

# Consolidated Financial Review

## For the Year Ended March 31, 2013 [Japanese GAAP]



May13, 2013

Listed Market: TSE the1<sup>st</sup> section

Company name: Y.A.C. Co., Ltd.  
 Code number: TES 6298 URL: <http://www.yac.co.jp>  
 Headquarters address: 3-11-10, Musashino, Akishima-Shi, Tokyo 196-0021, Japan  
 URL: <http://www.yac.co.jp>  
 Representatives: Takefumi Momose, President  
 Inquiries: Tadayasu Miyamoto, Managing Director  
 Telephone number: +81-42-546-1161

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, 2013 (4/01/2012-3/31/2013)

#### (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	%	Millionyen of yen	%
Twelve months ended Mar.31, 2013	15,048	21.6	381	110.2	311	107.2	194	-43.5
Twelve Month ended Mar.31,2012	12,378	7.7	181	-74.0	150	-79.3	343	-13.4

Note: Comprehensive income

Twelve months ended Mar. 31, 2013 ¥290 million (-30.4%)

Twelve months ended Mar. 31, 2012 ¥417 million ( 26.7%)

	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, 2013	Yen 21.75	Yen -----	% 1.8	% 1.4	% 2.5
Twelve months ended Mar. 31, 2012	37.77	-----	3.2	0.7	1.5

Profit/loss on equity method:

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Asset per Share
	Mil yen	Mil yen	%	Yen
Mar.31,2013	21,379	11,047	50.9	1,220.96
Mar.31,2012	24,735	10,938	43.6	1,208.63

Note: Equity

As of Mar. 31, 2013: ¥10,890million

As of Mar. 31, 2012: ¥10,780 million

#### (3) Consolidated Cash Flow

	Cash flow 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.31,2013	631	-107	-602	8,761
Mar.31,2012	1,760	245	131	8,637

### 2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated pyout 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 2012	-----	10.00	-----	10.00	20.00	182	53.0	1.7
Fiscal year ended Mar. 31 2013	-----	10.00	-----	10.00	20.00	178	92.0	1.6
Fiscal year ending Mar. 31 2014 (forecast)	-----	10.00	-----	10.00	20.00		44.6	

### 3. Corporate estimates for the year ending March 31, 2014

(% 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	7,000	-35.9	100	-72.0	70	-76.0	40	-79.5	4.48
Fiscal year ending Mar. 2014	17,000	13.0	800	109.6	750	140.9	400	106.2	44.85

#### Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):  
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 : None
- ③ Changes in accounting estimates : Yes
- ④ Retrospective restatement : None

These are corresponding to Section 14.7 (Case which is difficult to distinguish from the changes of accounting policy and the changes in accounting estimates) of "Rule relating to wording, formula and making method of consolidated financial reports"

Please see page 19 3. Consolidated financial informations (5) Notes on Consolidated Financial Informations

(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, 2013: 9,674,587 shares As of Mar. 31, 2012: 9,674,587 shares

② Number of treasury stock as of end of period

As of Mar. 31, 2013: 755,317 shares As of Mar. 31, 2012: 755,252 shares

③ Average number of issued shares outstanding

Twelve months ended Mar. 31 2013: 8,919,313 shares Twelve months ended Mar. 31, 2012: 9,083,398 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 information 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 new capital investments by private sectors, on the other hand in Europe economic activities have been sluggish because of government debt problem have extended over a long time and in Peoples Republic of China and developing countries, economic growth speed have got dull because of the influence of depression of export to Europe and tight money policy of those countries.

In Japan, economic activities look like getting better because of improvement of corporate feeling about economic atmosphere influenced by expectation to stimulus economic policy by new government and easy monetary policy by Central Bank of Japan, never the less initially economic activities were slow followed by sluggish overseas economic activities.

Under these sluggish economic atmospheres in domestics and overseas, our group has endeavored to get profit with promoting the proposed type of marketing of high value-added products mainly to Asian countries which are slowly but basically growing.

As a result, our business result of consolidated this financial period, sales amounted to ¥15,048 million (21.6% increased compared to the previous corresponding financial period), operating income marked ¥381 million (110.2% increased compared to the previous corresponding financial period), ordinary income marked ¥311 million (107.2% increased compared to the previous corresponding financial period), net income marked ¥194 million (43.5% decreased compared to the previous corresponding financial period)

Each segment result was as follows.

(Industrial electronics related segment)

Regarding the hard disk related business, we have endeavored to promote the sales of Burnishar, UV curing and conveyor automatic machines therefore business went stably, despite of severe business atmosphere under the circumstances that consumers' demand for pc with hard disc moved to ultra book tablet type with SSD.

Regarding the semiconductor related business, at the beginning of period demand of semiconductor for automobile and home electronics appliances was stable but gradually over manufacturing capacity was realized, new capital investments for semiconductor were postponed and our business went slow.

Regarding the liquid crystal manufacturing related equipments business, sales of annealing equipment, which improve the panel film quality for smartphone and tablet pc, were increased but setting up cost of sold equipments was increased and finally profit was not increased.

Regarding the heat treatment equipments, sales of the equipments of manufacturing the parts for smartphone and tablet pc were stable but new capital investments for automobile manufacturing industry were postponed, and sales of the related equipments were slow therefore total business went slow.

Regarding solar cell manufacturing related equipments, initially the sales were projected to increase because of expectation that renewable energy related capital investments would be aggressive. But because of decreasing European panel demand, addition to that, down of panel price followed by over stock, new capital investment were restrained and our business went slow.

As these results, this segment sales amounted to ¥13,751 million (23.1% increased compared to the previous corresponding financial period) and operating income marked ¥678 million (32.6% increased compared to the previous corresponding financial period).

(Cleaning related business)

We, despite of the worse business atmosphere such as declining cleaning demand and shrinking business size, have endeavored to get profit with strengthening our domestic and overseas sales forces.

As a result, this segment sales amounted to ¥1,297million (7.5% increased compared to the previous corresponding financial period) and operating income marked ¥189 million (31.9%increased compared to the previous corresponding financial period)

## ②Forecast of the following financial year

Notwithstanding fear of long term economic sluggish in Europe by retrenchment finance, we expect that world economic condition from now on will be generally recovered because economic activities in the United States is now on the way to recovery and we expect that economic growth rate of Peoples Republic of China and developing countries will be low but steadily going up. In Japan, we expect that corporate business results will recover stably by the effect of government aggressive economic stimulus measures but atmosphere that there is no knowing will last on because of fear of influence of Europe's sluggish economy, rebreak out of reduction of government annual expenditures issues in US, raw material cost up by sudden weak yen rate and little growth of individual consumption.

Under these business circumstances, our group will aim to realize "To establish corporate culture as profitable company and expand corporate size". We attempt to develop and sell the equipments which support the realization of smart-city and we expand products line up such as high-density plasma etching equipment applicable to 4K and 8K, annealing equipments applicable to IGZO, burnishar equipments applicable to high capacity hard disc for data center use and razor scribe equipments for manufacturing of touch panel. And we attempt to expand sales of solar cell manufacturing related equipments and to co modify FEL lamp in early stage. Our group intend to try aggressively penetrate into Chinese and Asian market and to reduce the cost price, operating expenses and to receive orders and increase profit.

For the following consolidated financial year, net sales are expected to mark ¥17,000 million, operating income is expected to mark ¥800 million, ordinary income is expected to mark ¥750 million and net income is expected to mark ¥400 million.

## (2) Analysis of financial conditions

### ①Conditions of assets, liabilities and net assets

Current assets as of end of this consolidated financial year stood at ¥16,878 million decreased by ¥3,385 million compared to the previous consolidated financial year end. Main increased items were securities by ¥854 million and the decrease was mainly due to decrease of work in process by ¥2,603million, cash and deposit by ¥691 million and trade note and accounts receivable by ¥595 million. Non current assets amounted to ¥4,500 million increased by ¥28 million compared to the previous consolidated financial year end. The main factor was increase of Investments and other assets assets by ¥25 million.

As a result, total assets as of end of this consolidated financial year stood at ¥21,379 million decreased by ¥3,356 million compared to the previous consolidated financial year end.

Current liabilities as of end of this consolidated financial year stood at ¥6,776 million decreased by ¥3,238 million compared to the previous consolidated financial year end. The decrease was mainly due to decrease of advances received by ¥2,354 million, decrease of notes and account payable-trade by ¥838 million and decrease of short-term loans payables by ¥91 million. Non current liabilities amounted to ¥3,554 million decreased by ¥227 million compared to the previous consolidated financial year end. The main factors were decrease of long-term loans payable by ¥158 million and decrease of bonds payable by ¥106 million.

As a result, total liabilities as of end of this consolidated financial year stood at ¥10,331 million decreased by ¥3,465 million compared to the previous consolidated financial year end.

(Net assets)

Total net assets as of end of this consolidated financial year amounted to ¥11,047 million increased by ¥109 million compared to the previous consolidated financial year end. The increase was mainly due to increase of foreign currency translation adjustment by ¥82 million and increase of retained earnings by ¥15 million.

As a result, equity ratio at the end of this consolidated financial year came to 50.9% and net assets per share came to ¥1,220.96.

## ②Condition of Cash Flow

Cash and cash equivalent at the end of this financial year was increased by ¥123 million compared to the end of the previous corresponding financial year to ¥8,761 million.

(Cash flow from operating activities)

Cash flow from operating activities was positive ¥631 million compared to positive ¥1,760 million in the previous financial year. The main positive factors were a ¥2,462 million decrease in inventories, a ¥664 million decrease in trade receivable, a ¥340 million decrease in prepaid consumption tax, ¥304 million in earning before income tax, ¥291 million in depreciation and others. The main negative factors were a ¥2,358 million decrease in advances received, a ¥902 million decrease in trade payable, ¥150 million in foreign currency exchange loss and others.

(Cash flow from investing activities)

Cash flow from investing activities was negative ¥107 million compared to positive ¥245 million in the previous financial year. The main positive factors were ¥123 million in proceeds from drawing of time deposit and others. The main negative factors were ¥177 million in payment for establishment of time deposit, ¥61 million in payment for acquisition of fixed tangible asset and others.

(Cash flow from financing activities)

Cash flow from financing activities was negative ¥602 million compared to positive ¥131 million in the previous financial year. The main negative factors were ¥178 million in payment for dividends, a ¥159 million decrease in outstanding balance of long-term borrowings, a ¥140 million decrease in redemption of bonds, a ¥108 million decrease in short term borrowings and others.

(Trend of cash flow related indicators)

Cash flow related indicators of our group are as follows

	Financial year ended Mar.31 2009	Financial year ended Mar.31 2010	Financial year ended Mar.31 2011	Financial year ended Mar.31 2012	Financial year ended Mar.31 2013
Equity ratio	63.6%	60.5%	59.1%	43.6%	50.9%
Equity ratio at market Value	16.7%	39.4%	35.5%	24.3%	21.8%
Interest-bearing debt to cash flow ratio (yearly rate)	0.8%	8.8%	1.5%	2.5%	6.4%
Interest coverage ratio (times)	72.7	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 flow from operating activities corresponds to the cash flow from operating activities in the consolidated statement of cash flow. 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 flow.

### **(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 10yen 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. ,7 subsidiaries and one equity method affiliate and mainly engaging in the business of developing, drawing, manufacturing, selling and maintenance service.

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 equipments and flat emission lamp.	
	Hard disc related equipments, 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 equipments/precision heat treatment equipments	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 equipments	Y.A.C. Co., Ltd. YAC Korea Co., Ltd. YAC(Shanghai) International Trade Co., Ltd
	Flat emission lamp emitter	Y.A.C. Co., Ltd. ND Material 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 Policy**

#### **(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 15% of operating income to net sales as a mid term 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 costumers' needs and utilizing long term stacked technology.

Especially in the field of industrial electronics business, we endeavor to expand our market 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 shredded as major devices for internet connecting, which require the higher quality of crystal liquid panel and the higher processing capability. We think that paralely 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 R&D activities

We strengthen the unity between division and division in order to respond to diversified customers needs and continue of developing activities 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 burnishar equipments and razor scriber equipments in hard disc business and cope with commercializing FEL lamp and developing environmentally friendly products like solar cell manufacturing equipments.

##### ② 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.

##### ③ To reconstruct manufacturing system

In order to respond to destabilization of raw material procurement accompanied by the politics and economic atmosphere change, always changing management atmosphere and diversified customer's needs, we will endeavor to construct a flexible manufacturing system supported by cooperating 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, 2012)	This financial period (Mar.31, 2013)
<b>(Assets)</b>		
Current assets		
Cash and deposits	8,733,811	8,041,953
Trade note and accounts receivable	4,335,951	3,740,033
Securities	-----	854,354
Merchandise and finished goods	114,186	140,322
Work in process	6,106,962	3,503,544
Raw materials and supplies	371,756	299,348
Deferred income taxes	279,171	203,027
Others	327,768	98,501
Allowance for doubtful accounts	-5,219	-2,167
Total current assets	20,264,388	16,878,917
<b>Non current assets</b>		
<b>Tangible fixed assets</b>		
Building and structures	2,254,100	2,262,950
Accumulated depreciation	-1,629,630	-1,687,877
Building and structures(net)	624,469	575,072
Machinery, equipment and vehicles	212,540	224,700
Accumulated depreciation	-187,685	-198,563
Machinery, equipment and vehicles(net)	24,855	26,136
Tools, equipment and fixtures	1,319,548	1,579,778
Accumulated depreciation	-1,092,049	-1,246,482
Tools, equipment and fixtures(net)	227,499	333,296
Land	2,374,622	2,374,622
Leased assets	54,681	69,051
Accumulated depreciation	-31,372	-43,641
Leased assets(net)	23,308	25,410
Construction in progress account	601,753	538,671
Total tangible fixed assets	3,876,509	3,873,209
<b>Intangible assets</b>		
Goodwill	57,220	53,190
Patent rights	3,000	-----
Soft wares	48,626	48,240
Leased assets	3,990	18,379
Telephone subscription rights	13,316	13,562
Total intangible assets	126,154	133,372
<b>Investments and other assets</b>		
Investment in securities	143,222	152,649
Long-term lending	58	230
Differed income taxes	212,333	203,920
Long-term retention receivables	68,209	68,395
Others	123,064	146,900
Allowance for doubtful accounts	-78,209	-78,395
Total investments and other assets	468,679	493,701
Total non current assets	4,471,342	4,500,282
Total assets	24,735,730	21,379,200

(Thousands of yen)

	The previous financial period (Mar. 31, 2012)	This financial period (Mar. 31, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and account payable-trade	5,607,967	4,769,362
Short-term loans payable	1,259,750	1,168,433
Current portion of bonds payable	140,880	106,510
Leas obligations	12,249	17,051
Income taxes payable	20,774	18,135
Provision for bonuses	162,341	138,108
Provision for product warranties	50,498	29,454
Expense payable	248,425	285,208
Advances received	2,442,522	87,971
Others	69,731	156,547
Total current liabilities	10,015,139	6,776,834
<b>Fixed liabilities</b>		
Bonds payable	1,106,510	1,000,000
Long-term loans payable	1,900,371	1,741,768
Lease obligations	16,400	29,046
Deferred tax payable	65,796	66,964
Provision for retirement benefits	637,048	676,092
Provision for directors' retirement benefits	55,655	40,595
Total fixed liabilities	3,781,782	3,554,467
Total liabilities	13,796,921	10,331,301
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,756,680	2,756,680
Capital surplus	3,582,276	3,582,276
Retained earnings	5,287,754	5,303,375
Treasury stock	-646,148	-646,176
Total shareholders' equity	10,980,563	10,996,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	4,262	16,155
Foreign currency translation adjustment	-204,634	-122,273
Total accumulated other comprehensive income	-200,372	-106,118
Minority interests	158,617	157,860
Total net assets	10,938,808	11,047,898
Total liabilities and net assets	24,735,730	21,379,200

## (2) Consolidated statements of income and comprehensive income

### (Consolidated Statements of Income)

(Thousands of yen)

	The previous corresponding period. (Apr.1, 2011 to Mar.31, 2012)	This financial year (Apr.1, 2012 to Mar.31, 2013)
Net sales	12,378,330	15,048,656
Cost of sales	9,878,595	12,452,331
Gross profit	2,499,734	2,596,324
Selling, g&a expenses		
Salary & directors' compensation	809,742	852,755
Provision for bonuses	51,812	45,685
Fringe benefit expenses	34,706	34,061
Rent expenses	75,981	76,398
Outsourcing expenses	56,517	57,514
R&D expenses	361,883	302,444
Depreciation	134,671	162,165
Others	792,797	683,543
Total selling, g&a expenses	2,318,113	2,214,569
Operating income (loss)	181,620	381,755
Non-operating income		
Interest income	4,240	4,713
Dividends income	1,934	2,396
Rents income	11,951	12,075
Insurance premium income	347	6,825
Subsidies Income	11,545	1,502
Refund of Trade Duty	3,912	3,786
Others	4,333	1,711
Total non-operating income	38,265	33,010
Non-operating expenses		
Interest expenses	40,174	36,640
Foreign exchange losses	14,623	60,565
Factoring fees	69	181
Bond Issuance Cost	5,724	-----
Equity in losses of affiliates	989	863
Others	8,040	5,165
Total non-operating losses	69,622	103,417
Ordinary income (loss)	150,264	311,348

**(Consolidated Statements of Income)**

(Thousands of Yen)

	<b>The previous corresponding period. (Apr.1, 2011 to Mar.31, 2012)</b>	<b>This financial year (Apr.1, 2012 to Mar.31, 2013)</b>
Extraordinary income		
Income on negative goodwill	255,207	70
Total extraordinary income	255,207	70
Extraordinary loss		
Losses on disposal of fixed assets	10,829	6,523
Losses on evaluation of membership right	7,600	-----
Losses related to step acquisitions	49,513	-----
Total extraordinary loss	67,943	6,523
Income (loss) before income tax	337,528	304,894
Income taxes	32,154	28,373
Income tax adjustment	-121,366	80,896
Total income tax	-89,212	109,269
Income (loss) before minority interests	426,740	195,625
Minority interests	83,665	1,617
Net income (loss)	343,074	194,007

**(Consolidated Statements of Comprehensive Income)**

(Thousands of yen)

	<b>The previous corresponding period (Apr.1, 2011 to Mar.31, 2012)</b>	<b>This financial year (Apr.1, 2012 to Mar. 31, 2013)</b>
Income (loss) before minority interests	426,740	195,625
Other comprehensive income		
Valuation difference on available for sale securities	-5,225	12,430
Foreign currency translation adjustment	-4,445	82,361
Total other comprehensive income	-9,671	94,791
Comprehensive income	417,068	290,416
(Breakdown)		
Comprehensive income attributable to owners	333,815	288,261
Comprehensive income attributable to minority interests	83,253	2,155

## (3) Consolidated Statements of Changes in Net Assets

(Thousands of ¥)

	<b>The Previous Corresponding Period</b> (Apr.1, 2011 to Mar.31, 2012)	<b>This Financial Period</b> (Apr.1, 2012 to Mar.31, 2013)
<b>Shareholders' Equity</b>		
Capital Stock		
Balance at beginning of period	2,756,680	2,756,680
Balance at end of period	2,756,680	2,756,680
<b>Capital Surplus</b>		
Balance at beginning of period	3,582,276	3,582,276
Balance at end of period	3,582,276	3,582,276
<b>Retained Earnings</b>		
Balance at beginning of period	5,126,850	5,287,754
Changes during the period		
Payout of retained earning	-182,170	-178,386
Net income	343,074	194,007
Net changes during period	160,904	15,621
Balance at end of period	5,287,754	5,303,375
<b>Treasury Stock</b>		
Balance at beginning of period	-376,106	-646,148
Changes during period		
Acquisition of treasury stock	-270,042	-28
Net Changes during Period	-270,042	-28
Balance at end of Period	-646,148	-646,176
<b>Total Shareholders' Equity</b>		
Balance at beginning of period	11,089,701	10,980,563
Changes during the period		
Payout of retained earning	-182,170	-178,386
Net income	343,074	194,007
Acquisition of treasury stock	-270,042	-28
Changes during period	-109,137	15,592
Balance at end of Period	10,980,563	10,996,156
<b>Accumulated Other Comprehensive Income</b>		
Valuation difference on available for sale securities		
Balance at beginning of period	9,076	4,262
Changes during period		
Net changes except shareholders' equity	-4,813	11,892
Net changes during period	-4,813	11,892
Balance at end of period	4,262	16,155
<b>Foreign currency translation adjustment</b>		
Balance at beginning of period	-200,188	-204,634
Changes during period		
Net changes except shareholders' equity	-4,445	82,361
Net changes during period	-4,445	82,361
Balance at end of period	-204,634	-122,273

	<b>The Previous Corresponding Period</b> (Apr.1, 2011 to Mar.31, 2012)	<b>This Financial Period</b> (Apr.1, 2012 to Mar.31, 2013)
Total accumulated other comprehensive income		
Balance at beginning of period	-191,112	-200,372
Changes during period		
Net changes except shareholders' equity	-9,259	94,253
Net changes during period	-9,259	94,253
Balance at end of period	-200,372	-106,118
Minority Interest		
Balance at beginning of period	-----	158,617
Changes during period		
Net changes except shareholders' equity	158,617	-756
Net changes during period	158,617	-756
Balance at end of period	158,617	157,860
Total Net Assets		
Balance at beginning of period	10,898,588	10,938,808
Changes during period		
Payout of retained earning	-182,170	-178,386
Net incomer	343,074	194,007
Acquisition of treasury stock	-270,042	-28
Net changes except shareholders' equity	149,358	93,497
Net changes during period	40,220	109,089
Balance at end of period	10,938,808	11,047,898



**(4)Consolidated cash flows-1**

	<b>The Previous Corresponding Period (Apr.1, 2011 to Mar.31, 2012)</b>	<b>This Financial Period (Apr.1,2012 to Mar.31, 2013)</b>
<b>1. Cash flow from operating activities</b>		
Earnings/( loss )before income taxes	337,528	304,894
Depreciation and amortization	266,256	291,628
Increase/(decrease) in reserve for retirement and severance benefits	39,095	39,044
Increase/(decrease) in allowance for doubtful accounts	2,099	(2,865)
Interest and dividend revenue	(6,174)	(7,109)
Interest paid	40,174	36,640
Foreign currency exchange loss (income)	17,071	(150,571)
Income on negative goodwill	(255,207)	(70)
Loss(income) related to step acquisition	49,513	-----
Minority interest income (Loss)	989	863
Loss(Income) on disposal of fixed assets	10,829	6,523
(Increase)/decrease in trade receivable	2,427,755	664,391
Increase (decrease) of advances received	2,207,957	(2,358,602)
(Increase)/decrease in inventories	(4,365,970)	2,462,929
Increase/(decrease) in trade payable	1,220,788	(902,108)
Decrease(increase)in prepaid consumption tax	(184,948)	340,756
Others	47,521	(78,268)
Subtotal	1,855,280	648,077
Receipts from interest and dividends	6,435	7,155
Interest paid	(42,889)	(36,817)
Income taxes paid	(82,420)	(23,482)
Refund of paid income tax	24,204	36,306
<b>Cash flow from operating activities</b>	<b>1,760,609</b>	<b>631,238</b>
<b>2. Cash flow from investing activities</b>		
Payment for establishment of time deposit	(234,086)	(177,609)
Proceeds from drawing of time deposit	194,481	123,401
Payment for acquisition of fixed tangible asset	(46,048)	(61,853)
Proceed from sale of fixed tangible asset	811	4,508
Payment for acquisition of soft ware	(27,338)	(13,248)
Proceed from acquisition of subsidiary's stock with changes in specified subsidiaries involving changes in scope of consolidation	598,668	8,624
Payment for acquisition of consolidated subsidiary's stock	(247,500)	-----
Payment for acquisition for investment security	(10,000)	-----
Proceed from distribution of investment association	1,000	7,100
Payment for lending	(1,269)	(3,373)
Proceed from repayment of lending	16,713	4,663
<b>Cash flow from investing activities</b>	<b>245,432</b>	<b>(107,787)</b>

Consolidated cash flows-2

	<b>The previous corresponding period (Apr.1, 2011 to Mar.31, 2012)</b>	<b>This financial period (Apr.1, 2012 to Mar.31,2013)</b>
<b>3. Cash flow from financing activities</b>		
Increase (Decrease) of short term borrowings	8,432	(108,432)
Proceeds from long-term borrowings	1,700,000	1,000,000
Redemption of long term borrowings	(966,748)	1,159,638
Proceeds from bond issuance	294,275	-----
Redemption of bonds	(440,880)	(140,880)
Payment for acquisition of treasury stock	(270,042)	(28)
Payment for acquisition of subsidiary's treasury stock	(88)	(132)
Payment for dividends	(182,170)	(178,386)
Payment for dividends to minority shareholders	-----	(2,709)
Others	(11,698)	(12,197)
<b>Cash flow from financing activities</b>	<b>131,080</b>	<b>(602,403)</b>
4. Effect of exchange rate changes on cash and cash equivalents	(19,562)	202,941
5. Net increase/(decrease) in cash and cash equivalents	2,117,559	123,988
6. Cash and cash equivalents at the beginning of period	6,520,360	8,637,920
7. Cash and cash equivalents at the end of period	8,637,920	8,761,909

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

Not applicable

**(Changes of accounting policy)**

From this financial period, Y.A.C. Co., Ltd. and domestic consolidated group companies changed depreciation method of the tangible fixed assets which we acquired after Apr.1, 2012 to the newly revised version of depreciation method regulated by Corporate Tax Law, following the revision of Corporate Tax Law. Influence to income by this change is a little.

**(Segment Information)**

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 complihensive 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 and energy saving and clean energy related products. "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. Information on amount of sales and income or loss in reportable segment  
The previous corresponding period (Apr. 1, 2011 to Mar.31, 2012)

(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 customers	11,171,698	1,206,631	12,378,330	-----	12,378,330
Intersegment sales and transfers	-----	-----	----	----	-----
Total	11,171,698	1,206,631	12,378,330	-----	12,378,330
Segment income (loss)	511,427	143,623	655,050	(473,429)	181,620
Segment assets	13,876,943	1,144,457	15,021,400	9,714,329	24,735,730
Other items					
Depreciation and amortization	243,831	9,919	253,751	12,505	266,256
Increase in the amount of tangible fixed assets and intangible fixed assets (Note 3)	1,268,897	13,863	1,282,761	550	1,283,311

Notes

1. Segment income (loss) adjustment of (473,429) 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 income (loss) is adjusted with operating income under consolidated statements of income.

3. Increase in the amount of tangible fixed assets and intangible fixed assets includes the book value of YAC Denko Co., Ltd at beginning of period, which is a new consolidated group company.

This financial 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 customer	13,751,221	1,297,434	15,048,656	-----	15,048,656
Intersegment sales and transfers	-----	-----	-----	-----	-----
Total	13,751,221	1,297,434	15,048,656	-----	15,048,656
Segment income (loss)	678,253	189,393	867,647	(485,892)	381,755
Segment assets	10,591,046	1,263,879	11,854,925	9,524,274	21,379,200
Other items					
Depreciation and amortization	271,520	10,672	282,192	9,004	291,197
Increase in the amount of tangible fixed assets and intangible fixed assets	304,815	11,944	316,759	4,795	321,555

Notes

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

### (Informations on Share)

(Yen)

	The previous corresponding financial period (Apr.1, 2011 to Mar.31, 2012)	This financial year (Apr.1, 2012 to Mar.31, 2013)
Net assets per share	1,208.63	1,220.96
Net income per share	37.77	21.75

Notes

1. The figure of net income per share-diluted is not described because there are no diluted shares.
2. Calculation base of net income per share is as follows

	The previous corresponding financial period (Apr.1, 2011 to Mar.31, 2012)	This financial year (Apr.1, 2012 to Mar.31, 2013)
Net income(Thousands of yen)	343,074	194,007
Amount not attributable to shareholders of ordinary stocks (Thousands of yen)	-----	-----
Net income attributable to ordinary stocks (Thousands of yen)	343,074	194,007
Average number of shares issued during financial period (Thousands of share)	9,083	8,919

**(Important Subsequent Events)**

Not applicable.