



# Business Results for Nine Months ended December 31, 2015

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January 29, 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**

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# Consolidated Results for Nine Months ended December 31, 2015



# 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.

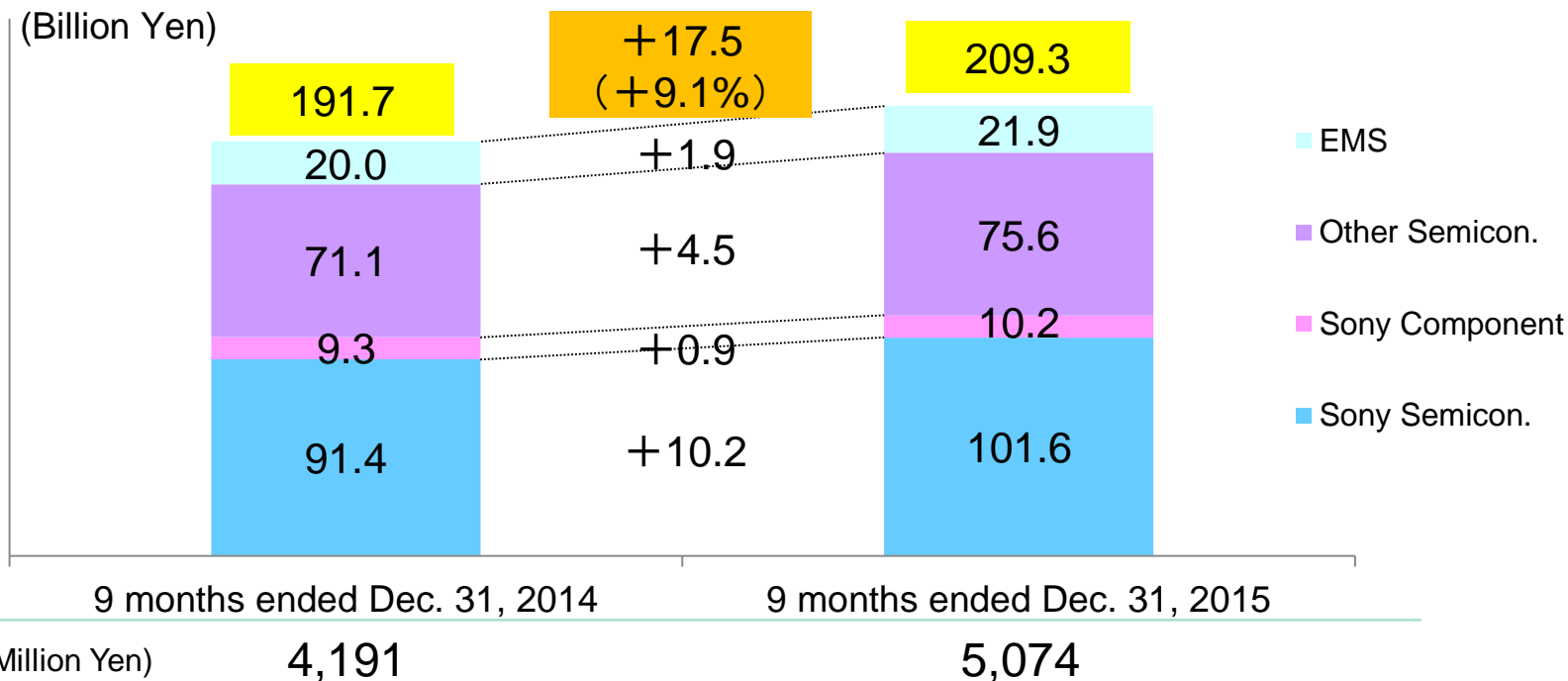


# Consolidated Results for Nine Months - Overview

(Million Yen)	9 Months ended Dec. 31, 2014		9 Months ended Dec. 31, 2015		Year on Year	
	Amount	%	Amount	%	Amount Change	% Change
Net Sales	202,710	100.0%	221,128	100.0%	+18,418	+9.1%
Gross Profit	12,795	6.3%	13,640	6.2%	+845	+6.6%
SGA	8,791	4.3%	8,758	4.0%	▲33	▲0.4%
Operating Income	4,003	2.0%	4,882	2.2%	+878	+21.9%
Ordinary Income	4,863	2.4%	4,508	2.0%	▲355	▲7.3%
Net income attributable to owners of parent	3,227	1.6%	3,133	1.4%	▲94	▲2.9%
EPS(Yen)	205.61		199.59			

- Net Sales: YoY +18.4Bil. Yen (+9.1%)  
Grew mainly because of recovery in sales for smartphones overseas
- Gross profit: YoY +0.85Bil. Yen (+6.6%)  
Grew because of an increase in net sales despite a slight drop in gross margin
- Operating income: YoY +0.88Bil. Yen (+21.9%)  
Grew because of an absence of the negative impact of the allowance for doubtful accounts pertaining to Wintek recorded last year in addition to increase in net sales
- Ordinary income: YoY ▲0.36Bil. Yen (▲7.3%)  
dropped on account of a deterioration in foreign exchange (¥864M gain ⇒ ¥257M loss) attributable to yen appreciation at 3Q end
- Net income attributable to owners of parent: YoY ▲0.09Bil. Yen (▲2.9%)

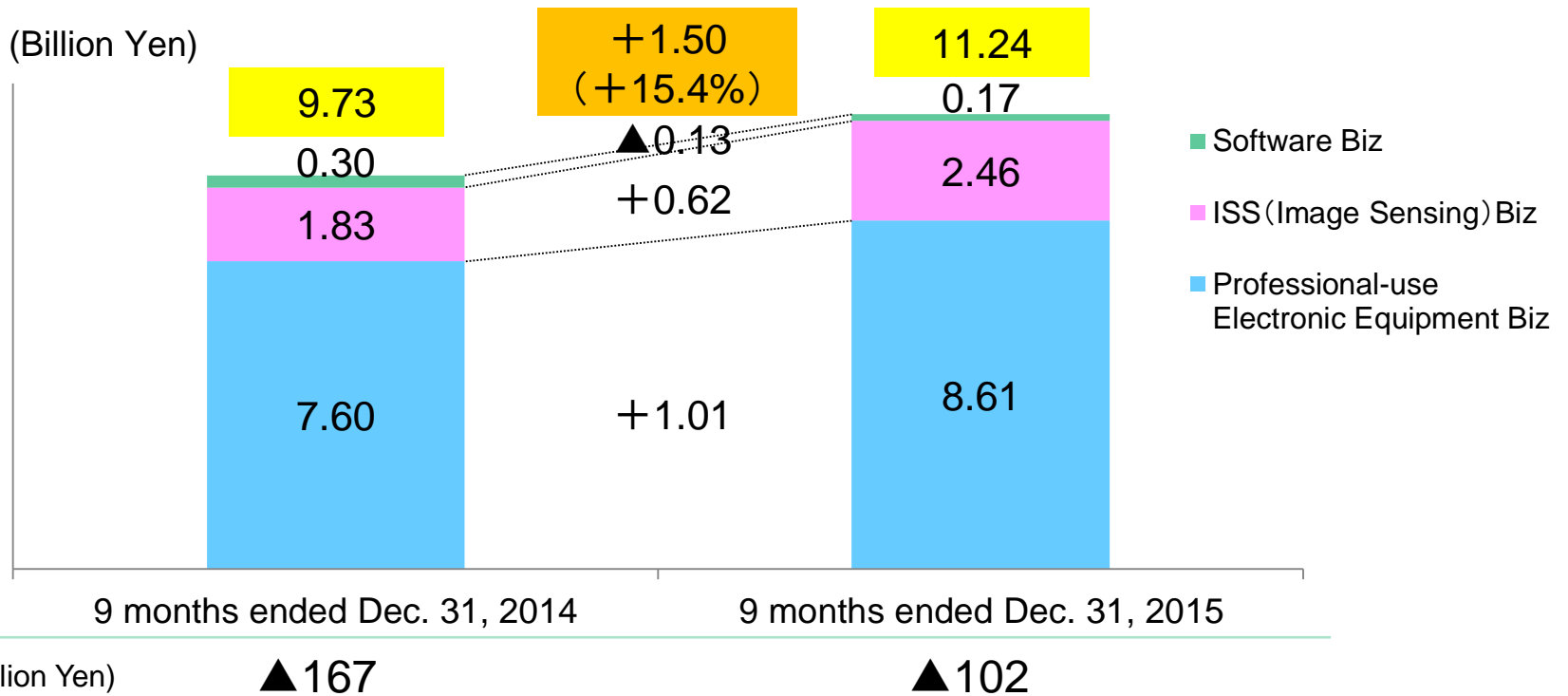
# Segment Results - Semiconductors and Electronic Components



- Sony Semiconductor: Grew because of the recovery in sales for foreign smartphones
- Other semiconductor: Grew because of increased sales of LCDs for automobiles and sensors despite drop in sales of touch screen panels and some portion of LCDs
- EMS: Good result of own factory business in China thanks to demand of China smartphone
- Segment income grew because of an absence of the negative impact of the allowance for doubtful accounts pertaining to Wintek recorded last year in addition to increase in net sales.

UKC Holdings succeeded the semiconductors and electronic components business from UKC Electronics (currently "UKC Technosolution") on April 1, 2015 through an absorption-type company split. Accordingly, operations consignment fee income from subsidiaries and a part of corporate expenses previously involved in an adjustment amount are now included in the semiconductors and electronic components business. This change is retrospectively applied to the segment figures of the same period last year.

# Segment Results - Electronic Equipment



## ➤ Professional-use Electronic Equipment

Customers' demand is on a recovery track. In addition, capital investments related to redevelopment increased.

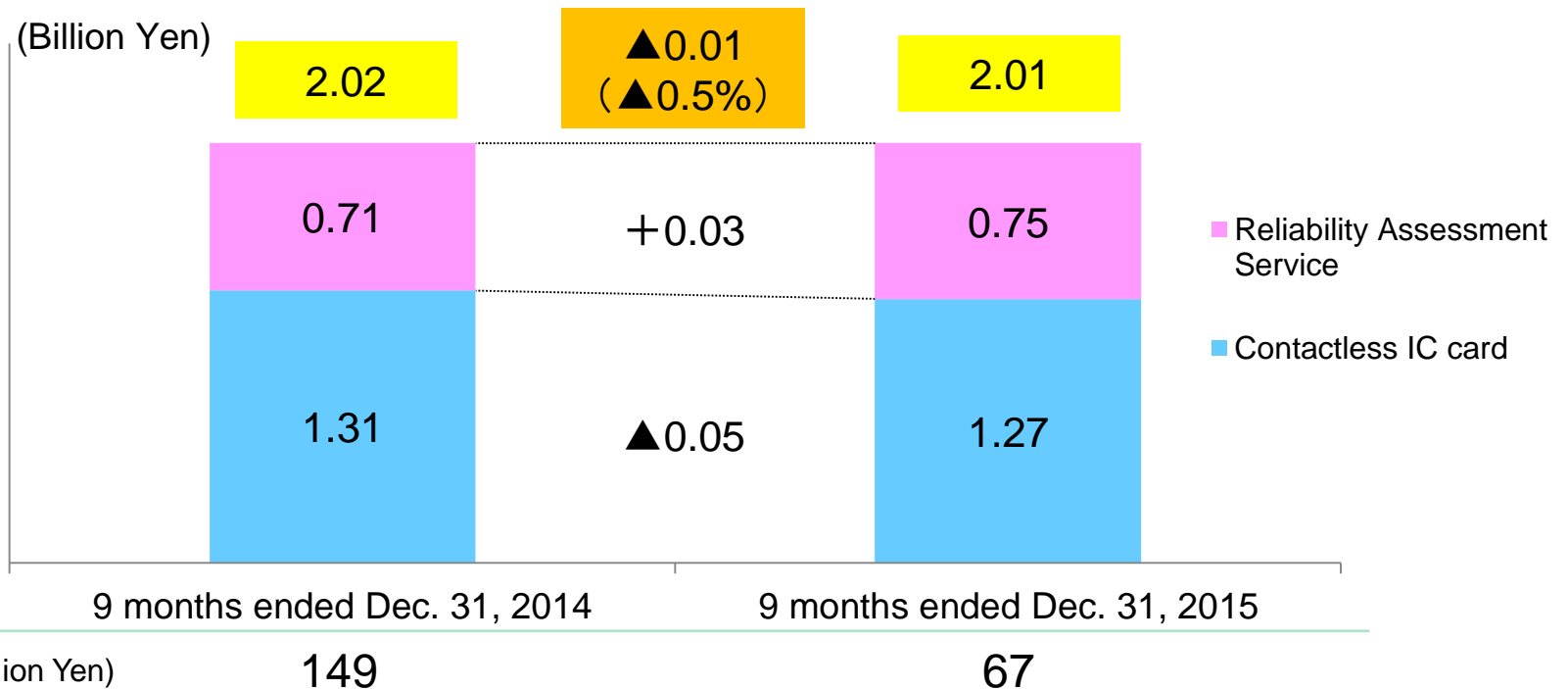
## ➤ Image Sensing: Sales for FA (Factory Automation)-use and security-use progressed well.

## ➤ Software Business

Temporarily stagnated because of diversified education market. Strengthening marketing and expanding product line

## ➤ Segment loss improved because of an increase in net sales despite a drop in gross margin attributable to a slump of software business..

# Segment Results - System Equipment



## ➤ Contactless IC card business

Net sales slightly dropped on account of a delay in sales realization of some portion of businesses to the fourth quarter and an inventory adjustment of some customer, although e-money related business has been still active.

## ➤ Contracted reliability test and environmental material analysis service business

Net sales slightly grew thanks to an increase in orders related to automobiles.

## ➤ Segment income dropped as SGA increased with prior investment.

# Consolidated Balance Sheets



(Million Yen)	Mar-15	Dec-15
Cash & deposit	27,542	21,236
Accounts receivable	71,857	81,110
Inventories	18,982	20,536
Other	5,345	6,503
<b>Current assets</b>	<b>123,728</b>	<b>129,387</b>
<b>Fixed assets</b>	<b>8,055</b>	<b>8,226</b>
<b>Total assets</b>	<b>131,784</b>	<b>137,613</b>
Accounts payable	43,563	39,888
Short-term borrowings	18,617	27,740
Current portion of long-term borrowings	970	2,984
Other	4,170	3,620
<b>Current liabilities</b>	<b>67,322</b>	<b>74,233</b>
Long-term borrowings	7,104	3,852
Other	986	997
<b>Fixed liabilities</b>	<b>8,091</b>	<b>4,849</b>
<b>Net assets</b>	<b>56,370</b>	<b>58,529</b>
<b>Net assets to total assets</b>	<b>42.46%</b>	<b>42.27%</b>
<b>BPS (Yen)</b>	<b>3,565.03</b>	<b>3,706.01</b>

	vs. '15/3E	Main Factors
Total assets	+5,829	<ul style="list-style-type: none"> <li>Accounts receivable +9,252</li> <li>Inventories +1,554</li> <li>Other current assets +1,157</li> <li>Cash and deposit ▲6,305</li> </ul>
Liabilities	+3,670	<ul style="list-style-type: none"> <li>Short-term borrowings +9,122</li> <li>Current portion of long-term borrowings +2,013</li> <li>Income taxes payable ▲225</li> <li>Long-term borrowings ▲3,251</li> <li>Accounts payable ▲3,674</li> </ul>
Net assets	+2,159	<ul style="list-style-type: none"> <li>Net income attributable to owners of parent 3,133</li> <li>Change in accumulated other comprehensive income ▲214</li> <li>Dividends from retained earnings ▲706</li> </ul>
Net assets to total assets	▲0.2%	Total assets comparatively grew.







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# Consolidated Forecasts for Fiscal Year 2015



# Consolidated Forecasts for Fiscal Year 2015

(Million Yen)	Fiscal 2014 Full Year		Nine Months ended December 31, 2015				Fiscal 2015 Full Year forecast (May 8, 2015)		
	Amount	%	Amount	%	YoY	Progress	Amount	%	YoY
Net Sales	280,672	100.0%	221,128	100.0%	+9.1%	73.7%	300,000	100.0%	+6.9%
Gross Profit	17,032	6.1%	13,640	6.2%	+6.6%	75.8%	18,000	6.0%	+5.7%
SGA	11,454	4.1%	8,758	4.0%	▲0.4%	76.2%	11,500	3.8%	+0.4%
Operating Income	5,578	2.0%	4,882	2.2%	+21.9%	75.1%	6,500	2.2%	+16.5%
Ordinary Income	6,233	2.2%	4,508	2.0%	▲7.3%	71.6%	6,300	2.1%	+1.1%
Net income attributable to owners of parent	4,037	1.4%	3,133	1.4%	▲2.9%	74.6%	4,200	1.4%	+4.0%
EPS(Yen)	257.21		199.59				267.55		

- Net sales and operating income for 3Q cumulative improved year on year mainly because of recovery in sales for foreign smartphones.  
Ordinary and net income dropped compared to those of last year with significant foreign exchange gain. Progresses of incomes to the full-year forecast are around 75% excluding that of ordinary income.
- As for 4Q, automotive and industrial markets are steady despite weakened smartphone demand. Demand for new smartphone model will be reflected in 1Q result next fiscal year.
- Forecast of financial results for the full fiscal year remains unchanged from the original disclosed on May 8, 2015.
- Dividend: Interim (actual) ¥25 / share, Year-end (plan) ¥25 / share



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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.

