

May 9, 2012

Consolidated Financial Results for the Year Ended March 31, 2012 [Japanese Standards]

This is a summary in English from the original financial report in Japanese.

In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Company name	UKC Holdings Corporation
Stock exchanges on which the shares are listed	Tokyo Stock Exchange, First Section
Code number	3156
URL	http://www.ukcgroup.com/english/index.html
Representative	Yukio Fukuju, President
Contact person	Masaaki Taguchi, Director in charge of Accounting, Finance, General Affairs, and Human Resources Tel : +81-3-3491-6575
Date of the ordinary general shareholders' meeting (scheduled)	June 28, 2012
Payment date of fiscal year-end dividend (scheduled)	June 13, 2012
Filing date of the Annual Securities Report (scheduled)	June 28, 2012

(Millions of yen rounded down)

1. Consolidated results for the fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2011	257,088	Δ15.3	5,389	21.6	5,008	29.7	2,722	17.7
Fiscal 2010	303,585	41.1	4,431	62.0	3,861	70.9	2,314	Δ62.0

(Note) Comprehensive income

FY2011: 2,276 million yen (17.3%) FY2010: 1,940 million yen (Δ69.9%)

	Net income per share	Net income per share after dilution	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2011	173.43	—	7.1	4.6	2.1
Fiscal 2010	155.20	—	6.4	3.7	1.5

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates:

FY2011 — million yen FY2010 Δ60 million yen

(2) Consolidated financial position

	Total assets	Net assets	Net assets to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2011	104,385	39,671	37.7	2,505.04
Fiscal 2010	113,912	38,694	33.0	2,392.59

(Reference) Shareholders equity:

March 31, 2012: 39,328 million yen March 31, 2011: 37,563 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2011	2,385	5,027	Δ3,980	16,765
Fiscal 2010	Δ7,662	746	10,968	13,653

2. Dividends

	Dividends per share (Yen)					Dividends (Full fiscal year)	Payout ratio (consolidated) %	Dividends to net assets ratio (consolidated) %
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
Fiscal 2010	—	0.00	—	35.00	35.00	549	22.6	1.4
Fiscal 2011	—	0.00	—	35.00	35.00	549	20.2	1.4
Fiscal 2012 (Forecast)	—	0.00	—	35.00	35.00		17.7	

3. Forecast of results for the fiscal year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(% of change from FY2011 or 1st Half of FY2011)

	Net Sales		Operating Income		Ordinary Income		Net Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st Half	135,000	Δ2.7	2,600	19.1	2,400	39.6	1,400	90.0	89.17
Full Year	275,000	7.0	5,700	5.8	5,300	5.8	3,100	13.9	197.45

4. Other

(1) Transfer of major subsidiaries during term

(transfer of specified subsidiaries in line with changes in the consolidated range): Yes

Excluded: 1 USC Corporation

(2) Changes to principles, procedures and display methods for accounting procedures

1. Changes in accordance with revisions to accounting standards and related practices: No

2. Changes in items other than 1. above: No

3. Changes in accounting estimates: No

4. Retrospective restatement: No

(3) Number of shares issued and outstanding (Common stock)

1. Total number of shares issued and outstanding (including treasury stock) as of the period-end

March 31, 2012	15,700,021 shares	March 31, 2011	15,700,021 shares
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2. Total number of treasury stock as of the period-end

March 31, 2012	608 shares	March 31, 2011	285 shares
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3. Average number of shares outstanding during the period

March 31, 2012	15,699,597 shares	March 31, 2011	14,911,372 shares
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Note :

The financial statements in Japanese are under the audit procedures based on the Financial Instruments and Exchange Act, while this summary in English is not subject to that process.

Note :

Financial forecasts 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.

1. Business Results

(1) Analysis of Business Results (Fiscal Year Ended March 31, 2012)

1) Overview

Japan's economy this fiscal year had been slow on the whole due to the negative impacts of the prolonged nuclear accident and the flood in Thailand although it showed some signs of recovery from the Great East Japan Earthquake. The global economy had been uncertain along with the slowdown in the emerging countries such as China in addition to sovereign debt crises in western countries stemming from Greece.

The electronics industry to which UKC group belongs witnessed slowdown in production of electronic parts, materials, and finished goods resulting from the Earthquake and the flood in Thailand. Although there was some limited demands in terrestrial digital TV and LED lighting along with the termination of analog broadcasting and a growing sense of energy saving, consumer spending had been weak and yet to recover on a full scale.

Under these circumstances, UKC group strengthened its core business of selling semiconductors and electronic parts manufactured by Sony, and high value-added businesses such as EMS (Electronic Manufacturing Service). Although sales decreased year on year due to the transfer of subsidiary's business in July, 2011, a rise in the sales percentage of high value-added products resulted in the increases in operating income, ordinary income, and net income.

As the result, UKC group recorded consolidated net sales of 257,088 million yen (down 15.3% year on year), consolidated operating income of 5,389 million yen (up 21.6% year on year), consolidated ordinary income of 5,008 million yen (up 29.7% year on year), and consolidated net income of 2,722 million yen (up 17.7% year on year).

2) Business Segment Information

a. Semiconductors and electronic parts

Net sales dropped due to a transfer of the business of Uni Device Corporation, a subsidiary of UKC Holdings on July 1, 2011 in addition to negative impacts of difficulty in procuring products from suppliers and slowdown in production of customers as the result of the Earthquake and the flood in Thailand.

On the other hand, a rise in the sales percentage of comparatively high value-added products such as touch panels and EMS business for smart phone market, LCDs for automotive market, and LED lightings contributed to an increase in segment income.

As the result, net sales dropped to 238,542 million yen (down 15.9% year on year) and segment income grew to 6,802 million yen (up 17.1% year on year).

b. Electronic equipment

Although net sales dropped due to the delay in procuring products from suppliers resulting from the Earthquake and the flood in Thailand, and freezes and postponements in executing capital expenditure budget by some customers, a reduction of sales expenses through structural reform

helped segment income grow.

As the result, net sales dropped to 16,589 million yen (down 7.2% year on year) and segment income grew to 404 million yen (up 19.9% year on year).

c. System equipment

Contactless IC card business suffered from postponement of orders from some customers.

Contracted reliability test and environmental material analysis service business showed a good result attributable to increasing number of tests and new businesses.

As the result, net sales grew to 1,956 million yen (up 1.1% year on year) and segment income grew to 172 million yen (segment loss of 33 million yen last fiscal year).

3) Forecasts for the Fiscal Year Ending March 31, 2013

Although Japan's economy is expected to be on a track to recovery supported by reconstruction-related policies, there are risks such as resurgence of sovereign crises in Europe and economic slowdown in emerging nations. In addition, concerns of increase in the cost of raw materials, repetitive yen appreciation, and power supply shortage overshadow the economy.

In the electronics industry, although market of portable information devices such as smart phones and demand in PCs and other digital home appliances in emerging countries are expected to grow in addition to demand recovery in automotive market, some forecasts limited effect of demand in home appliances created by London Olympics. In addition, some Japan's leading electronics manufacturers speed up selection and concentration of their businesses.

Under these circumstances, UKC group strives to continuously improve corporate value through strengthening sales of electronic parts centered on Sony semiconductors, and concentrating high value-added businesses such as EMS and environment-related business.

In consideration of the above, UKC forecasts consolidated net sales of 275,000 million yen (up 7.0% year on year), consolidated operating income of 5,700 million yen (up 5.8% year on year), consolidated ordinary income of 5,300 million yen (up 5.8% year on year), and consolidated net income of 3,100 million yen (up 13.9% year on year).

(2) Analysis of Financial Condition

1) Total Assets, Liabilities and Net assets

Total assets at the end of the current consolidated fiscal year amounted to 104,385 million yen, down 9,527 million yen year on year mainly attributable to decreases in notes and accounts receivable-trade (down 8,747 million yen) and merchandise and finished goods (down 3,027 million yen).

Total liabilities at the end of the current consolidated fiscal year amounted to 64,714 million yen, down 10,503 million yen year on year mainly attributable to decreases in notes and accounts payable-trade (down 7,647 million yen) and short-term borrowings (down 2,730 million yen).

Net assets were 39,671 million yen, up 976 million yen year on year mainly attributable to net income of 2,722 million yen, dividends from retained earnings of 549 million yen, change in

valuation and translation adjustments of 426 million yen mainly due to decrease in valuation difference on available-for-sale securities of 313 million yen, and decrease in minority interests of 788 million yen.

2) Cash Flows

Cash flows from various business activities during the current consolidated fiscal year and relevant factors are as follows.

[Cash flows from operating activities]

Net cash provided by operating activities was 2,385 million yen (7,662 million yen used in the previous fiscal year) mainly due to income before income taxes and minority interests (4,834 million yen), decrease in notes and accounts receivable (8,370 million yen), increase in inventories (2,968 million yen), decrease in notes and accounts payable (6,857 million yen), as well as income taxes paid (1,750 million yen).

[Cash flows from investing activities]

Net cash provided by investing activities was 5,027 million yen (746 million yen provided in the previous fiscal year) mainly due to purchase of property, plant and equipment (648 million yen), proceeds from withdrawal of time deposits (1,260 million yen), payments into time deposits (1,320 million yen), proceeds from sales of investment securities (624 million yen), purchase of subsidiaries and affiliates' stocks (652 million yen), and proceeds from transfer of business (5,776 million yen).

[Cash flows from financing activities]

Net cash used in financing activities was 3,980 million yen (10,968 million yen provided in the previous fiscal year) mainly due to net decrease in short-term borrowings (3,297 million yen), proceeds from issuance of long-term borrowings (1,170 million yen), repayments of long-term borrowings (1,188 million yen), and cash dividends paid (548 million yen).

[Trends in cash flow indicators]

	FY 2009	FY 2010	FY 2011
Net assets to total assets (%)	36.1%	33.0%	37.7%
Net assets to total assets (%) (Market capitalization basis)	17.9%	14.6%	18.3%

Net assets to total assets: Net assets / Total assets

Net assets to total assets (Market capitalization basis): Market capitalization / Total assets

*Each indicator is calculated from consolidated financial figures.

*Market capitalization is calculated by:

Closing price of UKC's common share on the Tokyo Stock Exchange at fiscal year-end multiplied by number of shares issued and outstanding less treasury stock

(3) Basic Policy for Profit Distribution and Dividends for the Current and the Next Fiscal Year

UKC regards a profit distribution to its shareholders as one of the highest priority issues, and sets a basic policy to pay dividends according to its earnings position.

UKC strives to establish its group management system that ensures improvement of middle- and long-term corporate value by investing to growing business domains and for rationalization, and consequently maintain stable dividends and improve dividends level.

Internal reserves are prepared for an increase in working capital accompanied by business expansion in addition to the above-mentioned investments.

By considering the basic policy and operating results, UKC plans to pay a year-end dividend of 35 yen per common share for the current consolidated fiscal year.

Regarding the dividends for the next fiscal year, UKC plans to pay a year-end dividend of 35 yen per common share same as the current fiscal year from a standpoint of paying continuous and stable dividends.

(4) Risk Factors

As of the end of the current consolidated fiscal year, UKC recognizes that its group is exposed to risks which may affect operating results and financial position of UKC group, including, without limitation, the following.

a. Customers' demands and business seasonality

Customers of UKC group include manufacturers of AV products, PCs, cameras, and communication devices, broadcasters, and other enterprises.

Semiconductors and electronic parts that UKC group handles are integrated into finished goods manufactured by our customers. Also, equipment that UKC group handles is incorporated in operating processes of customers. Therefore, demands to and functions of finished goods manufactured by customers, and capital expenditure trend of customers may affect operating results of UKC group. In addition, sales of Electronic equipment business are concentrated in September and March when primary customers such as broadcasters, enterprises, schools, and governments execute capital expenditure budgets. Overestimating sales forecast in those periods may affect earnings forecast of UKC group.

b. High dependence on specific supplier

As UKC group primarily handles semiconductors and electronic parts manufactured by Sony, one of UKC's major shareholders, dependence on Sony and its subsidiaries is high. Therefore, changes in management policies of Sony may affect operating results of UKC group.

c. Relations with suppliers

UKC group procures from various suppliers inside and outside Japan.

Losses and shrinks in sales channels resulting from business restructuring such as M&A of suppliers and suppliers' strategy changes in sales channels may affect operating results and

financial position of UKC group.

d. Foreign Currency Fluctuations

UKC group has global business operations in Japan and Asia, and is vulnerable to risks associated with fluctuations in foreign currency exchange rates. Therefore, it tries to offset the risk with foreign exchange contracts. However, significant fluctuations may affect operating results.

e. Competition

As there are a number of competitions handling the same product categories as UKC group, severe price competition and product obsolescence accompanied by technology innovation may affect operating results.

f. Retirement benefit obligations

Employees' retirement benefits expenses and obligations of UKC group are calculated based on the premise of actuarial calculation such as discount rate and expected return on plan assets. In case actual results differ from the premises, or premises change, the impact will be accumulated and recognized evenly into the future and affect costs and liabilities in the future in general. Declines in interest rates or expected returns on plan assets could affect operating results and financial position of UKC group.

g. Securing and developing human resources

UKC group recognizes that hiring and developing human resources with excellent skills and know-how is important for its business expansion and sustainable growth. Failure to hire and develop those resources may affect business deployment and operating results of UKC group.

h. Overseas business

UKC group regards expanding overseas business as its critical goal and has business operations outside Japan. Therefore, changes in political and economic situations, regulations, and tax systems, workforce shortages and labor cost elevations in related foreign countries may affect operating results of UKC group.

i. Investment on new business

UKC group recognizes that promoting new businesses such as finding and selling new products, and moving into new areas, is important in order to sustainably grow. Before launching new businesses, decisions are made after thoroughly examining marketability and profitability. However, in case of failure in establishing the original business plan due to a drastic change in market and a contingency, investment burden of human resources, facilities, and R&D may affect operating results of UKC group.

j. Investment on technology

UKC group as an electronics trade company strives to strengthen technological capabilities in order to differentiate itself from competitions and offer added value to customers. It also focuses in investing in human resources for the purpose of establishing a close cooperative relationship with suppliers and enhancing its *raison d'être*. However, scale of investment to respond to fast-evolving technology of semiconductors is steadily increasing. Failure to get a fair return on investment as the result of a setback of business may affect operating results and financial position of UKC group.

k. Natural disasters

UKC group is a trading company in a supply chain of the electronics industry. Natural disasters such as earthquakes, floods, and typhoons and accidents like fires could result in a breakdown of group-owned facilities as well as mill shutdown of suppliers and customers, and interrupt business operations of UKC group.

3. Management Policies

(1) Fundamental Management Policies

UKC group with "United Knowledge Company" as a key word of its management principle tries to make the most of hard elements such as business infrastructures and management resources, and soft elements such as knowledge, experiences, and abilities expanded and enriched by the management integration. Its fundamental management policy is to sustainably grow and improve corporate value by realizing its management vision, "offer the highest quality with the optimum cost", "evolve and grow with customers", and "create new markets and new values" in the field of electronics.

(2) Targeted Management Indicators

Targeted management indicators of UKC group include operating (ordinary) income margin and ROE (Return on Equity). UKC group aims to sustainably grow and increase corporate value through improving profitability accompanied by productivity and capital efficiency.

(3) Medium- and Long-Term Management Strategies

In the electronics industry, China and ASEAN once achieved economic growths as production bases of the world, are increasing their presences as "markets". Emerging market including China, ASEAN, as well as India is expected to substitute that of US, EU, and Japan with slow economic growth, and drive demand growth in the world.

Japan's leading manufacturers as our main customers struggle to ensure their profitability in the middle of fierce competition with global corporations.

UKC group regards this irreversible change in the industry as an opportunity, and strategically and continuously strives to improve its corporate value by promoting and expanding high

value-added businesses, tapping growing markets such as Asia and environment & energy market, and selecting and complementing business domains in addition to sales of semiconductors manufactured by Sony as its core business in the medium- and long-term.

(4) Issues to Address

Key issues of UKC group to address in line with the medium- and long-term strategies are as follows.

a. Expand sales of new products and tap growing markets

UKC group tries to launch into new areas and explore opportunities to grow by finding new products such as those relating to green energy, tapping growing markets, and studying M&As and business alliances.

b. Expand Asian business

In order to cope with the business shift to Asia centered on China, UKC group tries to strengthen sales to such area, develop Asian products, and expand EMS business in China.

c. Improve profitability

UKC group tries to improve profitability by strengthening sales to automotive, medical and security market with the needs of high performance and high quality in addition to conventional digital and consumer electronics market, and sales of high value-added EMS business.

[Consolidated Balance Sheets]

	(Millions of yen rounded down)	
	Fiscal Year Ended March 31, 2011 (As of March 31, 2011)	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)
(Assets)		
Current assets		
Cash and deposit	14,753	17,925
Notes and accounts receivable-trade	69,763	61,015
Merchandise and finished goods	19,108	16,081
Work in process	489	352
Raw materials and supplies	267	458
Deferred tax assets	389	534
Other	4,004	3,194
Allowance for doubtful accounts	△114	△101
Total current assets	<u>108,661</u>	<u>99,461</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,176	1,112
Accumulated depreciation	△526	△568
Buildings and structures (net)	<u>650</u>	<u>543</u>
Tools, furniture and fixtures	1,070	1,143
Accumulated depreciation	△791	△872
Tools, furniture and fixtures (net)	<u>279</u>	<u>270</u>
Lease assets	374	406
Accumulated depreciation	△229	△223
Lease assets (net)	<u>145</u>	<u>183</u>
Other tangible assets	738	1,266
Accumulated depreciation	△412	△476
Other tangible assets (net)	<u>326</u>	<u>790</u>
Total property, plant and equipment	<u>1,402</u>	<u>1,787</u>
Intangible assets		
Lease assets	151	109
Other	219	191
Total intangible assets	<u>371</u>	<u>300</u>
Investments and other assets		
Investment securities	2,464	1,803
Deferred tax assets	153	130
Other	954	1,078
Allowance for doubtful accounts	△94	△177
Total investments and other assets	<u>3,477</u>	<u>2,835</u>
Total noncurrent assets	<u>5,250</u>	<u>4,923</u>
Total assets	<u>113,912</u>	<u>104,385</u>

(Millions of yen rounded down)		
	Fiscal Year Ended 2011/3/31 (As of March 31, 2011)	Fiscal Year Ended 2012/3/31 (As of March 31, 2012)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	46,484	38,837
Short-term borrowings	18,245	14,817
Lease obligations	99	106
Income taxes payable	882	1,492
Reserve for bonuses	519	527
Reserve for directors' bonuses	25	—
Reserve for loss on business transfer	87	—
Other	2,753	2,824
Total current liabilities	69,097	58,605
Noncurrent liabilities		
Long-term borrowings	4,515	4,865
Lease obligations	208	198
Deferred tax liabilities	208	49
Reserve for retirement benefits	538	588
Reserve for directors' retirement benefits	200	34
Other	448	372
Total noncurrent liabilities	6,120	6,108
Total liabilities	75,217	64,714
(Net assets)		
Shareholders' equity		
Common stock	4,383	4,383
Capital surplus	6,342	6,342
Retained earnings	27,870	30,061
Treasury stock	△0	△0
Total shareholders' equity	38,595	40,787
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	530	217
Deferred hedge gains and losses	△12	—
Foreign currency translation adjustments	△1,551	△1,676
Total valuation and translation adjustments	△1,032	△1,459
Minority interests	1,131	342
Total net assets	38,694	39,671
Total liabilities and net assets	113,912	104,385

[Consolidated Statements of Income]

	(Millions of yen rounded down)	
	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
Sales	303,585	257,088
Cost of sales	287,270	240,422
Gross Profit	16,314	16,665
Selling, general, and administrative expenses	11,883	11,275
Operating income	4,431	5,389
Non-operating income		
Interest income	26	24
Dividends income	78	38
Cash discount	139	60
Commission income	45	40
Other	78	117
Total non-operating income	369	281
Non-operating expenses		
Interest payable	223	254
Loss on sales of accounts receivable	53	32
Foreign exchange losses	562	276
Equity in losses of affiliate	60	—
Other	41	99
Total non-operating expenses	940	663
Ordinary profit	3,861	5,008
Extraordinary income		
Gain on sale of fixed assets	2	2
Gain on negative goodwill	—	71
Gain on sale of investment securities	448	516
Other	45	0
Total extraordinary income	495	590
Extraordinary loss		
Loss on disposal of fixed assets	7	9
Impairment loss	44	29
Loss on valuation of investment securities	54	15
Loss on transfer of business	—	117
Extra retirement benefits	—	93
Provision of reserve for loss on transfer of business	87	—
Loss on withdrawal from pension fund	—	481
Loss on adjustment for changes of accounting standard for asset retirement obligations	13	—
Other	11	15
Total extraordinary losses	218	764
Income before income taxes and minority interests	4,138	4,834
Income taxes-current	1,250	2,219
Income taxes-deferred	562	△53
Total income taxes	1,813	2,165
Income before Minority interest in income	2,324	2,668
Minority interests in income	10	△54
Net income	2,314	2,722

[Consolidated Comprehensive Statements of Income]

	(Millions of yen rounded down)	
	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
Income before Minority interest in income	2,324	2,668
Other comprehensive income		
Net unrealized gain on other marketable securities	324	△314
Gain (loss) on deferred hedges	△5	14
Foreign currency translation adjustments	△716	△92
Share of other comprehensive income of associates accounted for using equity method	12	—
Total other comprehensive income	△384	△392
Comprehensive Income	1,940	2,276
(Details)		
Comprehensive income relating to shareholders of parent company	1,941	2,296
Comprehensive income relating to minority shareholders	△1	△19

[Consolidated Statements of Changes in Net Assets]

	(Millions of yen rounded down)	
	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
Shareholders' equity		
Common stock		
Balance as of the end of the previous period	4,000	4,383
Increase (decrease) during the period		
Issuance of new shares	383	—
Total increase (decrease) during the period	383	—
Balance as of the end of the period	4,383	4,383
Capital Surplus		
Balance as of the end of the previous period	6,483	6,342
Increase (decrease) during the period		
Issuance of new shares	383	—
Cash dividends from capital surplus	△479	—
Total increase (decrease) during the period	△96	—
Balance as of the end of the period	6,342	6,342
Retained earnings		
Balance as of the end of the previous period	25,555	27,870
Increase (decrease) during the period		
Cash dividends from retained earnings	—	△549
Net income for the period	2,314	2,722
Change of scope of consolidation	—	18
Total increase (decrease) during the period	2,314	2,191
Balance as of the end of the period	27,870	30,061
Treasury stock		
Balance as of the end of the previous period	△834	△0
Increase (decrease) during the period		
Acquisition of treasury stock	△0	△0
Disposal of treasury stock	834	—
Total increase (decrease) during the period	834	△0
Balance as of the end of the period	△0	△0
Total shareholders' equity		
Balance as of the end of the previous period	35,159	38,595
Increase (decrease) during the period		
Issuance of new shares	766	—
Cash dividends from capital surplus	△479	—
Cash dividends from retained earnings	—	△549
Net income for the period	2,314	2,722
Acquisition of treasury stock	△0	△0
Disposal of treasury stock	834	—
Change of scope of consolidation	—	18
Total increase (decrease) during the period	3,436	2,191
Balance as of the end of the period	38,595	40,787

(Millions of yen rounded down)

	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
Other accumulated comprehensive income		
Net unrealized gain on other marketable securities		
Balance as of the end of the previous period	206	530
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	324	△313
Total increase (decrease) during the period	324	△313
Balance as of the end of the period	530	217
Gain (loss) on deferred hedges		
Balance as of the end of the previous period	△7	△12
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	△5	12
Total increase (decrease) during the period	△5	12
Balance as of the end of the period	△12	—
Foreign currency translation adjustments		
Balance as of the end of the previous period	△846	△1,551
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	△704	△125
Total increase (decrease) during the period	△704	△125
Balance as of the end of the period	△1,551	△1,676
Total other accumulated comprehensive incomes		
Balance as of the end of the previous period	△647	△1,032
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	△384	△426
Total increase (decrease) during the period	△384	△426
Balance as of the end of the period	△1,032	△1,459
Minority interests		
Balance as of the end of the previous period	1,146	1,131
Increase (decrease) during the period		
Net changes in items excluding shareholders' equity during the period	△14	△788
Total increase (decrease) during the period	△14	△788
Balance as of the end of the period	1,131	342

	(Millions of yen rounded down)	
	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
Total net assets		
Balance as of the end of the previous period	35,658	38,649
Increase (decrease) during the period		
Issuance of new shares	766	—
Cash dividends from capital surplus	△479	—
Cash dividends from retained earnings	—	△549
Net income for the period	2,314	2,722
Acquisition of treasury stock	△0	△0
Disposal of treasury stock	834	—
Change of scope of consolidation	—	18
Net changes in items excluding shareholders' equity during the period	△399	△1,214
Increase (decrease) during the period	3,036	976
Balance as of the end of the previous period	38,694	39,671

[Consolidated Statements of Cash Flows]

(Millions of yen rounded down)

	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
I Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,138	4,834
Depreciation and amortization	360	419
Effect of adoption of accounting standard for asset retirement obligations	13	—
Loss (gain) on transfer of business	—	117
Provision of reserve for loss on transfer of business	87	—
Extra retirement benefits	—	93
Loss on withdrawal from pension fund	—	481
Loss (gain) on sale of fixed assets	Δ2	Δ2
Loss (gain) on disposal of fixed assets	7	9
Loss (Gain) on sale of investment securities	Δ443	Δ516
Loss (Gain) on valuation of investment securities	54	15
Impairment loss	44	29
Gain on negative goodwill	—	Δ71
Increase (decrease) in allowance for doubtful accounts	Δ66	72
Increase (decrease) in reserve for directors' retirement benefits	Δ12	Δ166
Increase (decrease) in reserve for directors' bonuses	Δ14	Δ25
Increase (decrease) in reserve for retirement benefits	31	51
Foreign exchange losses (gains), net	Δ79	Δ96
Interest and dividends income	Δ105	Δ63
Interest expenses	223	254
Equity in (earnings) losses of affiliates	60	—
Decrease (increase) in notes and accounts receivable-trade	Δ7,748	8,370
Increase (decrease) in notes and accounts payable-trade	4,397	Δ6,857
Decrease (increase) in inventories	Δ6,779	Δ2,968
Other, net	Δ642	918
Sub-total	Δ6,476	4,902
Interest and dividends income received	105	63
Interest expenses paid	Δ223	Δ254
Payments for extra retirement benefits	—	Δ93
Payments for withdrawal from pension fund	—	Δ481
Income taxes paid	Δ1,068	Δ1,750
Net cash provided by (used in) operating activities	Δ7,662	2,385

(Millions of yen rounded down)

	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012
II Net cash provided by (used in) investing activities		
Purchase of investment securities	△26	△28
Proceeds from sales of investment securities	526	624
Purchase of property, plant and equipment	△311	△648
Income on sales of property, plant and equipment	14	0
Payments into time deposits	△1,401	△1,320
Proceeds from withdrawal of time deposits	1,774	1,260
Purchase of subsidiaries and affiliates' stocks	—	△652
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	317	—
Proceeds from transfer of business	—	5,776
Other, net	△146	16
Net cash provided by (used in) investing activities	746	5,027
III Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	8,742	△3,297
Proceeds from issuance of long-term borrowings	4,528	1,170
Repayments of long-term borrowings	△3,280	△1,188
Proceeds from issuance of common stock	989	—
Purchase of treasury stock	△0	△0
Proceeds from sales of treasury stock	611	—
Cash dividends paid	△479	△548
Dividends distributions to minority interests	△31	△11
Other, net	△111	△104
Net cash provided by (used in) financing activities	10,968	△3,980
IV Effective of exchange rate change on cash and cash equivalents	△556	△279
V Net increase (decrease) in cash and cash equivalents	3,496	3,153
VI Cash and cash equivalents at beginning of period	10,156	13,653
VII Decrease in cash and cash equivalents resulting from change in scope of consolidation	—	△40
VIII Cash and cash equivalents at end of period	13,653	16,765

[Segment Information]

Reporting segments of UKC group are business units from which UKC is able to obtain separate financial information in order for the board of directors to regularly evaluate their business results and determine distribution of management resources.

UKC has three reporting segments based on similarities in characteristics and markets of products and services.

Semiconductors and electronic parts business handles products such as image sensors, memories, and LCDs. Electronic equipment business handles various AV products for broadcasting and enterprise market. System equipment business develops, manufactures, and sells industrial electronic equipment and transmission terminal equipment, and offers contracted quality inspection service and contracted analysis service.

For the consolidated fiscal year ending March 31, 2011

(Millions of yen rounded down)

	Semiconductors and Electronic Parts	Electronic Equipment	System Equipment	Total	Eliminations and/or Corporate	Consolidated
Sales						
Sales to external customers	283,769	17,881	1,934	303,585	—	303,585
Internal sales or transfers between segments	—	—	—	—	—	—
Total	283,769	17,881	1,934	303,585	—	303,585
Operating income	5,807	337	△33	6,111	△1,680	4,431
Assets	104,322	7,657	1,158	113,138	775	113,912
Depreciation	128	119	70	318	41	360
Capital expenditure	644	53	15	713	230	943

For the consolidated fiscal year ending March 31, 2012

(Millions of yen rounded down)

	Semiconductors and Electronic Parts	Electronic Equipment	System Equipment	Total	Eliminations and/or Corporate	Consolidated
Sales						
Sales to external customers	238,542	16,589	1,956	257,088	—	257,088
Internal sales or transfers between segments	—	—	—	—	—	—
Total	238,542	16,589	1,956	257,088	—	257,088
Operating income	6,802	404	172	7,379	△1,989	5,389
Assets	92,277	8,219	1,080	101,577	2,807	104,385
Depreciation	187	117	60	365	54	419
Capital expenditure	643	126	183	953	14	967