

SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the First Quarter (April 1 to June 30, 2013) of the Fiscal Year Ending March 31, 2014

August 8, 2013

Company Name: Yamaichi Electronics Co., Ltd.

Code : 6941 Tokyo Stock Exchange 1st section URL: <http://www.yamaichi.co.jp>

President : Yoshitaka Ota

Managing Director : katsuichi kato

Tel: (03)3778-6111

Scheduled date of securities report submission: August 8, 2013

Scheduled date of dividend payment commencement: —

Supplementary materials for the quarterly financial statements: None

Presentation to explain for the quarterly financial statements: None

1. Consolidated Financial Results for the First Quarter Ended June 30, 2013

(1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous year.)

	Net Sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q ended June 30, 2013	5,589	3.1	136	—	393	—	347	—
1Q ended June 30, 2012	5,424	△5.3	△210	—	△454	—	△546	—

Note: Comprehensive income First quarter ended June 30, 2013 ¥478 million(—%)

First quarter ended June 30, 2012 ¥△632 million(—%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q ended June 30, 2013	14.92	—
1Q ended June 30, 2012	△23.45	—

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2013	22,923	12,730	55.5	545.85
As of March 31, 2013	22,828	12,252	53.6	525.32

Reference: Shareholders' equity as of June 30, 2013: ¥12,711 million as of March 31, 2013: ¥12,233 million.

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	0.00	—	0.00	0.00
Year ending March 31, 2014	—				
Forecast: Year ending March 31, 2014		0.00	—	—	—

Note: Modifications in the dividend projection from the latest announcement : None

3. Forecast of Consolidated Operating Results for the year ending March 31, 2014

(Percentage figures represent changes from the same period of previous year.)

	Net Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Half year ending Sep.30, 2013	10,280 △2.1	60 —	△60 —	△90 —	△3.86
Year ending March 31, 2014	21,380 7.1	540 —	320 —	250 —	10.74

Note: Modifications in forecasts of consolidated operating results from the latest announcement : None

4. Other

(1) Changes in significant subsidiaries during the period: No

(changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Adoption of special accounting treatments for quarterly consolidated financial statements : No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc.: No

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) at term end :

June 30, 2013	23,289,775 shares
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March 31, 2013	23,289,775 shares
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2) Number of shares of treasury stock at term end:

June 30, 2013	2,790 shares
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March 31, 2013	2,790 shares
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3) Average number of outstanding shares (during the first quarter ended June 30):

June 30, 2013	23,286,985 shares
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June 30, 2012	23,286,985 shares
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* Status of Performance of Quarterly Review Procedures

This summary of financial statements is exempt from quarterly review procedures required by Financial Instruments and Exchange Act. A part of quarterly review for securities report based on Financial Instruments and Exchange Act have not finished at the time of disclosure of this summary of financial statements.

* Explanation of the appropriate use of performance forecasts and other related items

All forecasts in this presentation are based on information currently available to the management and on assumptions judged to be reasonable. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

5. Qualitative Information on Current Quarter Settlement of Accounts

(1) Explanation about Operation Results

Operation environments in the current first quarter consolidated cumulative period did not readily allow recognition of real economic recovery with uncertain elements such as debt problems in Europe and economic growth slowdown in emerging countries still lingering despite revenue improvement seen in export sectors etc. because the long-sustaining strong yen was corrected thanks to the economic and financial policies of the new government.

In the electronics market involving the Company Group demand for mobile equipment including smart phones, tablet terminals, etc. sustained high growth while demand for semiconductor- and auto-related items showed moderate recovery.

In these operation environments the Company Group had the operation resources concentrated on key projects for growth sustenance and revenue improvement and tackled with structural reforms of fixed expense reduction etc. including dissolution of the consolidated subsidiary Matty Co., Ltd. that ran domestic EMS business, and transfer of EMS business and factory relocation of the consolidated subsidiary Pricon Microelectronics, Inc.

As a result, the operation results in the current first quarter consolidated cumulative period were sales of 5,589 million yen (up 3.1% from the same period a year ago) and operating profit of 136 million yen (vs. operating loss of 210 million yen for the same period a year ago). Ordinary profit was 393 million yen (vs. ordinary loss of 454 million yen for the same period a year ago) because of the posting of exchange gain of 241 million yen due to the weak yen. Quarterly net profit was 347 million yen (vs. quarterly net loss of 546 million yen for the same period a year ago).

Business results by segments were as follows:

[Test Solution Business]

Sale of IC socket products for memory- and logic-series semiconductor inspection continued brisk because of production capacity expansion for semiconductors for mobile equipment and because semiconductor high-tech investments and production increase investments turned positive. Sale of IC socket products for in-vehicle semiconductor inspection also continued brisk thanks to the effect of new product introduction due to recovery of the car market.

As a result, sales were 2,479 million yen (up 14.7% from the same period a year ago) and operation profit was 453 million yen (up 49.9% from the same period a year ago).

[Connector Solution Business]

Sale of YFLEX products stayed dull because of slump in demand for the amusement market. However, recovery was seen in some connector products for digital cameras and printers. On the other hand, sale continued steady for connector products for domestic solar panels and overseas industrial machinery and tools. Improvement was seen in profit-loss because of the effect of product mix improvement due to new product introduction in communications infrastructure, in-vehicle, etc. areas and the effect of fixed expense reduction due to structural reforms.

As a result, sales were 2,654 million yen (up 11.5% from the same period a year ago) and operating loss was 81 million yen (vs. operating loss of 181 million yen for the same period a year ago).

[Optics-related business]

Sale continued dull for thin filter products for video equipment such as digital cameras and digital video cameras. However, results remained in the black because sale of thin filter products for optic communications proved relatively smooth and because of the effect of total expense reduction.

As a result, sales were 260 million yen (down 17.6% from the same period a year ago) and operating profit was 6 million yen (vs. operating loss of 25 million yen for the same period a year ago).

[EMS Business]

Matty Co., Ltd. that ran domestic EMS business terminated business on June 10, 2013 and is scheduled to finish liquidation within 2013. EMS business of Pricon Microelectronics, Inc. was transferred on June 28, 2013. Therefore, the Company Group retreated from EMS business at the end of the current first quarter.

As a result of production reduction etc. due to the retreat, sales were 195 million yen (down 15.8% from the same period a year ago) and operating loss was 81 million yen (vs. operating loss of 64 million yen for the same period a year ago).

(2) Explanations about Financial Conditions

Total assets at the end of the current first quarter consolidated accounting period were 22,923 million yen (up 94 million yen from the end of the last period).

Liquid assets increased 665 million yen mainly because of the posting of accounts receivable resulting from Pricon Microelectronics, Inc. EMS business transfer despite the decrease in cash and deposit due to loans payable repayment etc.

Tangible fixed assets decreased 779 million yen mainly because of the decrease in buildings, constructions, etc. resulting from Pricon Microelectronics, Inc. EMS business transfer.

Investment and other assets increased 214 million yen mainly because of the increase in investment securities appraisal amount.

Total liabilities were 10,192 million yen (down 383 million yen from the end of the last period).

Liquid liabilities decreased 309 million yen mainly because of the decrease in short-term loans payable etc.

Fixed liabilities decreased 73 million yen mainly because of the decrease in long-term loans payable etc.

Total net assets were 12,730 million yen (up 478 million yen from the end of the last period).

Shareholders' equity increased 347 million yen because of the posting of current period net profit.

(3) Explanation about Future Prospect Information Including Consolidated Business Result Forecast

The consolidated business result forecast for the second quarter consolidated cumulative period and the full period published in the "March 2013 Period Settlement of Accounts Brief Announcement" of May 17, 2013 remains unchanged as of the present point of time despite the presence of uncertain elements.

6. Key Events Etc. Concerning Going Concern Premise

The Company Group posted large amounts of operating loss and current period net loss in the consolidated accounting year before the last and also in the last consolidated accounting year. This indicates the presence of conditions with serious doubts on going concern premise. However, the Company Group, to eliminate the conditions, implemented abolition of the PV solution business in the last consolidated accounting year to get operating resources concentrated on key projects, i.e., test solution business and connector solution business for continued growth and revenue improvement. Resolutions were also made on transfer of the EMS business of the consolidated subsidiary Pricon Microelectronics, Inc. and dissolution and liquidation of the consolidated subsidiary Matty Co., Ltd. that ran EMS business including liquid crystal panel assembling, inspection, etc. The Group also implemented voluntary retirement solicitation, reduction of salary, bonus, etc., and fixed asset impairment etc. for loss-profit improvement and fixed expense reduction. Efforts will be continued for further fixed expense reduction through overseas shift etc. of sales and development bases. Overseas customers cultivation will be reinforced through establishment of techniques surpassing these of competitors in the test solution business. Efforts will be focused on industrial machinery and tools market and in-vehicle-related market promising high added-values and development and production system reinforcement even considering overseas production shift for YFLEX products in the connector solution business for profit-loss improvement and for moving into the black. Funds were secured by sales credit factoring, tangible fixed asset sale-and-lease-back deals etc. in the last consolidated accounting year. Funds in the group are managed by the Company by recovering surplus funds at subsidiaries through dividend. New funds will be acquired through subsidiary EMS business transfer. In addition, continuous assistance will be obtained from key financial institutions through attainment of business plans.

On the basis of the above, no key uncertainty is considered present on going concern premise in the current first quarter consolidated cumulative period and no descriptions are given on “matters concerning going concern premise” in the quarterly consolidated financial statements.

Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2013	As of June 30, 2013
	Amount	Amount
(ASSETS)		
Current assets		
Cash and deposits	3,805,780	3,505,120
Notes and accounts receivable-trade	3,936,584	4,014,829
Merchandise and finished goods	1,220,424	1,091,069
Work in process	300,112	254,907
Raw materials and supplies	1,353,897	1,330,228
Deferred tax assets	37,392	40,517
Other	634,694	1,742,129
Allowance for doubtful accounts	△18,433	△43,228
Total current assets	11,270,452	11,935,572
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,774,714	1,994,437
Machinery, equipment and vehicles	1,448,266	1,303,188
Tools, furniture and fixtures	1,352,952	1,355,081
Land	3,440,176	3,440,732
Lease assets	41,250	42,481
Construction in progress	187,620	329,933
Total tangible fixed assets	9,244,981	8,465,854
Intangible fixed assets	92,493	86,945
Investments and other assets		
Investment securities	1,263,087	1,453,152
Deferred tax assets	58,678	66,327
Other	1,007,449	1,024,406
Allowance for doubtful accounts	△114,447	△114,371
Total investments and other assets	2,214,767	2,429,515
Total fixed assets	11,552,242	10,982,314
Deferred assets	5,519	5,304
Total assets	22,828,213	22,923,191

(Thousand of yen)

	As of March 31, 2013	As of June 30, 2013
	Amount	Amount
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	1,279,874	1,281,855
Current portion of bonds	35,000	35,000
Short-term loans payable	5,508,700	5,146,520
Income taxes payable	54,370	82,649
Provision for bonuses	110,198	104,745
Deferred tax liabilities	65,347	62,345
Other	1,780,344	1,810,851
Total current liabilities	8,833,836	8,523,968
Long-term liabilities		
Bonds payable	197,500	197,500
Long-term borrowings	691,300	559,900
Provision for retirement benefits	24,642	27,873
Provision for directors retirement benefits	23,500	24,397
Asset retirement obligations	17,899	18,002
Deferred tax liabilities	154,354	218,559
Other	632,958	622,725
Total long-term liabilities	1,742,154	1,668,958
Total liabilities	10,575,990	10,192,926
(NET ASSETS)		
Shareholders' equity		
Capital stock	10,047,063	10,047,063
Capital surplus	4,520,001	1,586,633
Retained earnings	△1,449,293	1,831,456
Treasury stock - at cost	△3,754	△3,754
Total shareholders' equity	13,114,017	13,461,399
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	191,392	299,332
Foreign currency translation adjustments	△1,072,318	△1,049,438
Total valuation and translation adjustments	△880,925	△750,105
Minority interests	19,131	18,971
Total net assets	12,252,222	12,730,264
Total liabilities and total net assets	22,828,213	22,923,191

Consolidated Statements of Income

(Thousand of yen)

	1Q period of previous year (From April 1, 2012 to June 30, 2012)	1Q period of current year (From April 1, 2013 to June 30, 2013)
	Amount	Amount
Net sales	5,424,021	5,589,933
Cost of sales	4,222,002	4,034,260
Gross profit	1,202,019	1,555,672
Selling, general and administrative expenses	1,412,416	1,418,752
Operating income	△210,396	136,920
Non-operating income		
Interests income	2,308	2,540
Dividends income	8,104	8,407
Foreign exchange gains	—	241,636
Equity in earnings of affiliates	—	8,343
Other	52,798	52,945
Total non-operating income	63,213	313,874
Non-operating expenses		
Interests expense	47,237	44,013
Foreign exchange loss	244,515	—
Other	15,193	13,208
Total non-operating expenses	306,946	57,222
Ordinary income	△454,129	393,572
Extraordinary income		
Gain on sales of fixed assets	4,376	28,339
Total extraordinary income	4,376	28,339
Extraordinary loss		
Loss on sale of fixed assets	33	—
Loss on liquidation of subsidiaries	72,881	—
Total extraordinary loss	72,915	—
Income before income taxes	△522,669	421,912
Income taxes	23,448	74,847
Minority interests	△101	△316
Net income	△546,016	347,382

(Thousand of yen)

	1Q period of previous year (From April 1, 2012 to June 30, 2012)	1Q period of current year (From April 1, 2013 to June 30, 2013)
	Amount	Amount
Income before minority interests	△546,117	347,065
Other comprehensive income		
Unrealized gains on available-for-sale securities	△85,760	107,940
Foreign currency translation adjustments	△17,056	12,800
Other	16,211	10,236
Total other comprehensive income	△86,605	130,976
Comprehensive income	△632,723	478,041
attribute to		
Comprehensive income attribute to owners of the parent	△632,521	478,201
Comprehensive income attribute to minority interests	△201	△159