



Business Results for Nine Months ended December 31, 2014

February 6, 2015

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 Nine Months ended December 31, 2014



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	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

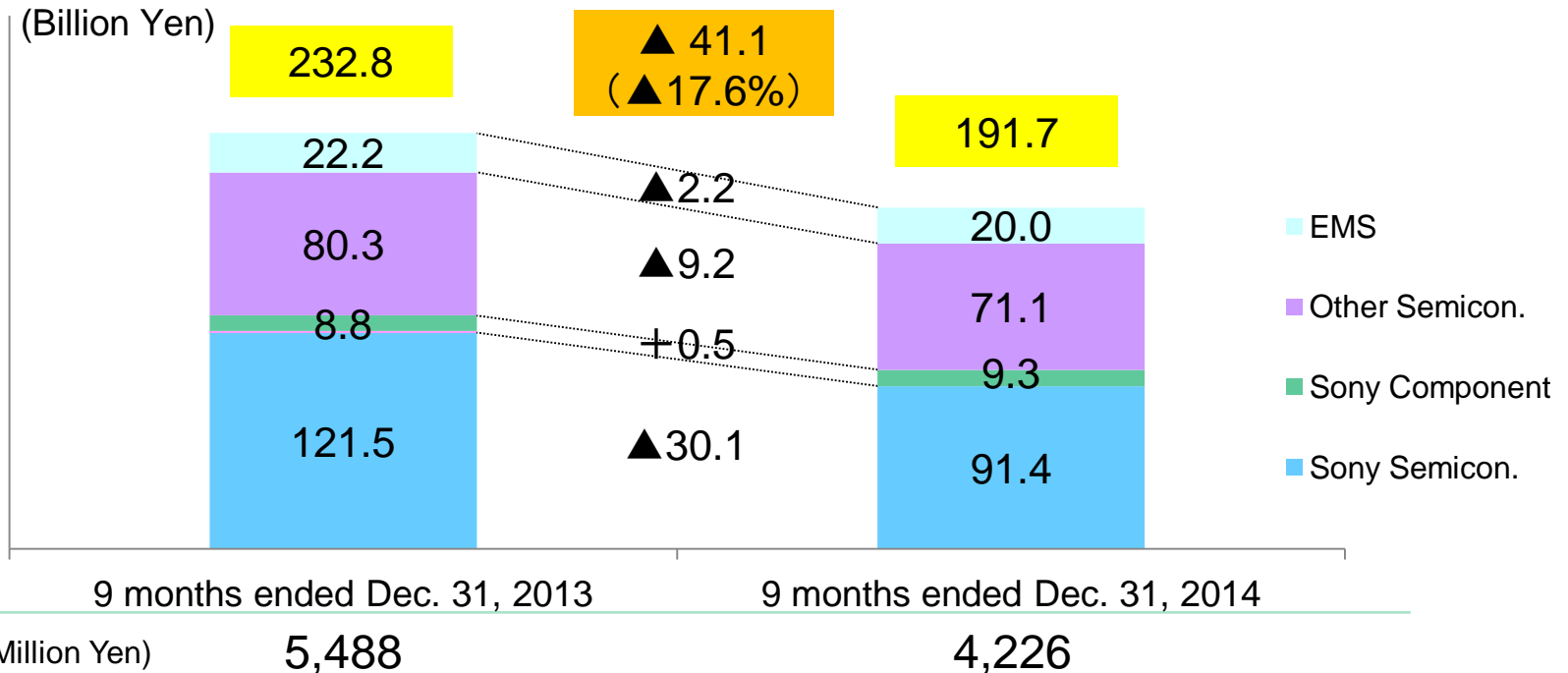


Consolidated Results for Six Months - Overview

(Million Yen)	9 Months ended Dec. 31, 2013		9 Months ended Dec. 31, 2014		Year on Year	
	Amount	%	Amount	%	Amount Change	% Change
Net Sales	245,349	100.0%	202,710	100.0%	▲42,638	▲17.4%
Gross Profit	14,867	6.1%	12,795	6.3%	▲2,072	▲13.9%
SGA	9,435	3.8%	8,791	4.3%	▲643	▲6.8%
Operating Income	5,432	2.2%	4,003	2.0%	▲1,428	▲26.3%
Ordinary Income	5,847	2.4%	4,863	2.4%	▲984	▲16.8%
Net Income	3,532	1.4%	3,227	1.6%	▲304	▲8.6%
EPS(Yen)	225.00		205.61			

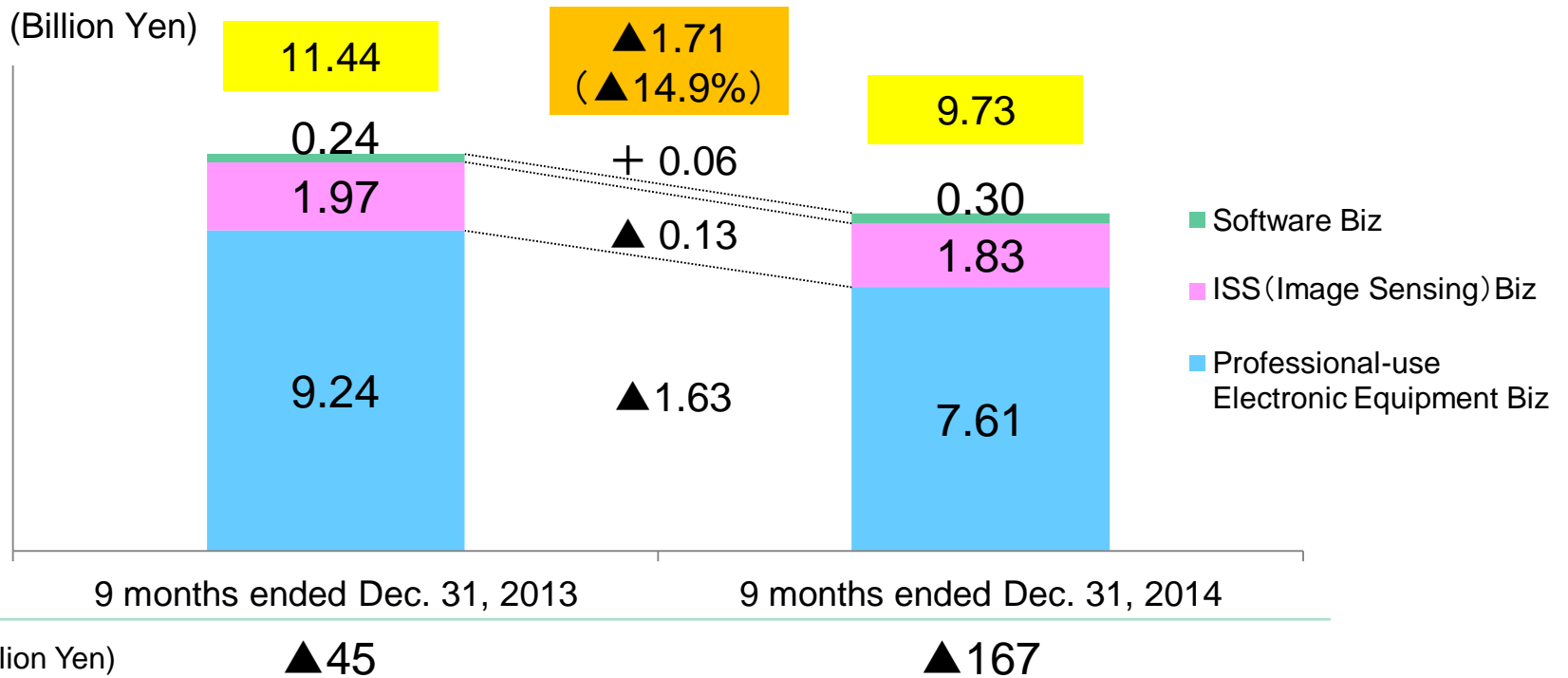
- Net Sales: YoY ▲42.6 Bil. Yen (▲17.4%) Decreased mainly because of temporary slowdown in sales for foreign smartphones
- Gross profit: YoY ▲2.07 Bil. Yen (▲13.9%)
Decreased on account of decline in net sales although gross margin improved as a result of increase in ratio of domestic sales with comparatively high gross margin
- Operating income: YoY ▲1.43 Bil. Yen (▲26.3%)
Decreased on account of a provision of allowance for doubtful accounts of 545 million yen in SGA recorded in the second quarter in connection with the business failure of Wintek in addition to decrease in net sales while the impact of bad debt reserve recorded at a subsidiary overseas last year was stripped
- Ordinary income: YoY ▲0.98 Bil. Yen (▲16.8%)
Decreased year on year but the declined amount and ratio were less than those of operating income because of the improvement of foreign exchange (¥445M gain⇒¥864M gain)
- Net income: YoY ▲0.30 Bil. Yen (▲8.6%) Decreased year on year but net income to net sales ratio improved

Segment Results - Semiconductors and Electronic Components



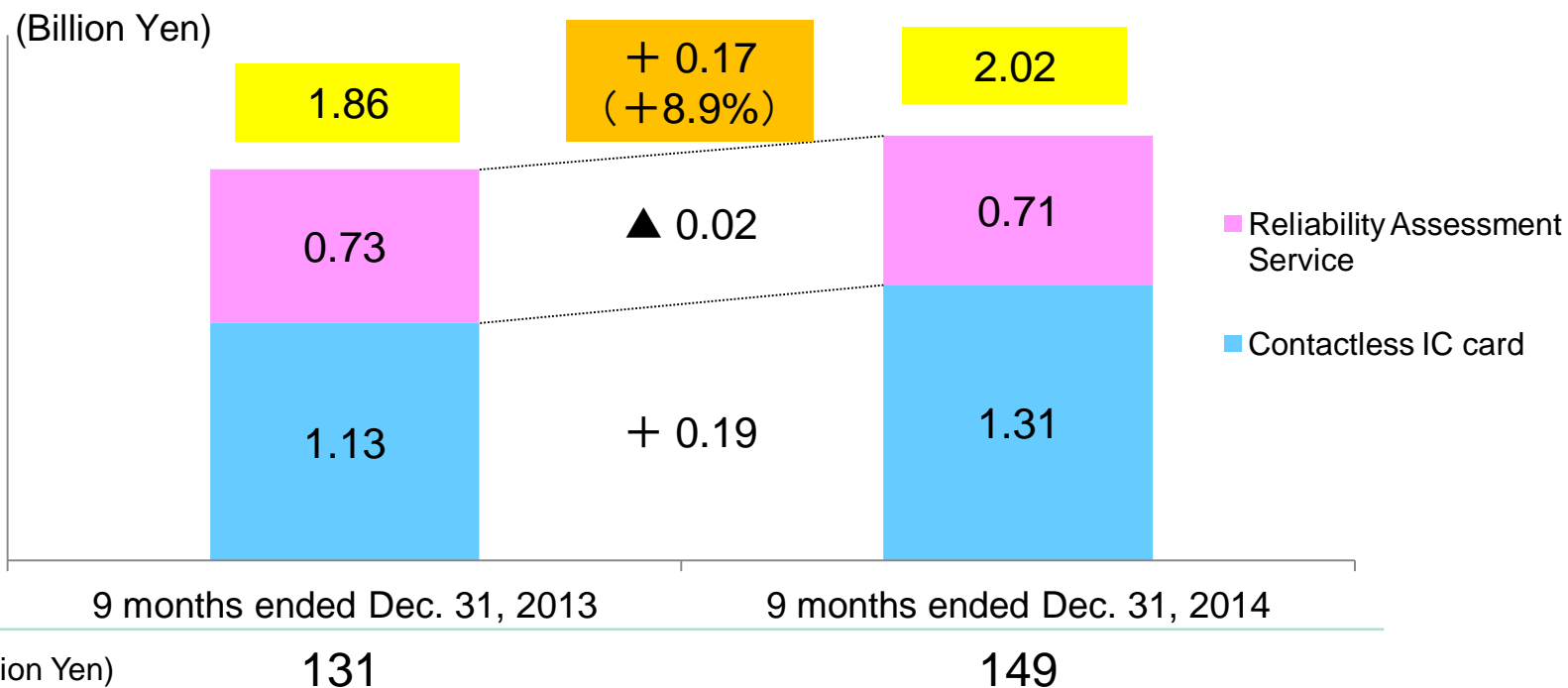
- Sony Semiconductor: Sales of image sensors for foreign smartphones dropped.
- Other semiconductor: Sales of LCDs for automobiles was steady while sales of touch screen panels for smartphones under shift from Wintek to substitute suppliers dropped.
- EMS: Total sales dropped as a result of production cutback toward withdrawal from fabless business despite a little less than 20% sales increase of own factory business.
- Segment income dropped on account of Wintek-related bad debt reserve in addition to decrease in sales while the impact of bad debt reserve recorded at a subsidiary overseas last year was stripped.

Segment Results - Electronic Equipment



- Net sales dropped on account of the prolonged backlash of the increase in customer demand last fiscal year triggered by economic stimulus policies.
- ISS business declined on account of overseas slump.
- The decline in net sales widened segment loss despite an improvement in gross margin and a reduction in fixed cost.

Segment Results - System Equipment



- Contactless IC card business
Sales grew as e-money business continuously progressed well backed by market growth.
- Contracted reliability test and environmental material analysis service business
Sales slightly dropped despite improvement in gross margin.

Consolidated Balance Sheets



(Million Yen)	Mar-14	Dec-14
Cash & deposit	17,658	19,303
Accounts receivable	69,633	74,091
Inventories	18,416	20,944
Other	5,804	6,426
Current assets	111,512	120,766
Fixed assets	6,924	7,523
Total assets	118,436	128,289
Accounts payable	37,487	40,034
Short-term borrowings	16,120	21,682
Current portion of long-term borrowings	2,044	930
Other	5,388	3,517
Current liabilities	61,040	66,164
Long-term borrowings	5,893	6,982
Other	1,076	736
Fixed liabilities	6,970	7,719
Net assets	50,425	54,405
Net assets to total assets	42.2%	42.1%

	vs. '14/3E	Main Factors
Total assets	+9,852	<ul style="list-style-type: none"> Accounts receivable +4,458 Inventories +2,527 Cash and deposit +1,645
Liabilities	+5,873	<ul style="list-style-type: none"> Short-term borrowings +5,561 Accounts payable +2,546 Long-term borrowings +1,088 Income taxes payable ▲ 923 Current portion of long-term borrowings ▲1,113
Net assets	+3,979	<ul style="list-style-type: none"> Net income 3,227 Foreign currency translation adjustments +1,189 Dividends from retained earnings ▲ 627
Net assets to total assets	▲0.1%	Slightly decreased as a result of increase in total assets





Consolidated Forecasts for Fiscal Year 2014



Consolidated Forecasts for Fiscal Year 2014



(Million Yen)	Fiscal 2013 Full Year		Nine Months ended December 31, 2014			Fiscal 2014 Full Year forecast (May 9, 2014)		
	Amount	%	Amount	%	Progress	Amount	%	YoY
Net Sales	317,042	100.0%	202,710	100.0%	67.6%	300,000	100.0%	▲5.4%
Gross Profit	19,411	6.1%	12,795	6.3%	69.5%	18,400	6.1%	▲5.2%
SGA	12,485	3.9%	8,791	4.3%	78.5%	11,200	3.7%	▲10.3%
Operating Income	6,925	2.2%	4,003	2.0%	55.6%	7,200	2.4%	+4.0%
Ordinary Income	7,237	2.3%	4,863	2.4%	70.5%	6,900	2.3%	▲4.7%
Net Income	4,398	1.4%	3,227	1.6%	73.4%	4,400	1.5%	+0.0%
EPS (Yen)	280.21		205.61			280.28		

- Net sales for the nine months ended December 31, 2014 dropped year on year on account of a temporary slowdown in sales for foreign smartphones. Operating / ordinary / net income also dropped year on year attributable to a provision of allowance for doubtful accounts recorded in the second quarter in connection with the business failure of Wintek, a Taiwan touch screen panel manufacturer in addition to decline in sales.
- For the coming fourth quarter, although a recovery in sales for foreign smartphones is expected, uncertainties remain regarding substitute touch screen panel suppliers for Wintek. Therefore, the forecast of financial results for the full fiscal year remains unchanged from the original disclosed on May 9, 2014 at this point.
- Regarding the bad debt reserve recorded at a subsidiary overseas 2Q last year, litigation is underway for collecting the account receivable.
- Dividend: Interim ¥20 / share, Year-end ¥20 / share





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.