

**Consolidated Financial Results for the First Half of the Fiscal Year
Ending March 31, 2013 [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
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(Millions of yen rounded down)

1. Consolidated results for the first half ended Sep. 30, 2012 (April 1, 2012 to Sep. 30, 2012)

(1) Consolidated operating results

% of change from previous year

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st Half, Fiscal 2012	144,772	4.3	4,371	100.3	3,769	119.2	1,978	168.5
1st Half, Fiscal 2011	138,745	△6.4	2,182	△8.5	1,719	△16.4	736	△35.1

(Note) Comprehensive income

1st Half, FY2012 1,655 million yen (—%) 1st Half, FY2011 △268 million yen (—%)

	Net income per share	Net income per share after dilution
	Yen	Yen
1st Half, Fiscal 2012	125.99	—
1st Half, Fiscal 2011	46.92	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2012	117,915	40,712	34.2	2,572.31
March 31, 2012	104,385	39,671	37.7	2,505.07

(Reference) Shareholders equity:

Sep. 30, 2012: 40,383 million yen March 31, 2012: 39,328 million yen

2. Dividends

	Dividends per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
Fiscal 2011	—	0.00	—	35.00	35.00
Fiscal 2012	—	0.00			
Fiscal 2012 (Forecast)			—	35.00	35.00

(Note) Revisions of dividend forecasts: No

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

(% of change from 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
Full Year	285,000	10.9	8,000	48.4	7,200	43.8	3,900	43.2	248.41

(Note) Revisions of financial results forecasts: No

4. Other

(1) Transfer of major subsidiaries during term

(transfer of specified subsidiaries in line with changes in the consolidated range): No

(2) Applying accounting procedures specific to preparing quarterly financial statements: No

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

1. Changes in accordance with revisions to accounting standards and related practices: Yes

2. Changes in items other than 1. above: Yes

3. Changes in accounting estimates: Yes

4. Retrospective restatement: No

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

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

Sep. 30, 2012	15,700,021 shares	March 31, 2012	15,700,021 shares
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2. Total number of treasury stock as of the period-end

Sep. 30, 2012	648 shares	March 31, 2012	608 shares
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3. Average number of shares outstanding during the period

1st half, Fiscal 2012	15,699,396 shares	1st half, Fiscal 2011	15,699,661 shares
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Note :

The financial statements in Japanese are not subject to the quarterly review process based on the Financial Instruments and Exchange Act. Neither is this summary in English.

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 (First Half Ended September 30, 2012)

1) Overview

Japan's economy for the first half of this fiscal year which had been on a track to recovery backed by the post-earthquake reconstruction demands came to a temporary standstill in the latter half of the period as the result of the slowdown of the global economy. As to the future outlook, the financial crises in EU and uncertain situations in Asia allow no optimism.

In the electronics industry to which UKC group belongs, markets of smart phone and tablet PC are growing. However, domestic sales of digital appliances such as flat TV have been weak and show no signs of full scale recovery.

Under these circumstances, UKC group further strengthened its core business of selling semiconductors and electronic parts manufactured by Sony, and high value-added businesses such as EMS (Electronic Manufacturing Service). In addition, the group solicited voluntary retirement for drastically improving the operational efficiencies. Although sales increased slightly 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 significant increases in operating income, ordinary income, and net income.

As the result, UKC group recorded consolidated net sales of 144,772 million yen (up 4.3% year on year), consolidated operating income of 4,371 million yen (up 100.3% year on year), consolidated ordinary income of 3,769 million yen (up 119.2% year on year), and consolidated net income of 1,978 million yen (up 168.5% year on year). 497 million yen of extraordinary loss accompanied by the above voluntary retirement was recorded.

2) Business Segment Information

a. Semiconductors and electronic parts

Net sales slightly increased as the result of a decline in sales due to the transfer of the business of Uni Device Corporation (currently UW Technologies Corporation), a subsidiary of UKC Holdings on July 1, 2011 and a rise in sales of products for digital still cameras and smart phones. On the other hand, a rise in the sales percentage of comparatively high value-added products and EMS business for smart phone market contributed to a significant increase in segment income.

As the result, net sales grew to 136,485 million yen (up 4.7% year on year) and segment income grew to 5,037 million yen (up 65.1% year on year).

b. Electronic equipment

Net sales dropped due to stagnant capital expenditures of customers. On the other hand, segment income turned into the black as sales of high value-added system products increased.

As the result, net sales dropped to 7,268 million yen (down 2.5% year on year) and segment income was 95 million yen (loss of 64 million yen for the same period previous year).

c. System equipment

Contactless IC card business still in a tough business environment showed signs of revitalization in the areas of digital signage and electronic money.

Contracted reliability test and environmental material analysis service business showed a good result attributable to increasing number of tests and new businesses such as solar photovoltaic-related one.

As the result, net sales grew to 1,019 million yen (up 10.4% year on year) and segment income grew to 118 million yen (up 91.2% year on year).

(2) Analysis of Financial Condition

1) Total Assets, Liabilities and Net assets

Total assets at the end of the current consolidated first half period amounted to 117,915 million yen, up 13,530 million yen compared to that at the end of the previous fiscal year mainly attributable to an increase in notes and accounts receivable-trade (up 12,836 million yen).

Total liabilities at the end of the current consolidated first half period amounted to 77,203 million yen, up 12,488 million yen compared to that at the end of the previous fiscal year mainly attributable to increases in notes and accounts payable-trade (up 7,246 million yen) and short-term borrowings (up 3,857 million yen).

Net assets were 40,712 million yen, up 1,041 million yen compared to that at the end of the previous fiscal year mainly attributable to net income of 1,978 million yen, dividends from retained earnings of 549 million yen, change in valuation and translation adjustments of 195 million yen mainly due to decrease in foreign currency translation adjustments of 130 million yen, and decrease in minority interests of 14 million yen.

2) Cash Flows

Cash flows from various business activities during the current consolidated first half period and relevant factors are as follows.

[Cash flows from operating activities]

Net cash used in operating activities was 7,454 million yen (2,190 million yen used for the same period previous year) mainly due to income before income taxes and minority interests (3,241 million yen), increase in notes and accounts receivable (13,506 million yen), increase in inventories (2,535 million yen), increase in notes and accounts payable (7,883 million yen), as well as income taxes paid (1,439 million yen).

[Cash flows from investing activities]

Net cash used in investing activities was 1,261 million yen (5,833 million yen provided for the same period previous year) mainly due to purchase of property, plant and equipment (379 million yen), proceeds from withdrawal of time deposits (660 million yen), payments into time deposits (1,394 million yen), and purchase of subsidiaries and affiliates' stocks (100 million yen).

[Cash flows from financing activities]

Net cash provided by financing activities was 5,721 million yen (1,602 million yen used for the

same period previous year) mainly due to net increase in short-term borrowings (4,486 million yen), proceeds from issuance of long-term borrowings (2,066 million yen), repayments of long-term borrowings (223 million yen), and cash dividends paid (549 million yen).

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

No modifications have been made to the consolidated earnings forecast for the term ending March, 2013 that was announced on September 20, 2012.

[Consolidated Balance Sheets]

(Millions of yen rounded down)

	Fiscal Year Ended March 31, 2012 (As of March 31, 2012)	First Half Ended Sep. 30, 2012 (As of Sep. 30, 2012)
(Assets)		
Current assets		
Cash and deposit	17,925	15,253
Notes and accounts receivable-trade	61,015	73,851
Merchandise and finished goods	16,081	18,385
Work in process	352	367
Raw materials and supplies	458	521
Other	3,729	4,270
Allowance for doubtful accounts	△101	△125
Total current assets	<u>99,461</u>	<u>112,523</u>
Noncurrent assets		
Property, plant and equipment	1,787	2,014
Intangible assets	300	435
Investments and other assets		
Investment securities	1,803	1,899
Other	1,209	1,213
Allowance for doubtful accounts	△177	△171
Total investments and other assets	<u>2,835</u>	<u>2,941</u>
Total noncurrent assets	<u>4,923</u>	<u>5,391</u>
Total assets	<u>104,385</u>	<u>117,915</u>
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	38,837	46,084
Short-term borrowings	14,817	18,674
Income taxes payable	1,492	1,298
Reserve for bonuses	527	430
Other	2,930	4,048
Total current liabilities	<u>58,605</u>	<u>70,536</u>
Noncurrent liabilities		
Long-term borrowings	4,865	5,472
Reserve for retirement benefits	588	609
Reserve for directors' retirement benefits	34	35
Other	620	548
Total noncurrent liabilities	<u>6,108</u>	<u>6,666</u>
Total liabilities	<u>64,714</u>	<u>77,203</u>
(Net assets)		
Shareholders' equity		
Common stock	4,383	4,383
Capital surplus	6,342	6,342
Retained earnings	30,061	31,313
Treasury stock	△0	△0
Total shareholders' equity	<u>40,787</u>	<u>42,038</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	217	152
Foreign currency translation adjustments	△1,676	△1,807
Total valuation and translation adjustments	<u>△1,459</u>	<u>△1,655</u>
Minority interests	342	328
Total net assets	<u>39,671</u>	<u>40,712</u>
Total liabilities and net assets	<u>104,385</u>	<u>117,915</u>

[Consolidated Statements of Income]

	(Millions of yen rounded down)	
	First Half Ended Sep. 30, 2011	First Half Ended Sep. 30, 2012
Sales	138,745	144,772
Cost of sales	130,794	135,100
Gross Profit	7,951	9,672
Selling, general, and administrative expenses	5,769	5,301
Operating income	2,182	4,371
Non-operating income		
Interest income	8	13
Dividends income	28	20
Cash discount	59	3
Commission income	41	0
Other	64	74
Total non-operating income	202	113
Non-operating expenses		
Interest payable	132	150
Loss on sales of accounts receivable	8	21
Foreign exchange losses	504	530
Other	18	11
Total non-operating expenses	665	715
Ordinary profit	1,719	3,769
Extraordinary income		
Gain on sale of fixed assets	0	1
Gain on sale of investment securities	515	—
Gain on negative goodwill	29	—
Other	0	—
Total extraordinary income	545	1
Extraordinary loss		
Loss on disposal of fixed assets	6	6
Impairment loss	4	—
Loss on valuation of investment securities	9	20
Loss on transfer of business	110	—
Extra retirement benefits	94	497
Loss on withdrawal from pension fund	481	—
Other	0	4
Total extraordinary losses	707	529
Income before income taxes and minority interests	1,556	3,241
Income taxes	895	1,273
Income before Minority interest in income	660	1,968
Minority interests in income	△75	△10
Net income	736	1,978

[Consolidated Comprehensive Statements of Income]

(Millions of yen rounded down)

	First Half Ended Sep. 30, 2011	First Half Ended Sep. 30, 2012
Income before Minority interest in income	660	1,968
Other comprehensive income		
Net unrealized gain on other marketable securities	Δ 449	Δ 65
Gain (loss) on deferred hedges	19	—
Foreign currency translation adjustments	Δ 499	Δ 247
Total other comprehensive income	Δ 929	Δ 312
Comprehensive Income	Δ 268	1,655
(Details)		
Comprehensive income relating to shareholders of parent company	Δ 193	1,665
Comprehensive income relating to minority shareholders	Δ 75	Δ 10

[Consolidated Statements of Cash Flows]

(Millions of yen rounded down)

	First Half Ended Sep. 30, 2011	First Half Ended Sep. 30, 2012
I Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,556	3,241
Depreciation and amortization	221	234
Loss (Gain) on sale of investment securities	△515	—
Loss (Gain) on valuation of investment securities	9	20
Increase (decrease) in reserve for retirement benefits	33	20
Loss (gain) on transfer of business	110	—
Extra retirement benefits	94	497
Loss on withdrawal from pension fund	481	—
Impairment loss	4	—
Increase (decrease) in allowance for doubtful accounts	66	17
Decrease (increase) in notes and accounts receivable-trade	△236	△13,506
Decrease (increase) in inventories	1,636	△2,535
Increase (decrease) in notes and accounts payable-trade	△4,378	7,883
Other, net	△232	△1,772
Sub-total	△1,147	△5,898
Interest and dividends income received	37	34
Interest expenses paid	△132	△150
Payments for extra retirement benefits	△91	—
Income taxes paid	△855	△1,439
Net cash provided by (used in) operating activities	△2,190	△7,454
II Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△202	△379
Income on sales of property, plant and equipment	0	1
Purchase of investment securities	△15	△13
Proceeds from sales of investment securities	607	—
Purchase of subsidiaries and affiliates' stocks	△280	△100
Payments into time deposits	△660	△1,394
Proceeds from withdrawal of time deposits	600	660
Proceeds from transfer of business	5,776	—
Other, net	8	△36
Net cash provided by (used in) investing activities	5,833	△1,261
III Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	△671	4,486
Proceeds from issuance of long-term borrowings	700	2,066
Repayments of long-term borrowings	△1,017	△223
Purchase of treasury stock	△0	△0
Cash dividends paid	△547	△549
Dividends distributions to minority interests	△11	△4
Other, net	△52	△53
Net cash provided by (used in) financing activities	△1,602	5,721
IV Effective of exchange rate change on cash and cash equivalents	△295	△3
V Net increase (decrease) in cash and cash equivalents	1,746	△2,997
VI Cash and cash equivalents at beginning of period	13,653	16,765
VII Decrease in cash and cash equivalents		
resulting from change in scope of consolidation	—	△390
VIII Cash and cash equivalents at end of period	15,399	13,377

[Segment Information]

For the consolidated first half ended September 30, 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	130,365	7,456	923	138,745	—	138,745
Internal sales or transfers between segments	—	—	—	—	—	—
Total	130,365	7,456	923	138,745	—	138,745
Operating income	3,051	△64	62	3,049	△867	2,182

For the consolidated first half ended September 30, 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	136,485	7,268	1,019	144,772	—	144,772
Internal sales or transfers between segments	—	—	—	—	—	—
Total	136,485	7,268	1,019	144,772	—	144,772
Operating income	5,037	95	118	5,252	△880	4,371