

Consolidated Financial Review

For the Year Ended March 31, 2014 [Japanese GAAP]



May12, 2014

Listed Market: TSE 1st section

Company name: Y.A.C. Co., Ltd.
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Application of U.S.GAAP: None

For reference only

The Japanese version of this Financial Review is the original, English version is essentially a translation from Japanese.

The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

1. Financial highlights for the year ended for March 31, 2014 (4/01/2013-3/31/2014)

(1) Consolidated operating results

% are the changes from the previous corresponding year

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Twelve months ended Mar.31, 2014	14,527	-2.3	427	74.0	546	76.9	2,229	---
Twelve Month ended Mar.31,2013	14,868	20.4	245	34.7	309	104.4	191	-44.4

Note: Comprehensive income

Twelve months ended Mar. 31, 2014 ¥2,305 million (693.8%)

Twelve months ended Mar. 31, 2013 ¥290 million (101.2%)

	Net income per share	Net income per share-diluted	Return on Equity	Ordinary Income to total asset	Operating Income to net sales
Twelve months ended Mar. 31, 2014	Yen 250.00	Yen 249.56	% 18.7	% 2.5	% 2.9
Twelve months ended Mar. 31, 2013	21.45	---	1.8	1.3	1.7

Profit/loss on equity method: Twelve month ended Mar.31, 2014: -¥0 million, Twelve month ended Mar.31, 2013: -¥0 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mil yen	Mil yen	%	Yen
Mar.31,2014	22,587	13,191	57.6	1,459.87
Mar.31,2013	21,379	11,047	50.9	1,220.96

Note: Equity

As of Mar. 31, 2014: ¥13,020 million

As of Mar. 31, 2013: ¥10,890 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flow investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Twelve months ended Mar.31,2014	-527	-379	-177	7,806
Mar.31,2013	622	-105	-602	8,761

2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated payout ratio	Dividend on equity consolidated
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Mil Yen	%	%
Fiscal year ended Mar. 31 2013	---	10.00	---	10.00	20.00	178	92.0	1.6
Fiscal year ended Mar. 31 2014	---	10.00	---	10.00	20.00	178	8.0	1.5
Fiscal year ending Mar. 31 2015 (forecast)	---	10.00	---	10.00	20.00		41.5	

3. Corporate estimates for the year ending March 31, 2015

(% are the rate of increase or decrease from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mill. Yen	%	Mill Yen	%	Mill. Yen	%	Mill Yen	%	Yen
Interim	6,500	-22.0	-100	---	-110	---	-150	---	-16.82
Fiscal year ending Mar. 2015	18,000	23.9	700	63.7	680	24.4	430	-80.7	48.21

Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):

Yes

New company: One. (Company name) Ohkura Electric Co., Ltd.

Exclusion: None

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement

① Changes of accounting policies accompanied by revision of accounting standard etc.: Yes

② Changes of accounting policies other than ① : Yes

③ Changes in accounting estimates : None

④ Retrospective restatement : None

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

① Number of issued shares outstanding as of end of period (including treasury stock)

As of Mar. 31, 2014: 9,674,587 shares As of Mar. 31, 2013: 9,674,587 shares

② Number of treasury stock as of end of period

As of Mar. 31, 2014: 755,397 shares As of Mar. 31, 2013: 755,317 shares

③ Average number of issued shares outstanding

Twelve months ended Mar. 31 2014: 8,919,269 shares Twelve months ended Mar. 31, 2013: 8,919,313 shares

*Indication of review procedure implementation status

This financial report is exempt from review procedure based upon the Financial Instruments and Exchange Act and remains incomplete at the time of announcing this report

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the informations currently available to us and certain assumptions that are regarded as legitimate. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P. 4 "Analysis of operating results and financial condition (1) Analysis of operating results" for the assumptions used and other notes.

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1. Analysis of operating results and financial conditions

(1) Analysis of operating results

① Operating result of this financial period

Regarding the world economic condition of this financial period, in the United States economic activities have kept gradual recovery trend because of increases of private consumption and export, on the other hand in Europe economic activities have been better but recovery speed was slow and in Peoples Republic of China and developing countries, economic growth speed have got dull, and overall economy recovery was moderate.

In Japan, economic activities have been getting better because of effect of aggressive stimulus economic policy by government and easy monetary policy by Central Bank of Japan and rush demand before sales tax increasing.

Under these economic atmospheres, our group has endeavored to increase profit with promoting business mainly to Asian countries which are slowly but basically growing and decreasing manufacturing cost and general cost.

As a result, our business result of consolidated this financial period, sales amounted to ¥14,527 million (2.3% decreased compared to the previous corresponding financial period), operating income marked ¥427 million (74.0% increased compared to the previous corresponding financial period), ordinary income marked ¥546 million (76.9% increased compared to the previous corresponding financial period), net income marked ¥2,229 million (1,065.3% increased compared to the previous corresponding financial period) because of income on negative goodwill by acquisition of a company for business expansion.

Each segment result was as follows.

(Industrial electronics related segment)

Regarding the hard disk related business, we have endeavored to promote the sales of miniature Burnisher and automatic conveyor machines however because of strong demand for smart phone and tablet PC, PC with HDD for individual has been sluggish therefore business went slow.

Regarding the semiconductor related business, demand of semiconductor for PC and digital home electric appliances has been slow however demand of semiconductor for automobile and household electric appliances has grown and new capital investments for those semiconductor have occurred therefore business has turned up.

Regarding the liquid crystal manufacturing related equipment business, because of sales promotion of medium size plasma etching equipment and annealing equipment for smart phone and tablet PC, business has went well.

Regarding the heat treatment equipment, sales of manufacturing equipment of parts for smart phone and tablet PC were stable but because of sluggish sales for metal mold and automobile parts manufacturing equipment, total business has went slow.

Regarding solar cell manufacturing related equipment, domestic demand for high efficiency solar panel has increased and responding that new capital investments in overseas have recovered, therefore business has turned up.

As these results, this segment sales amounted to ¥13,102 million (3.5% decreased compared to the previous corresponding financial period) and operating income marked ¥770 million (42.4% increased compared to the previous corresponding financial period).

(Cleaning related business)

We, despite of the worse business atmosphere such as declining trend of cleaning demand has been prolonged, have endeavored to get sales with strengthening our sales forces in PRC and Europe as well as Japan.

As a result, this segment sales amounted to ¥1,424 million (10.2% increased compared to the previous corresponding financial period) and operating income marked ¥171 million (10.3% decreased compared to the previous corresponding financial period)

② Forecast of the following financial year

In Japan, we expect corporate performance will strengthen recovery trend because of effect of

aggressive government stimulus economic boost nevertheless concern of personal consumption downside from increasing sales tax remains however we suppose worldwide economic atmosphere will keep opaque with unstable factors such as prolonged economic sluggish in Europe and slowdown of economic growth in developing countries.

Under these business circumstances, our group will aim to realize “To establish corporate culture as profitable company and expand corporate size”. We expand products line up such as high-density plasma etching and annealing equipment applicable to 4K TV and high resolution panel for smart phone, cleaning equipment for liquid crystal touch panel and burnisher equipment applicable to manufacture large capacity HDD for cloud computing data center. We attempt to expand sales of clean energy related equipment such as solar cell manufacturing related equipment, electric telemetering equipment and attempt to commodity FEL lamp in early stage, which support the realization of smart-city.

Our group intend to try aggressively penetrate into Asian market, endeavor to sell high value-added products which capture clients' needs and will try to increase new order received and profit. For the following consolidated financial year, net sales are expected to mark ¥18,000 million, operating income is expected to mark ¥700 million, ordinary income is expected to mark ¥680 million and net income is expected to mark ¥430 million.

(2) Analysis of financial conditions

① Conditions of assets, liabilities and net assets

Current assets as of end of this consolidated financial year stood at ¥16,792 million decreased by ¥86 million compared to the previous consolidated financial year end. Main increased items were trade note and accounts receivable by ¥1,933 million and raw materials and supplies by ¥207 million and main decreased items were work in process by ¥1,411 million, securities by ¥771 million and cash and deposits by ¥115 million. Non current assets amounted to ¥5,795 million increased by ¥1,295 million compared to the previous consolidated financial year end. The main factors were increase of Investment in securities by ¥886 million, land by ¥193 million and building and structures by ¥185 million.

As a result, total assets as of end of this consolidated financial year stood at ¥22,587 million increased by ¥1,208 million compared to the previous consolidated financial year end.

Current liabilities as of end of this consolidated financial year stood at ¥5,122 million decreased by ¥1,654 million compared to the previous consolidated financial year end. The decrease was mainly due to decrease of notes and account payable-trade by ¥1,605 million.

Non-current liabilities amounted to ¥4,273 million increased by ¥719 million compared to the previous consolidated financial year end.

Main increased items are obligations related to retirement benefits by ¥789 million, long-term loans payable by ¥306 million and expense payable long term by ¥232 million. Main decreased item was provision for retirement benefits by ¥676 million.

As a result, total liabilities as of end of this consolidated financial year stood at ¥9,396 million decreased by ¥934 million compared to the previous consolidated financial year end.

Total net assets as of end of this consolidated financial year amounted to ¥13,191 million increased by ¥2,143 million compared to the previous consolidated financial year end. The increase was mainly due to increase of retained earnings by ¥2,051 million.

As a result, equity ratio at the end of this consolidated financial year came to 57.6% and net assets per share came to ¥1,459.87.

② Condition of Cash Flows

Cash and cash equivalent at the end of this financial year was decreased by ¥955 million, compared to the end of the previous corresponding financial year, to ¥7,806 million.

(Cash flows from operating activities)

Cash flows from operating activities was negative ¥527 million compared to positive ¥622 million in the previous financial year. The main positive factors were a ¥2,408 million in earnings before income taxes, a ¥2,072 million decrease in inventories and a ¥266 million in depreciation and

amortization. The main negative factors were a ¥1,862 million in income on negative goodwill, a ¥1,724 decrease in trade payables, a ¥1,195 million increase in trade receivables, a ¥144 million increase in prepaid consumption tax and a ¥132 million in foreign currency exchange loss.

(Cash flows from investing activities)

Cash flows from investing activities was negative ¥379 million compared to negative ¥105 million in the previous financial year.

The main positive factor is a ¥493 million in proceed from acquisition of subsidiary's stock with changes in specified subsidiaries involving changes in scope of consolidation and the main negative factors were a ¥830 million in payment for acquisition of investment security.

(Cash flows from financing activities)

Cash flows from financing activities was negative ¥177 million compared to negative ¥602 million in the previous financial year. The main positive factors were a ¥110 million in increase of outstanding balance of long-term borrowings. The main negative factors were a ¥178 million in payment for dividends and a ¥106 million in redemption of bonds.

(Trend of cash flows related indicators)

Cash flows related indicators of our group are as follows

	Financial year ended Mar.31 2010	Financial year ended Mar.31 2011	Financial year ended Mar.31 2012	Financial year ended Mar.31 2013	Financial year ended Mar.31 2014
Equity ratio	60.5%	59.1%	43.6%	50.9%	57.6%
Equity ratio at market Value	39.4%	35.5%	24.3%	21.8%	22.9%
Interest-bearing debt to cash flows ratio (year)	8.8	1.5	2.5	6.4	---
Interest coverage ratio (times)	8.3	50.7	41.0	17.1	---

Equity ratio: (Equity / Total assets) x 100

Equity ratio at market value: (Market capitalization / Total assets) x 100

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest expenses

(1)All indicators are calculated using financial figures on a consolidated basis.

(2)Market capitalization is calculated based on the following formula:

Closing stock price at fiscal year-end x Number of shares outstanding at fiscal year-end after deduction of treasury stock.

(3) Cash flows from operating activities corresponds to the cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities for which the Company is paying interest among the liabilities reported on the consolidated balance sheet. Interest expenses correspond to the interest paid in the consolidated statement of cash flows.

(4)Interest-bearing debt to cash flows ratio (year) and interest coverage ratio (times) of financial year ended Mar.31, 2014 were not mentioned because cash flows from operating activities are negative.

(3) Basic policy on profit allocation and payment of dividends for current and next financial years

Basic policy of YAC group is to let corporate value keep increasing continuously and to return profit to shareholders corresponding amount to corporate operating results. In order to achieve our basic policy, we endeavor to strengthen corporate body, to proceed our R&D activities and to pay dividends stably with considering the amount of retained earnings to cope with the changes of atmosphere.

We plan to pay a dividend 10 yen per share as a year-end dividend of this financial year. As a result, the dividend entire financial year is planned to be 20 yen per share including the interim dividend 10 yen per share.

For the following financial year, we plan to pay 20 yen dividend per share as a full year dividend based on basic policy with considering the projected operating results.

2. Overview of YAC Group

YAC group (Y.A.C. Co., Ltd. and affiliate companies) is composed of Y.A.C. Co., Ltd., 8 subsidiaries and one equity method affiliate and mainly engaging in the business of developing,

drawing, manufacturing, selling and maintenance service for industrial electronics related business and cleaning related business.

The business activities of YAC group companies are as follows

Business	Positioning of Y.A.C. Co.,Ltd. and its affiliates	
Industrial electronics related business	Main products are hard disc related polishing apparatus, clean conveyor, IC handler, dry etching equipments for liquid crystal, annealing equipments, precision heat treatment equipments, solar cell manufacturing equipment, flat emission lamp, informations transmitting devices and recording and monitoring equipment	
	Hard disc related equipment, clean conveyor and others	Y.A.C. Co., Ltd. HYAC Corporation YAC Systems Singapore Pte. Ltd
	IC handler and others	Y.A.C. Co., Ltd.
	Dry etching equipments for liquid crystal and semiconductor/annealing equipment/precision heat treatment equipment	Y.A.C. Co., Ltd. YAC Korea Co., Ltd. YAC (Shanghai) International Trade Co., Ltd. YAC Denko Co., Ltd. YAC-Kokusaidennetsu Co., Ltd.
	Solar cell manufacturing equipment	Y.A.C. Co., Ltd. YAC Korea Co., Ltd. YAC (Shanghai) International Trade Co., Ltd. YAC Denko Co., Ltd. YAC-Kokusaidennetsu Co., Ltd.
	Flat emission lamp emitter	Y.A.C. Co., Ltd. ND Material Co., Ltd.
	Industrial metering equipment telemetering and controlling equipment	Ohkura Electric Co., Ltd.
Cleaning related business	Main products are finisher for shirts and wool materials and bagging system	
	Y.A.C. Co., Ltd. YAC Niigata Seiki Co., Ltd. HYAC Corporation YAC(Shanghai) International Trade Co., Ltd.	

3. Management Policies.

(1) Basic Management Policy

Since established in 1973, we have held the basic policy to be a R&D oriented company. We will seek for low cost operation, establish corporate culture to be a profitable company, attempt to raise employee's motivation and increase the corporate value based on growing with profit.

(2) Management Targets

We think that the biggest obligation of management team is to operate management resources efficiently and ensure a stable profit. To aim to realize the above, we cope to reduce production cost and operation cost including reviewing of production systems as a whole corporate task. We aim to obtain high operating income to net sales as one of midterm management target.

(3) Mid-to long-term business strategies

We have been managing the company to become a high profitable corporation by providing high value-added products to customers with introducing new developed products which take costumers' needs and utilize our long term stacked technologies.

Especially in the field of industrial electronics business, we endeavor to expand our business base in the bigger market as a global Asian base supplier and to take profit earning opportunities.

(4) Management Tasks

In the electronics business, which is our group's main business field, smart phone and tablet devices business are growing, but on the other hand, slower growth of personnel computer business has been actualized. We estimate that this tendency will become the stronger and smart phone and tablet devices will be spreaded as major devices for internet connecting, which require the higher quality of crystal liquid panel and the higher processing capability. We think that parallel generalization of cloud computing and home server will be proceeding, in case of big size TV sets, replacement demand for TV sets will be evoked with progressing high technic broadcasting system like 4k and 8k.

In the environmental and energy save business, we think business size will grow gradually backed by subsidy systems and natural energy oriented mind.

Under these circumstances, our group aims to develop and deliver environmentally friendly equipments, the higher value-added products, and energy saved equipments aggressively and expands the products line up which will respond to needs at time.

Specifically we deal the following subjects.

① To expand business fields

We endeavor to strengthen the subsidiaries in Singapore, Shanghai and Korea and branch in Taiwan and to promote corporate globalization mainly in Asian area where economic activities is expected to grow further more.

② To expand R&D activities

We strengthen the unity between divisions and divisions in order to respond to diversified customers needs and continue of developing activities and to expand products line up in manufacturing equipment business. We aggressively cope with developing activities, such as the higher density etching equipments and annealing equipments in crystal liquid business, the higher capacity burnisher equipment in hard disc business and cope with commercializing FEL lamp and developing environmentally friendly products like solar cell manufacturing equipments.

③ To reconstruct manufacturing system

In order to respond to destabilization of raw material procurement accompanied by the politics and economic atmosphere changes, always changing management atmosphere and diversified customer's needs, we will endeavor to construct a flexible manufacturing system supported by co-operating companies in domestic and overseas.

④ To strengthen financial conditions

We endeavor to increase cash flow and net assets to strengthen financial conditions, maintain the higher profitable and stable company and expand corporate size.

3. Consolidated financial informations

(1) Consolidated Balance Sheets

(Thousands of yen)

	The previous financial period (Mar. 31, 2013)	This financial period (Mar.31, 2014)
(Assets)		
Current assets		
Cash and deposits	8,041,953	7,926,518
Trade notes and account receivables	3,740,033	5,673,962
Securities	854,354	83,274
Merchandise and finished goods	140,322	140,520
Work in process	3,503,544	2,091,908
Raw materials and supplies	299,348	506,781
Deferred income taxes	203,027	190,991
Others	98,501	183,481
Allowance for doubtful accounts	-2,167	-5,204
Total current assets	16,878,917	16,792,234
Non current assets		
Tangible fixed assets		
Buildings and structures	2,262,950	2,682,905
Accumulated depreciation	-1,687,877	-1,922,088
Building and structures(net)	575,072	760,817
Machinery, equipment and vehicles	224,700	299,358
Accumulated depreciation	-198,563	-266,062
Machinery, equipment and vehicles(net)	26,136	33,296
Tools, equipment and fixtures	1,579,778	2,249,910
Accumulated depreciation	-1,246,482	-1,893,224
Tools, equipment and fixtures(net)	333,296	356,686
Land	2,374,622	2,568,122
Leased assets	69,051	84,738
Accumulated depreciation	-43,641	-56,350
Leased assets(net)	25,410	28,388
Construction in progress account	538,671	479,960
Total tangible fixed assets	3,873,209	4,227,271
Intangible assets		
Goodwill	53,190	26,075
Soft wares	48,240	42,306
Leased assets	18,379	37,361
Telephone subscription rights	13,562	18,596
Others	---	765
Total intangible assets	133,372	125,105
Investments and other assets		
Investment in securities	152,649	1,038,919
Long-term lending	230	68
Differed income taxes	203,920	197,666
Long-term retention receivables	68,395	69,480
Others	146,900	235,085
Allowance for doubtful accounts	-78,395	-98,080
Total investments and other assets	493,701	1,443,139
Total non current assets	4,500,282	5,795,516
Total assets	21,379,200	22,587,751

(Thousands of yen)

	The previous financial period (Mar. 31, 2013)	This financial period (Mar. 31, 2014)
Liabilities		
Current liabilities		
Notes and account payable-trade	4,769,362	3,163,368
Short-term loans payable	1,168,483	1,089,424
Current portion of bonds payable	106,510	---
Leas obligations	17,051	15,904
Income taxes payable	18,135	166,689
Provision for bonuses	138,108	173,869
Provision for product warranties	29,454	49,635
Expense payable	285,208	232,732
Advances received	87,971	18,105
Others	156,547	212,936
Total current liabilities	6,776,834	5,122,666
Fixed liabilities		
Bonds payable	1,000,000	1,000,000
Long-term loans payable	1,741,768	2,048,400
Expense payable long term	---	232,356
Lease obligations	29,046	53,133
Deferred tax payable	66,964	73,598
Provision for retirement benefits	676,092	---
Provision for directors' retirement benefits	40,595	48,007
Obligations related to retirement benefits	---	789,818
Others	---	28,431
Total fixed liabilities	3,554,467	4,273,746
Total liabilities	10,331,301	9,396,412
Net assets		
Shareholders' equity		
Capital stock	2,756,680	2,756,680
Capital surplus	3,582,276	3,582,276
Retained earnings	5,326,086	7,377,475
Treasury stock	-646,176	-646,220
Total shareholders' equity	11,018,866	13,070,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	16,155	33,498
Foreign currency translation adjustment	-144,983	-89,438
Pension liability adjustments	---	6,615
Total accumulated other comprehensive income	-128,828	-49,324
Subscription rights to shares	---	9,856
Minority interests	157,860	160,594
Total net assets	11,047,898	13,191,339
Total liabilities and net assets	21,379,200	22,587,751

(2) Consolidated statements of income and comprehensive income

(Consolidated Statements of Income)

(Thousands of yen)

	The previous corresponding period. (Apr.1, 2012 to Mar.31, 2013)	This financial year (Apr.1, 2013 to Mar.31, 2014)
Net sales	14,868,821	14,527,018
Cost of sales	12,434,177	11,595,695
Gross profit	2,434,643	2,931,322
Selling, g&a expenses		
Salary & directors 'compensation	839,697	1,008,002
Provision for bonuses	45,685	51,498
Fringe benefit expenses	33,344	45,674
Rent expenses	73,575	77,943
Outsourcing expenses	57,495	51,727
R&D expenses	302,028	237,992
Depreciation	161,463	159,734
Others	675,608	871,208
Total selling, g&a expenses	2,188,899	2,503,782
Operating income (loss)	245,743	427,540
Non-operating income		
Interest income	4,450	10,844
Dividends income	2,396	2,727
Foreign exchange gains	74,095	104,778
Rents income	12,075	12,001
Insurance premium income	6,825	618
Subsidies Income	1,374	2,232
Refund of Trade Duty	3,347	6,477
Others	1,632	16,667
Total non-operating income	106,197	156,350
Non-operating expenses		
Interest expenses	36,640	31,384
Factoring fees	181	234
Equity in losses of affiliates	863	556
Others	5,153	4,917
Total non-operating losses	42,840	37,093
Ordinary income (loss)	309,101	546,796

(Consolidated Statements of Income)

(Thousands of Yen)

	The previous corresponding period. (Apr.1, 2012 to Mar.31, 2013)	This financial year (Apr.1, 2013 to Mar.31, 2014)
Extraordinary income		
Gains on disposal of fixed assets	---	142
Income on negative goodwill	70	1,862,240
Others	---	250
Total extraordinary income	70	1,862,632
Extraordinary loss		
Losses on disposal of fixed assets	6,523	1,358
Total extraordinary loss	6,523	1,358
Income (loss) before income tax	302,647	2,408,070
Income taxes	28,789	163,467
Income tax adjustment	80,896	12,141
Total income tax	109,685	175,608
Income (loss) before minority interests	192,962	2,232,461
Minority interests	1,617	2,686
Net income (loss)	191,344	2,229,775

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	The previous corresponding period (Apr.1, 2012 to Mar.31, 2013)	This financial year (Apr.1, 2013 to Mar. 31, 2014)
Income (loss) before minority interests	192,962	2,232,461
Other comprehensive income		
Valuation difference on available for sale securities	12,430	17,390
Foreign currency translation adjustment	85,024	55,545
Total other comprehensive income	97,454	72,936
Comprehensive income	290,416	2,305,398
(Breakdown)		
Comprehensive income attributable to owners	288,261	2,302,663
Comprehensive income attributable to minority interests	2,155	2,734

(3) Consolidated Statements of Changes in Net Assets
The previous corresponding period (From Apr.1, 2012 to Mar.31, 2013)

(Thousands of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,756,680	3,582,276	5,313,128	-646,148	11,005,937
Changes during period					
Payout of retained earning			-178,386		-178,386
Net income			191,344		191,344
Acquisition of treasury stock				-28	-28
Net changes during period except shareholders' equity					
Total changes during period			12,957	-28	12,929
Balance at end of period	2,756,680	3,582,276	5,326,086	-646,176	11,018,866

	Accumulated Other Comprehensive Income			Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance beginning at period	4,262	-230,008	-225,745	158,617	10,938,808
Changes during period					
Payout of retained earning					-178,386
Net income					191,344
Acquisition of treasury stock					-28
Net changes during period except shareholders' equity	11,892	85,024	96,916	-756	96,160
Total changes during period	11,892	85,024	96,916	-756	109,089
Balance at end of period	16,155	-144,983	-128,828	157,860	11,047,898

This financial period (From Apr.1, 2013 to Mar.31, 2014)

(Thousands of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,756,680	3,582,276	5,326,086	-646,176	11,018,866
Changes during period					
Payout of retained earning			-178,385		-178,385
Net income			2,229,775		2,229,775
Acquisition of treasury stock				-43	-43
Net changes during period except shareholders' equity					
Total changes during period	---	---	2,051,389	-43	2,051,345
Balance at end of period	2,756,680	3,582,276	7,377,475	-646,220	13,070,212

	Accumulated Other Comprehensive Income				Subscrip tion right to shares	Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income			
Balance beginning at period	16,155	-144,983	---	-128,828	---	157,860	11,047,898
Changes during period							
Payout of retained earning							-178,385
Net income							2,229,775
Acquisition of treasury stock							-43
Net changes during period except shareholders' equity	17,343	55,545	6,615	79,504	9,856	2,734	92,094
Total changes during period	17,343	55,545	6,615	79,504	9,856	2,734	2,143,440
Balance at end of period	33,498	-89,438	6,615	-49,324	9,856	160,594	13,191,339

(4)Consolidated cash flows-1

	The Previous Corresponding Period (Apr.1, 2012 to Mar.31, 2013)	This Financial Period (Apr.1,2013 to Mar.31, 2014)
1. Cash flows from operating activities		
Earnings/(loss)before income taxes	302,647	2,408,070
Depreciation and amortization	290,925	266,706
Increase/(decrease) in reserve for retirement and severance benefits	39,044	(778,514)
Increase/(decrease) in allowance for doubtful accounts	(2,865)	4,002
Increase/(decrease) in obligations related to retirement benefits	---	800,067
Interest and dividend revenue	(6,846)	(13,572)
Interest paid	36,640	31,384
Foreign currency exchange loss/ (income)	(148,218)	(132,066)
Income on negative goodwill	(70)	(1,862,240)
Minority interest income (Loss)	863	556
Loss/(Income) on disposal of fixed assets	6,523	1,215
(Increase)/decrease in trade receivable	629,223	(1,195,360)
Increase /(decrease) of advances received	(2,359,434)	(89,370)
(Increase)/decrease in inventories	2,463,042	2,072,983
Increase/(decrease) in trade payable	(870,949)	(1,724,394)
Decrease/(increase)in prepaid consumption tax	341,317	(144,432)
Others	(82,676)	(154,944)
Subtotal	639,167	(509,908)
Receipts from interest and dividends	6,892	19,898
Interest paid	(36,817)	(31,596)
Income taxes paid	(23,418)	(23,541)
Refund of paid income tax	36,306	17,635
Cash flows from operating activities	622,130	(527,511)
2. Cash flows from investing activities		
Payment for establishment of time deposit	(171,533)	(180,008)
Proceeds from drawing of time deposit	118,798	149,211
Payment for acquisition of fixed tangible asset	(61,208)	(18,110)
Proceed from sale of fixed tangible asset	4,508	12,047
Payment for acquisition of soft ware	(13,248)	(1,207)
Proceed from acquisition of subsidiary's stock with changes in specified subsidiaries involving changes in scope of consolidation	8,624	493,691
Payment for acquisition of investment securities	---	(830,146)
Proceed from sale of investment securities	---	1,250
Proceed from distribution of investment association	7,100	23,400
Payment for lending	(3,373)	(30,000)
Proceed from repayment of lending	4,663	151
Cash flows from investing activities	(105,669)	(379,720)

Consolidated cash flows-2

	The previous corresponding period (Apr.1, 2012 to Mar.31, 2013)	This financial period (Apr.1, 2013 to Mar.31,2014)
3. Cash flows from financing activities		
Increase /(Decrease) of short term borrowings	(108,432)	15,000
Proceeds from long-term borrowings	1,000,000	1,333,400
Redemption of long term borrowings	(1,159,638)	(1,222,463)
Redemption of bonds	(140,880)	(106,510)
Payment for acquisition of treasury stock	(28)	(43)
Payment for acquisition of subsidiary's treasury stock	(132)	---
Payment for dividends	(178,386)	(178,385)
Payment for dividends to minority shareholders	(2,709)	---
Others	(12,197)	(18,094)
Cash flows from financing activities	(602,403)	(177,096)
4. Effect of exchange rate changes on cash and cash equivalents	209,931	129,131
5. Net increase/(decrease) in cash and cash equivalents	123,988	(955,197)
6. Cash and cash equivalents balance at beginning of period	8,637,920	8,761,909
7. Cash and cash equivalents balance at end of period	8,761,909	7,806,711

(5)Notes on Consolidated Financial Informations
(Notes Concerning Going Concern Assumption)

Not applicable

(Changes of accounting policy)

(Changes of currency conversion method into Japanese yen in incomes and expenses of foreign consolidated subsidiaries)

Incomes and expenses of foreign consolidated subsidiaries had been converted into Japanese yen by spot rate on the financial closing date. But we consider that the method of using the average conversion rate of during the term may reflect the business results of foreign subsidiaries to the consolidated financial report much more clearly than using the spot rate on the financial closing date, therefore from this financial year, we have changed the conversion rate to average rate of during the term.

This change of accounting policy is traced back to the previous financial year and informations on the previous corresponding financial period, we use the new conversion method.

By this change of accounting policy, net sales of the previous corresponding financial is increased by ¥179,834 thousand, operating income is increased by ¥136,011 thousand, ordinary income and income before tax are decreased by ¥2,247 thousand comparing to the figure before traced back.

Moreover, retained earning balance at beginning of previous corresponding financial period is increased by and foreign currency translation adjustment balance at beginning of previous financial period is decreased by the same amount, because of a reflection of accumulated figures to net assets balance at beginning of previous corresponding financial period.

(Adoption of new accounting standards for retirement benefits)

Effective from the end of FY2014, Y.A.C. Co., Ltd. and its consolidated subsidiaries had adopted the "Accounting Standard for Retirement Benefits"

(Accounting Standards Board of Japan (ASBJ) Statement No. 26, issued May 17, 2012, hereinafter referred as the "Accounting Standards for Retirement Benefits") and its accompanying implementation guidance, "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012.) (Except for certain provisions described in Section 35 of the standard and in Section 67 of the guidance).

These accounting standards are applied with a revised method for recording the retirement benefit obligation after deducting pension plan assets as net defined benefit asset or net defined benefit liability, and unrecognized actuarial differences are recorded as net defined benefit asset or net defined benefit liability.

Concerning the application of the Accounting Standards for Retirement Benefits, based on the provisional treatment set out in Section 37 of the accounting standards, the effects of such changes in the current fiscal year have been adjusted in remeasurements of defined benefit plans through accumulated other comprehensive income.

As a result of this change, as of March 31, 2014, influence to total asset and net assets are little.

(Segment Informations)

1. Outline of Reportable Segment

Our corporate reportable segments are the subject to be reviewed regularly in order board of directors to decide the allocation of management resources and review its results and it is possible to get isolated financial informations of each segment.

We have each division divided by business and service at main factory and such division develops domestic and international comprehensive business strategy and operate its business. Therefor we are composed of segments by products and service based on divisions and reportable segments are "Industrial Electronics Related Business" and "Cleaning Related Business".

"Industrial Electronics Related Business" includes manufacturing, sales and maintenance service business of hard disc related products, liquid crystal related products, semiconductor related products, energy saving and clean energy related products, industrial metering equipment and telemetering and controlling equipment. "Cleaning Related Business" includes manufacturing, sales and maintenance service business of cleaning related products.

2. Calculation method of net sales, net income, assets and liabilities of each segment.

Accounting method of each reportable segment is nearly the same as contents of "Basic important items for making consolidated financial statements"

Reported segment income is the figure of operating income.

3. Informations on amount of sales and income or loss in reportable segment

The previous corresponding period (Apr. 1, 2012 to Mar.31, 2013)

(Thousands of yen)

	Reportable segment		Total	Adjustment (Note 1)	Posted on consolidated statement of income (Note 2)
	Industrial electronics related business	Cleaning related business			
Sales					
Sales to outside costumers	13,576,266	1,292,554	14,868,821	---	14,868,821
Intersegment sales and transfers	---	---	---	---	---
Total	13,576,266	1,292,554	14,868,821	---	14,868,821
Segment income (loss)	540,870	190,765	731,636	(485,892)	245,743
Segment assets	10,591,046	1,263,879	11,854,925	9,524,274	21,379,200
Other items					
Depreciation and amortization	271,260	10,861	282,121	8,804	290,925
Increase in the amount of tangible fixed assets and intangible fixed assets	304,815	11,944	316,759	4,795	321,555

Notes

1. (1) Segment income (loss) adjustment of (485,892) thousands of yen is the corporate expense not apportioned in each reportable segment. Corporate expenses mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.

(2) Segment assets adjustment of 9,524,274 thousands of yen is mainly surplus operating assets by parent company and assets of headquarter.

2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

This financial period (Apr. 1, 2013 to Mar.31, 2014)

(Thousands of yen)

	Reportable segment		Total	Adjustment (Note 1)	Posted on consolidated statement of income (Note 2)
	Industrial electronics related business	Cleaning related business			
Sales					
Sales to outside customer	13,102,155	1,424,863	14,527,018	---	14,527,018
Intersegment sales and transfers	---	---	---	---	---
Total	13,102,155	1,424,863	14,527,018	---	14,527,018
Segment income (loss)	770,148	171,192	941,340	(513,800)	427,540
Segment assets	12,920,721	1,270,966	14,191,688	8,396,063	22,587,751
Other items					
Depreciation and amortization	244,593	13,157	257,750	8,956	266,706
Increase in the amount of tangible fixed assets and intangible fixed assets	614,939	12,286	627,225	32,980	660,205

Notes

- (1) Segment income (loss) adjustment of (513,800) thousands of yen is the corporate expense not apportioned in each reportable segment. Corporate expenses mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.

(2) Segment assets adjustment of 8,396,063 thousands of yen is mainly surplus operating assets by parent company and assets of headquarter.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.
- Increase in the amount of tangible fixed assets and intangible fixed assets includes ¥511,036 thousand which is increased with new consolidation..

(Informations on per share)

(Yen)

	The previous corresponding financial period (Apr.1, 2012 to Mar.31, 2013)	This financial year (Apr.1, 2013 to Mar.31, 2014)
Net assets per share	1,220.96	1,459.87
Net income per share	21.45	250.00
Net income per share-diluted	---	249.56

Notes

- Net income per share-diluted of the previous corresponding financial period is not recorded because there were no residual securities.
- Calculation base of net income per share is as follows.

	The previous corresponding financial period. (Apr.1, 2012 to Mar.31, 2013)	This financial period (Apr.1, 2013 to Mar.31, 2014)
Net income per share		
Net income (Thousands of ¥)	191,344	2,229,775
Amount not attributable to shareholders of ordinary stocks (Thousands of yen)	---	---
Net income attributable to ordinary stocks (Thousands of yen)	131,344	2,229,775
Average number of shares issued during financial period (Thousands of share)	8,919	8,919
Net income per share-diluted		
Number of common stocks increased. (Thousands of share)	---	15
Residual securities not included in the calculation of net income per share after adjustment of residual securities as they do not have any diluting effect	---	---

- As described in changes of accounting policy change of accounting policy is traced back to the previous financial year and informations on the previous corresponding financial period is the informations after trace back adopted. As this results, net income per share of the previous corresponding financial period is decreased by ¥0.30 comparing to the figure before trace back adopted.

(Important Subsequent Events)

Not applicable.