May 10, 2013) | | Fiscal 2013 Actual | | YoY | | vs. Forecast | |
|------------------|-------------|--------|--|--------|-----------------------|--------|---------------|----------|---------------|----------|
| | Amount | % | Amount | % | Amount | % | Amount Change | % Change | Amount Change | % Change |
| Net Sales | 284,508 | 100.0% | 290,000 | 100.0% | 317,042 | 100.0% | +32,534 | +11.4% | +27,042 | +9.3% |
| Gross Profit | 17,851 | 6.3% | 18,200 | 6.3% | 19,411 | 6.1% | +1,560 | +8.7% | +1,211 | +6.7% |
| SGA | 10,490 | 3.7% | 10,800 | 3.7% | 12,485 | 3.9% | +1,994 | +19.0% | +1,685 | +15.6% |
| Operating Income | 7,360 | 2.6% | 7,400 | 2.6% | 6,925 | 2.2% | ▲434 | ▲5.9% | ▲474 | ▲6.4% |
| Ordinary Income | 8,162 | 2.9% | 7,000 | 2.4% | 7,237 | 2.3% | ▲924 | ▲11.3% | +237 | +3.4% |
| Net Income | 5,025 | 1.8% | 4,500 | 1.6% | 4,398 | 1.4% | ▲627 | ▲12.5% | ▲101 | ▲2.2% |
| EPS(Yen) | 320.14 | | 286.65 | | 280.21 | | | | | |

- Net Sales: YoY +32.5 Billion Yen (+11.4%)
Good sales of image sensors, touch screen panels and EMS by our own factories for smartphones contributed despite a drop in sales for sluggish digital still camera market.
- Gross Profit: YoY +1.56 Billion Yen (+8.7%)
Increase in sales contributed despite drop in gross margin as a result of decrease in domestic sales with comparatively high gross margin.
- Operating Income: YoY ▲0.43 Billion Yen (▲5.9%)
Decreased YoY on account of bad debt reserve recorded for all the doubtful accounts receivable of 1.09 billion yen of a subsidiary overseas and increase in SGA overseas converted to yen attributable to yen depreciation
Measures such as filing lawsuits against the account in question and its representative have been and will be taken in order to collect the accounts receivable.
- Ordinary Income: Decreased YoY on account of drop in foreign exchange profit (0.89 ⇒ 0.37 Billion Yen) in addition to increase in SGA
- Net Income: Decreased YoY on account of significant increase in SGA despite disappearance of extra retirement benefits last year

Segment Results - Semiconductors and Electronic Components

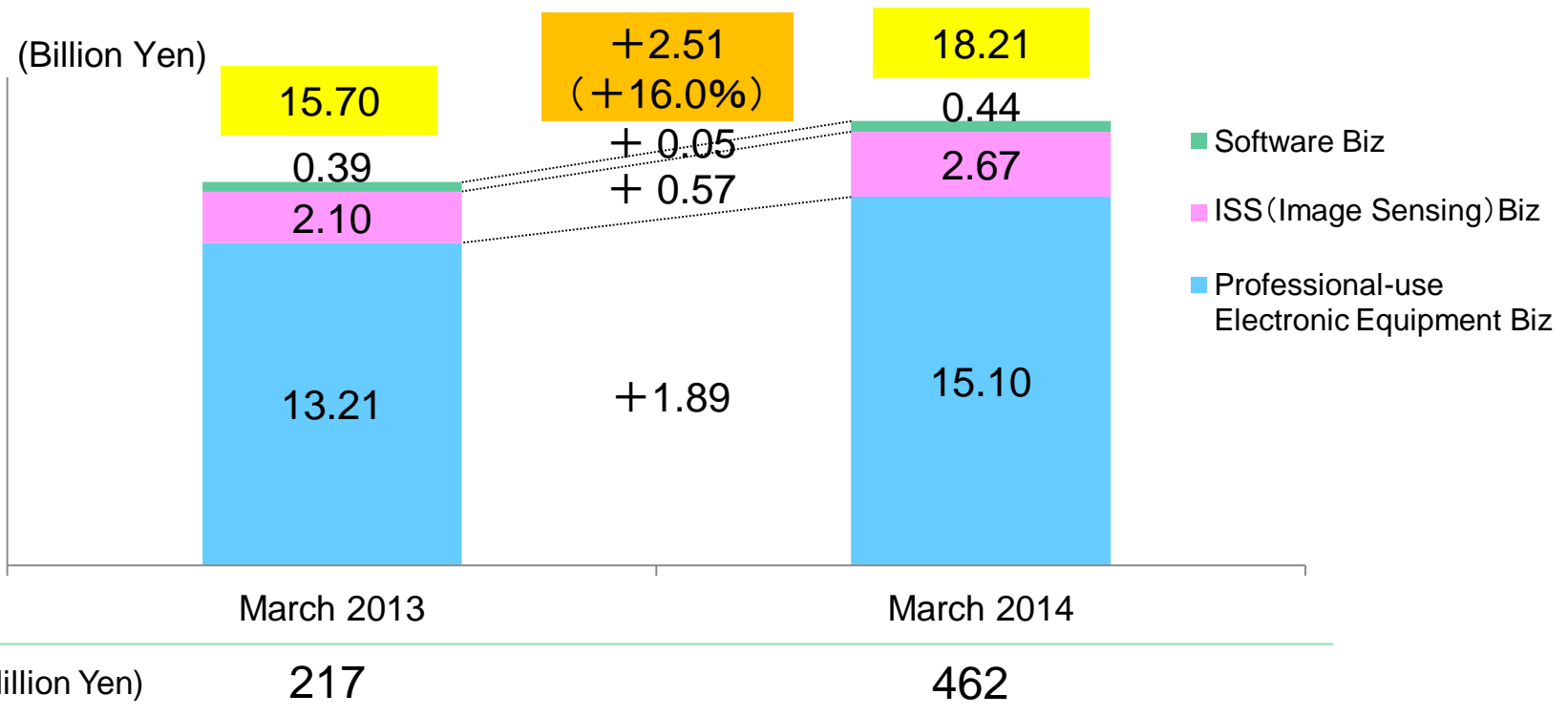


- Sony Semiconductor: Good sales of image sensors for smartphones overseas contributed despite sluggish sales for digital still cameras.
- Other semiconductor: Good sales of touch screen panels for smartphones and small- and medium-size LCD for automobiles contributed.
- EMS: Own factory in Dongguan, China did well while fabless business was slow.
- Segment income dropped on account of recording bad debt reserve of 1,090 million yen.

※Some products regarded as “Electronic Equipment” are reclassified as “Semiconductors and Electronic Parts” from this fiscal year. General and administration expenses which were treated as unallocated corporate expenses until last fiscal year are allocated to appropriate segments from this fiscal year.

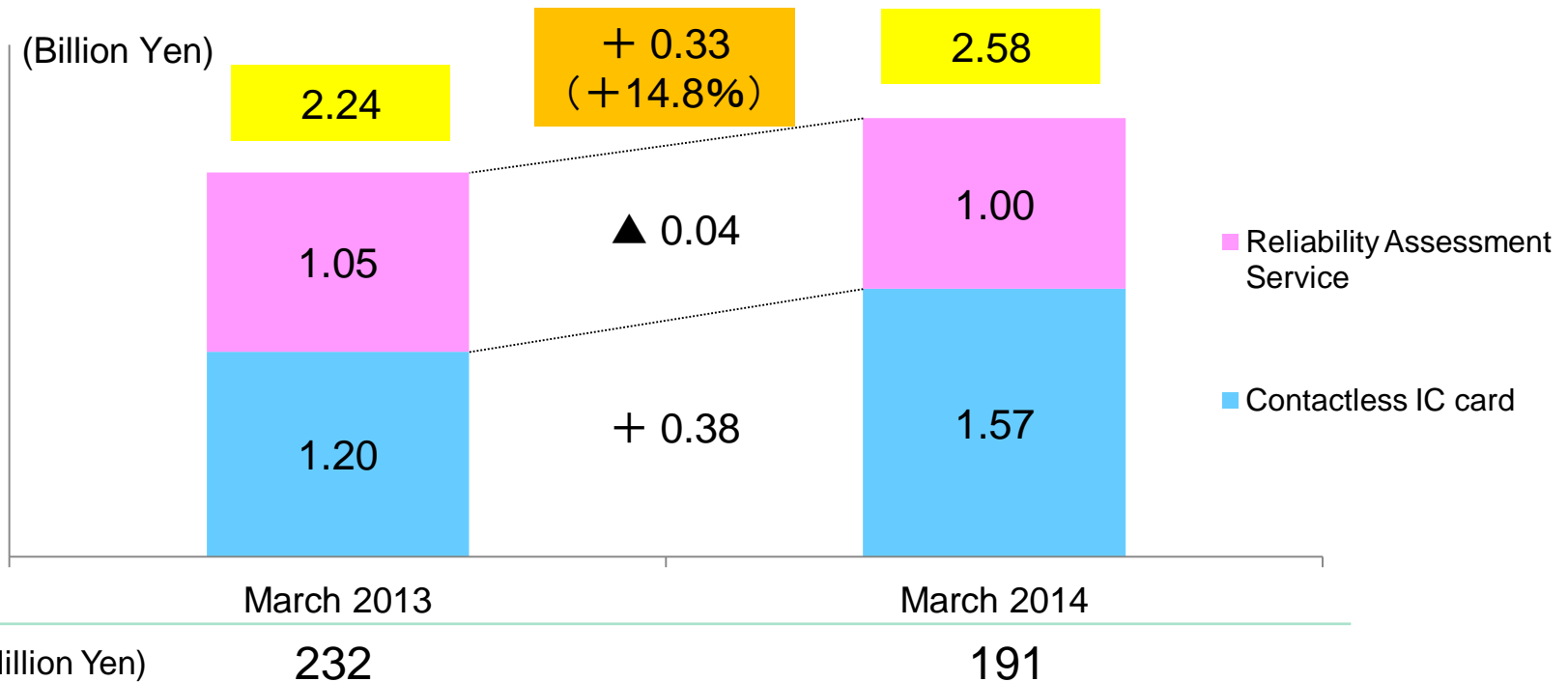
The changes above are retrospectively applied to the segment figures of the consolidated fiscal year ended March 31, 2013.

Segment Results - Electronic Equipment



- Sales to a wide range of customers like corporations, surveillance camera customers, educational institutions and medical institutions rose thanks to improving capital expenditures of customers through the fiscal year triggered by economic stimulus policies.
- Revenue growth greatly increased the segment income.

Segment Results - System Equipment



➤ Contactless IC card business

Sales for store payment and vending machine grew in accordance with the popularization of e-money and digital signage.

➤ Contracted reliability test and environmental material analysis service business

Weak result attributable to decreasing number of tests along with sluggish customer demand

➤ Segment income dropped on account of the drop in sales and margin of the contracted reliability test and environmental material analysis service with comparatively high margin.

Consolidated Balance Sheets



| (Million Yen) | 2013 March | 2014 March |
|------------------------------------|-----------------|-----------------|
| Cash & deposit | 12,601 | 17,658 |
| Accounts receivable | 65,119 | 69,633 |
| Inventories | 24,091 | 18,416 |
| Other | 6,536 | 5,804 |
| Current assets | 108,349 | 111,512 |
| Fixed assets | 5,874 | 6,924 |
| Total assets | 114,223 | 118,436 |
| Accounts payable | 35,371 | 37,487 |
| Short-term borrowings [※] | 25,232 | 18,164 |
| Other | 4,410 | 5,388 |
| Current liabilities | 65,014 | 61,040 |
| Long-term borrowings | 2,610 | 5,893 |
| Other | 1,196 | 1,076 |
| Fixed liabilities | 3,806 | 6,970 |
| Net assets | 45,402 | 50,425 |
| Net assets to total assets | 39.4% | 42.2% |
| BPS (Yen) | 2,869.23 | 3,186.08 |

| | YoY | Main Factors |
|----------------------------|--------|--|
| Total assets | +4,213 | <ul style="list-style-type: none"> • Cash and deposit +5,056 • Notes and accounts receivable-trade +4,513 • Inventories ▲5,674 |
| Liabilities | ▲810 | <ul style="list-style-type: none"> • Long-term borrowings +3,283 • Notes and accounts payable-trade +2,116 • Short-term borrowings[※] ▲7,068 |
| Net assets | +5,023 | <ul style="list-style-type: none"> • Net income 4,398 • Foreign currency translation adjustments +1,668 • Dividends from retained earnings ▲941 |
| Net assets to total assets | +2.8% | Increased from 39.4% to 42.2% as retain earnings accumulated |

※ include current portion of long-term borrowings

Consolidated Cash Flows



| (Mil. Yen) | March 2013 | March 2014 | Main Factors |
|----------------------|------------|------------|--|
| Operating activities | ▲8,416 | 11,628 | <ul style="list-style-type: none"> ▪ Income before income taxes and minority interests 7,210 ▪ Decrease in inventories 6,768 ▪ Increase in allowance for doubtful accounts 1,060 ▪ Depreciation 607 ▪ Income taxes paid ▲2,868 ▪ Decrease in notes and accounts payable ▲2,780 |
| Investing activities | ▲1,592 | ▲1,026 | <ul style="list-style-type: none"> ▪ Time deposits withdrawal (net) 300 ▪ Purchase of investment securities ▲708 ▪ Purchase of property, plant and equipment ▲450 |
| Financial activities | 2,958 | ▲7,245 | <ul style="list-style-type: none"> ▪ Increase in long-term borrowings (net) 526 ▪ Decrease in short-term borrowings (net) ▲6,695 ▪ Cash dividends paid ▲941 |
| Cash & Equivalent | 10,561 | 15,829 | |





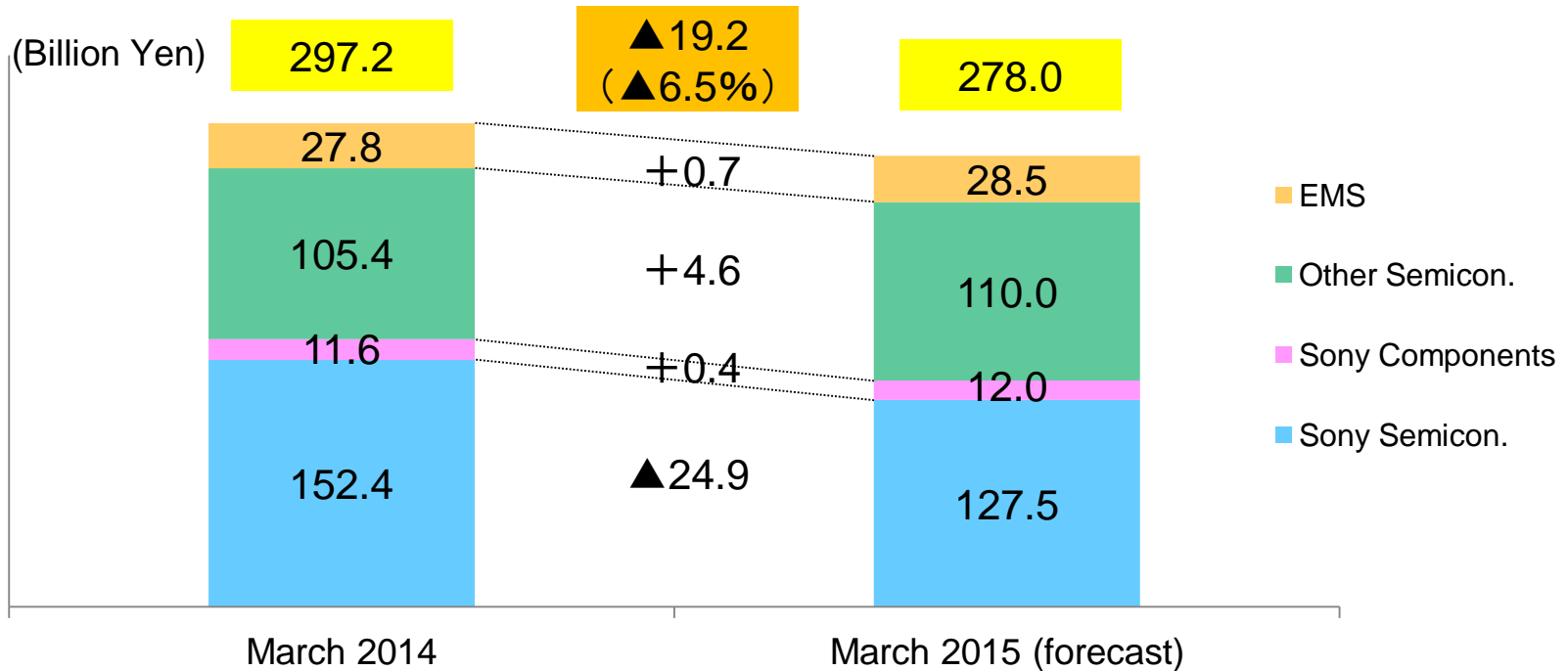
Consolidated Forecasts for Fiscal Year 2014

Consolidated Forecasts for Fiscal Year 2014 - Overview

| (Million Yen) | Fiscal 2013 (Actual) | | Fiscal 2014 (Forecast) | | YoY | |
|-----------------|-------------------------|--------|---------------------------|--------|---------------|----------|
| | Amount | % | Amount | % | Amount Change | % Change |
| Net Sales | 317,042 | 100.0% | 300,000 | 100.0% | ▲ 17,042 | ▲ 5.4% |
| Gross Profit | 19,411 | 6.1% | 18,400 | 6.1% | ▲ 1,011 | ▲ 5.2% |
| SGA | 12,485 | 3.9% | 11,200 | 3.7% | ▲ 1,285 | ▲ 10.3% |
| Operating | 6,925 | 2.2% | 7,200 | 2.4% | +274 | +4.0% |
| Ordinary Income | 7,237 | 2.3% | 6,900 | 2.3% | ▲ 337 | ▲ 4.7% |
| Net Income | 4,398 | 1.4% | 4,400 | 1.5% | +1 | +0.0% |
| EPS (Yen) | 280.21 | | 280.28 | | | |

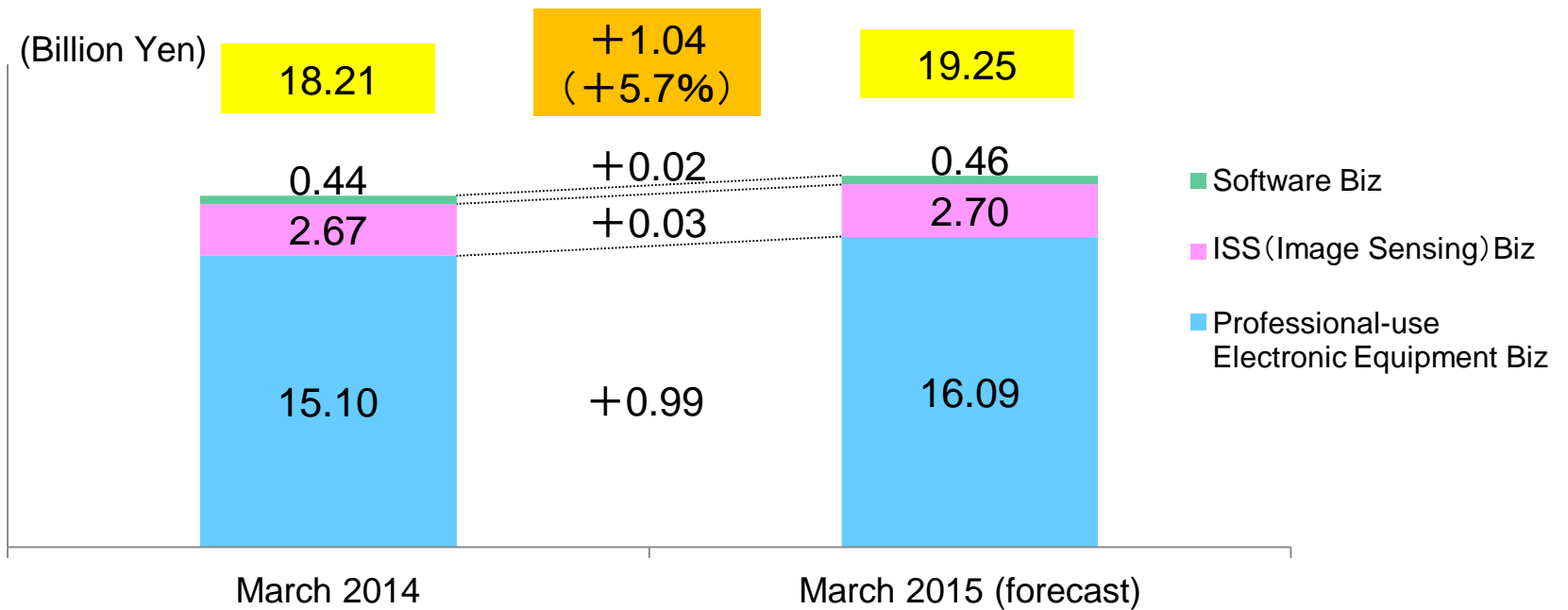
- Foreign exchange rate assumption: 100 Yen / US\$
- Net sales: YoY ▲ 17 Billion Yen (▲ 5.4%)
 Continuous good business environments for own factory EMS, small- and medium-size LCD, electronic equipment
 Fierce competition and volatility in smartphone market into consideration
- Operating income: YoY +0.27 Billion Yen (+4.0%)
 Grow attributable to SGA reduction by the disappearance of the bad debt reserve recorded last year.
 No collection of the accounts receivable is included for now.
- No foreign exchange profit and loss included
- Dividend forecast: 40 Yen / share (Interim: 20 Yen, Year-end: 20 Yen)

Segment Forecast - Semiconductors and Electronic Components



- Sony Semiconductor
 - Negative impact of drop in customer share because of severe competition for smartphones overseas
 - Rise in customer share for DSLR
- Other Semiconductor
 - Steady sales of LCD for automobiles and TVs and touch screen panels for mobile terminal devices
- EMS
 - EMS at our own factory continues to grow despite severe business environment for fabless EMS.

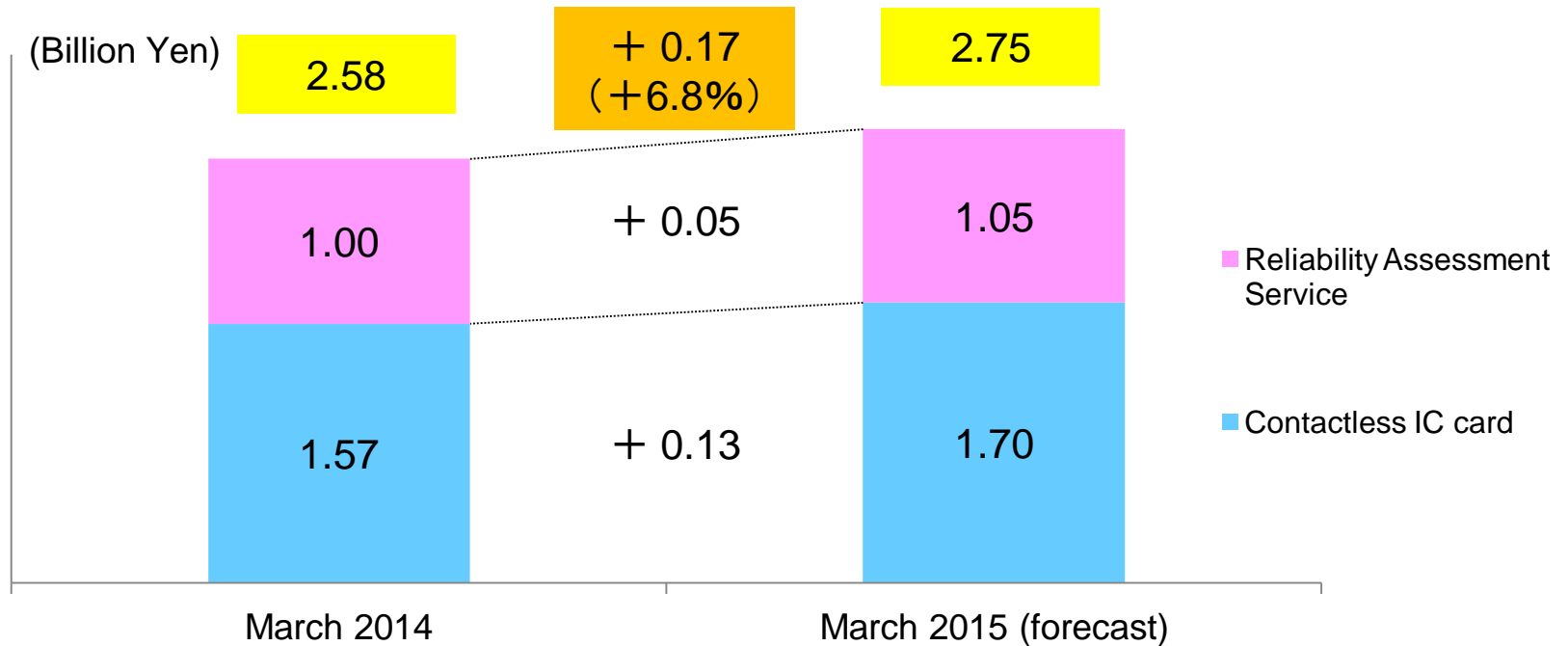
Segment Forecast - Electronic Equipment



➤ Professional-use Electronic Equipment and Image Sensing Business

- Continuous recovery trend of customer investment
- Steady sales to major areas like corporations, educational institutions and medical institutions
- Stimulate and fulfill 4K demand

Segment Forecast - System Equipment



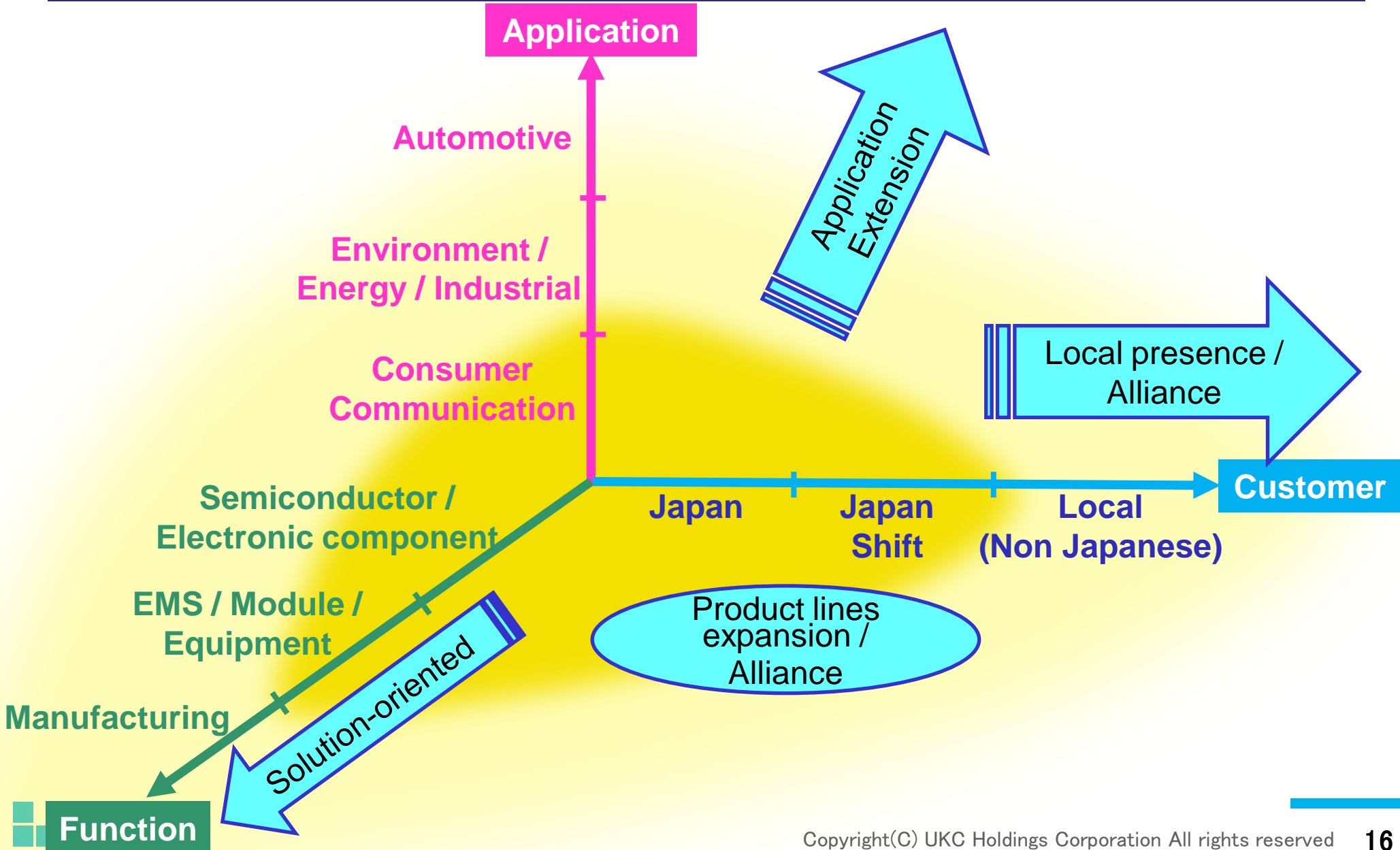
- Contactless IC card business
NFC related business opportunities continuously grow for a wide range like e-money, access control, digital signage, amusement and healthcare.
- Contracted reliability test and environmental material analysis service business
Expect business increase for automobiles, industry equipment, aerospace



Medium-term Business Concept



UKC's Direction toward Business Extension



Initiatives for Business Extension



| | Business base | Extension |
|-------------|--|--|
| Customer | <ul style="list-style-type: none"> Japanese and Korean customers in imaging field Maintain high customer share of image sensor, touch screen panel and small & mid-size LCD Enrich and promote cross-selling products (battery, functional material, etc.) | <ul style="list-style-type: none"> Develop local customers in China and ASEAN <ul style="list-style-type: none"> Four areal structures in Asia <ul style="list-style-type: none"> Japan, Korea, China (Taiwan), ASEAN (South Asia) Establish channels for local customers through focusing management resources Business alliances including M&A Tap into industry customers <ul style="list-style-type: none"> Approach to customers handling surveillance camera, power supply, inverter, robot, etc. Cross-sell products on top of core products such as next-generation power semiconductor |
| Application | <ul style="list-style-type: none"> Smartphone, DSLR camera Gain customer share of image sensor and touch screen panel Enrich and promote related products like battery, memory, various sensors, etc. Approach to smartphone manufacturers in China (start with receiver, speaker, etc.) | <ul style="list-style-type: none"> Wearable (glasses, watch type) smart device Promote and downsize devices for smartphone Cultivate markets of environment / energy, automotive and medical areas <ul style="list-style-type: none"> Maximize opportunities of LCD for car navigation by entry into OEM business Prioritized investment on ADAS / autonomous driving |
| Function | <ul style="list-style-type: none"> Distribution and EMS <ul style="list-style-type: none"> Focus on modules for smartphone and tablet at own-factory Review fabless EMS model Increase number of adopted devices in customers' finished goods | <ul style="list-style-type: none"> System (Solution) approach <ul style="list-style-type: none"> Maximize value proposition for customers Outsource H/W and S/W technologies and services Evolve business domain from simple distribution to solution offering |

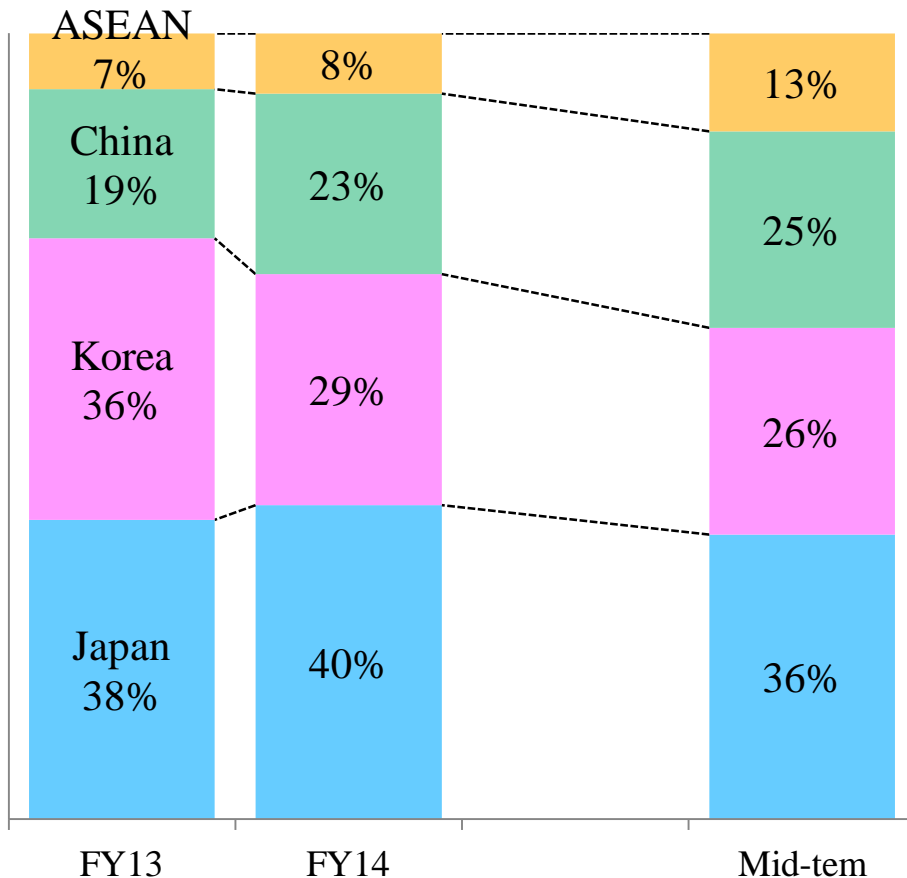


Mid-term(3-4 years) Business Structure (Geographic / Application)



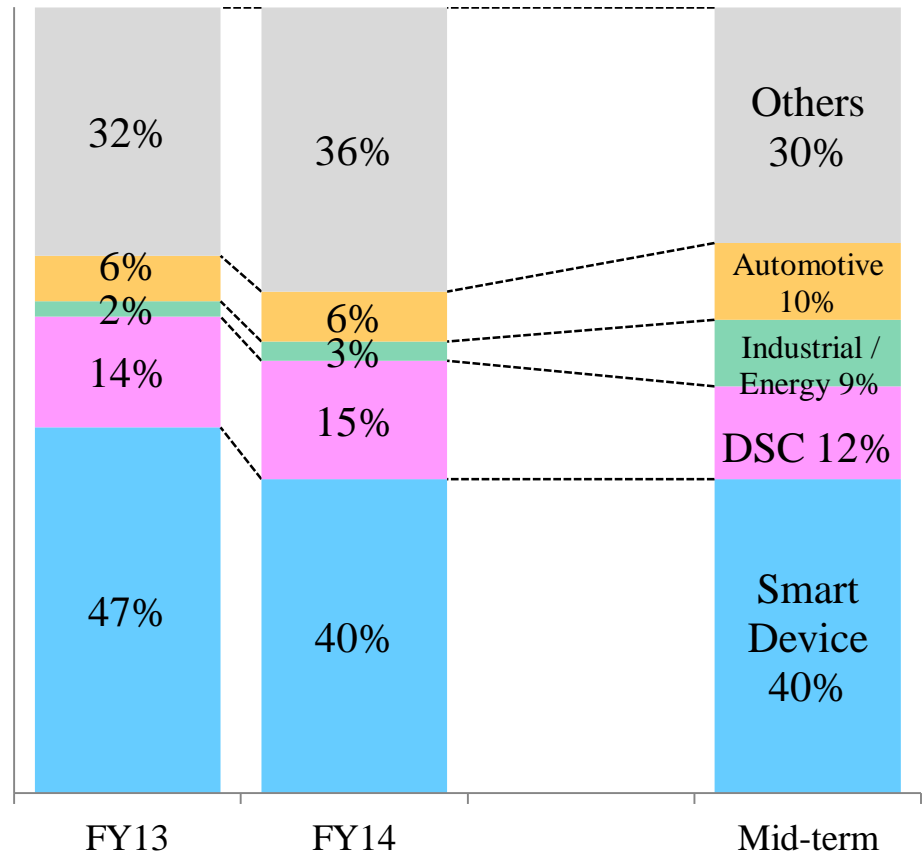
【Geographic】

- Business expansion in China and ASEAN



【Application】

- Business expansion in the areas of Industrial / Energy and Automotive
- Target wearable smart devices



※ calculated based on external sales of group companies in each area



Appendix

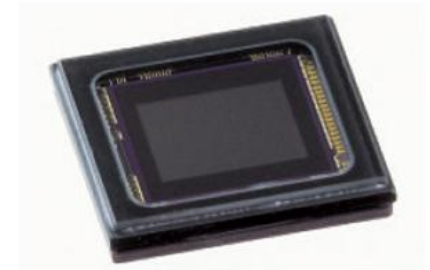




Semiconductors and electronic components

■ Semiconductors/Electronic components

To meet the diverse needs of customers, we deal in state-of-the-art semiconductors, high-function electronic components, and energy- and environment-related products made by SONY and other manufacturers in Japan and abroad. Through our global network, we propose optimum solutions backed by a variety of products and sophisticated technical support.



■ EMS (Electronic Manufacturing Service)

Based on the know-how in material procurement we have gained through our experiences in semiconductor sales and the buying/selling agency business, together with the technical know-how we have gained through the development and manufacture of system products, we have established unique systems for purchase, production control, production technology, and quality assurance. By mainly utilizing our own factory with cutting-edge surface mount technology in Dongguan, China, we offer high-quality electronic manufacturing services that suit customers' needs.





Electronic equipment

■ Broadcast solutions

To go with the flow of the next-generation tapeless, file-based format in the age of digital terrestrial broadcasting, we offer system solutions that match requests from broadcasting stations and production companies.



■ Digital network solutions

We materialize and offer highly customized digital network solutions such as video contents production/distribution systems and video conferencing systems to every field of business, education, medicine, and public service.



■ Image sensing solutions

We offer total coordination service for cameras, their peripherals, and image analysis systems for FA (factory automation), surveillance, and security applications in order to provide optimum solutions for our customers' needs.





System equipment

■ System equipment / Contactless IC card (FeliCa)

Using the digital communication technology and other essential technologies we have accumulated since our foundation, we have fused NFC (Near Field Communication) technologies such as SONY's contactless IC card (FeliCa) with techniques of our own to develop a new lineup of applied products based on our "Security and Safety" motto. Through the development of these originally planned products, we propose safe and comfortable lifestyles. We are also focusing on various types of entrusted development with digital technologies related to communication, control, and imaging to quickly respond to customer needs in a world of increasingly diverse and sophisticated electronics products.



■ Quality inspection

(Reliability test / environmental material analysis services)

Our reliable, specialized technology backed by years of experience will meet the demand for various reliability tests from different angles and environmental material analysis with respect to semiconductors, electronic components, electric and electronic products, and more. To remain a dependable partner for customers who develop and sell semiconductors, electronic components, and electric and electronic products, we are constantly making every effort to improve our technologies and services.



Position in the industry (Electronics distributors in Japan)

➤ Consolidated net sales (¥ Million)

➤ Consolidated operating income (¥ Million) / Operating margin (%)

| | | |
|--------------|---------------------------------|----------------|
| 1 (1) | UKC Holdings Corporation | 317,042 |
| 2 (7) | KURODA ELECTRIC CO., LTD. | 287,839 |
| 3 (2) | MARUBUN CORPORATION | 260,424 |
| 4 (3) | KAGA ELECTRONICS CO., LTD | 257,852 |
| 5 (6) | MACNICA, Inc. | 255,967 |
| 6 (4) | Ryosan Company, Limited | 238,399 |
| 7 (5) | Ryoden Trading Company, Limited | 224,766 |
| 8 (10) | SANSHIN ELECTRONICS CO., LTD. | 192,240 |
| 9 (11) | TOMEN DEVICES CORPORATION | 174,654 |
| 10 (9) | TOMEN ELECTRONICS CORPORATION | 170,945 |
| 11 (12) | Elematec Corporation | 143,442 |
| 12 (13) | TACHIBANA ELETECH CO., LTD. | 141,884 |
| 13 (8) | Shinko Shoji Co., Ltd. | 140,652 |

| | | | |
|--------------|---------------------------------|--------------|-------------|
| 1 (2) | KURODA ELECTRIC CO., LTD. | 8,669 | 3.0% |
| 2 (3) | MACNICA, Inc. | 8,456 | 3.3% |
| 3 (1) | UKC Holdings Corporation | 6,925 | 2.2% |
| 4 (4) | Ryoden Trading Company, Limited | 5,278 | 2.3% |
| 5 (5) | Elematec Corporation | 5,246 | 3.7% |
| 6 (7) | Ryosan Company, Limited | 5,144 | 2.2% |
| 7 (-) | KAGA ELECTRONICS CO., LTD | 5,106 | 2.0% |
| 8 (11) | TACHIBANA ELETECH CO., LTD. | 4,367 | 3.1% |
| 9 (6) | Shinko Shoji Co., Ltd. | 4,075 | 2.9% |
| 10 (8) | Hakuto Co., Ltd | 4,043 | 3.0% |
| 11 (9) | MARUBUN CORPORATION | 3,912 | 1.5% |
| 12 (10) | KANADEN CORPORATION | 3,754 | 3.1% |
| 13 (12) | TOMEN ELECTRONICS CORPORATION | 3,264 | 1.9% |

Compiled based on earnings results data for the fiscal year ended March 31, 2014

Parentheses indicate rank for the previous year.

Excluded SATORI ELECTRIC CO., LTD. whose fiscal year ends May 31

Net Sales / Operating Income History



Through fiscal year ended March 31, 2009 : simply add the consolidated results of KYOSHIN TECHNOSONIC Co., Ltd. to those of USC Corporation

Fiscal year ended March 31, 2010 : simply add the consolidated first half results of KYOSHIN to the consolidated results of UKC Holdings



UKC Holdings Corporation

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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.