

Consolidated Financial Review

For the 1st Quarter Ended Jun. 30, 2015 [Japanese GAAP]



Aug. 10, 2015

Listed Market: TSE 1st Section

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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 1st quarter ended Jun.30, 2015 (4/01/2015—6/30/2015)

(Percentage is the rate of increase or decrease from the previous corresponding period)

(1) Consolidated operating results

(Millions of yen)

	Net sales		Operating Income		Ordinary Income		Net Income attributable to owners of parent	
	Mil yen	%	Mil yen	%	Mil yen	%	Mil yen	%
Three months ended Jun.30, 2015	4,695	147.09	217	---	220	---	106	---
Three months ended Jun. 30, 2014	1,900	-52.6	-355	---	-374	---	-308	---

Note: Comprehensive income

Three months ended Jun. 30, 2015 ¥164 million (--- %)
 Three months ended Jun. 30, 2014 ¥316 million (--- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2015	11.95	11.88
Three months ended Jun. 30, 2014	-34.57	---

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil yen	Mil yen	%
Jun. 30, 2015	27,035	13,845	50.4
Mar. 31, 2015	24,707	13,767	54.9

Note: Equity

As of Jun. 30, 2015 ¥13,612 million
 As of Mar. 31, 2015 ¥13,566 million

2. Cash Dividends

	Cash dividend per share				
	The 1st quarter	The 2nd quarter	The 3 rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	---	10.00	---	10.00	20.00
Fiscal year ending Mar. 31, 2016	---				
Fiscal year ending Mar. 31, 2016 (forecast)		10.00	---	10.00	20.00

Note: Revision of cash dividends in year under review: None

3. Corporate estimates for the year ending March 31, 2016 (4/01/2015-3/31/2016)

(Percentage is the rate of increase or decrease from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Mill. Yen	%	Mill Yen	%	Mill. Yen	%	Mill Yen	%	Yen
6 months ending Sep. 30, 2015	10,000	52.1	460	---	500	---	300	---	33.64
Fiscal year ending Mar. 31, 2016	23,500	41.4	1,200	52.4	1,250	29.3	750	17.2	84.09

Note: Revision of corporate estimate in year under review: None

Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):
None

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) 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 : None
- ④ Retrospective restatement : None

Please refer to page 5, 2. Summary information (Notes) (2) Changes of accounting policies, changes in accounting estimates and retrospective restatement.

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

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

As of Jun. 30, 2015:	9,674,587 shares	As of Mar. 31, 2015:	9,674,587 shares
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② Number of treasury stock as of end of period

As of Jun. 30, 2015:	755,397 shares	As of Mar. 31, 2015:	755,397 shares
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③ Average number of issued shares outstanding

Three months ended Jun. 30, 2015:	8,919,190 shares	Three months ended Jun. 30, 2014:	8,919,190 shares
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*Indication of quarterly review procedure implementation status

This quarterly financial report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Law and remain incomplete the time of disclosure of 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 5" (3) Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

Table of Contents

1. Qualitative Information, Financial Statements	
(1) Qualitative information regarding the status of consolidated business results	4-5
(2) Qualitative information regarding changes in consolidated financial position	5
(3) Qualitative information regarding consolidated business results forecasts	5
2. Summary Information (Notes)	
(1) Changes in significant consolidated subsidiaries.	5
(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement:	5
3. Consolidated Financial Information as of ended Jun.30, 2015	
(1) Consolidated Balance Sheets	6-7
(2) Consolidated Statements of Income and Comprehensive Income	
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
(3) Notes on consolidated financial information	
(Notes Concerning Going Concern Assumption)	10
(Notes Concerning Major Changes in Shareholders Equity)	10
(Segment Information)	10

1. Qualitative Information, Financial Statements

(1) Qualitative information regarding the status of consolidated business results

During the three months started from Apr.1, 2015, in the U.S.A. economy recovery basic tone continues moderate instead and people are seeking the timing of interest rate raise. On the other hand, there are unpredictable issues such as debt problem in Greece and a sense of caution for slowdown of economy growth speed in P.R.C. But totally economy has been recovering at the period.

And in Japan, because of progressing weak yen and stock price hike backed by government economic policy, sign of economy recovery were seen in corporate business results, employment situation and individual consumption, Japanese economy has been slowly recovering. Under these economic atmospheres, our group has endeavored to spread its business to Asia countries where keep on growing slowly instead with concentrating for developing high value-add products which grasp costumers' needs.

As a result, our business result of consolidated this three months period, net sales amounted to ¥4,695 million (147.1% increased compared to the same period of the previous year), operating income marked ¥217 million (the same period of the previous year marked loss ¥355 million), ordinary income marked ¥220 million (the same period of the previous year marked loss ¥374 million), net income attributable to owners of parent marked ¥106 million (the same period of the previous year marked loss ¥308 million)

Each segment result was as follows.

As of this financial period, we have changed reportable segment classification and segment information of the previous corresponding period is the one made by changed new classification. (Display related business)

Sales of wet etching equipment and heating equipment for panel manufacturing, which are used for manufacturing of flat panel for smart phone and tablet PC, has been vastly increased mainly for P.R.C. and business went well.

As a result, net sales of display related business amounted to ¥3,145 million (232.8% increased compared to the same period of the previous year) and segment income marked ¥393 (the corresponding period of the previous year marked loss ¥20 million).

(Mechatronics related business)

Sales of new burnisher equipment applicable for high recording density has been well.

Addition to that, we could get a big order of IC test handler. And loss was vastly decreased supported by stable demand for new capital investment of electric power business.

As a result, net sales of mechatronics related business amounted to ¥1,282 (76.9 % increased compared to the same period of the previous year) and segment loss marked ¥1 million (the corresponding period of the previous year marked loss ¥186million)

(Cleaning related business)

Domestic demand for new capital investment has been declining and business went the same as previous period.

As a result, this segment sales amounted to ¥268 million (16.3% increased compared to the corresponding period of the previous year) and segment loss marked ¥26 million (the corresponding period of previous year marked loss ¥12 million)

(2) Qualitative information regarding changes in consolidated financial position

(Assets)

Current assets as of Jun 30, 2015 stood at ¥20,912 million increased by ¥1,407 million compared to the previous financial year end. The main factors were increase of work in process by ¥1,225 million, trade notes and account receivables by ¥506 million, cash and deposit by ¥499 million and a decrease of securities by ¥946 million.

Non current assets amounted to ¥6,122 million increased by ¥920 million compared to the previous financial year end. A main increase was investment in securities by ¥976 million.

As a result, total assets as of Jun. 30, 2015 stood at ¥27,035 million increased by ¥2,327 million compared to the previous financial year end.

(Liabilities)

Current liabilities as of Jun. 30, 2015 stood at ¥9,394 million increased by ¥2,416 million compared to the previous financial year end. The main increase was notes and accounts payable-trade by ¥1,741 million, short term loans payable by ¥475 million and expense payable by ¥175 million.

Fixed liabilities as of Jun. 30, 2015 stood at ¥3,795 million decreased by ¥166 million compared to the previous financial year end. The main factor is a decrease of long-term loans payable by ¥117 million.

As a result, total liabilities as of Jun.30, 2015 stood at ¥13,190 million increased by ¥2,250 million compared to the previous financial year end.

(Net assets)

Total net assets as of Jun. 30, 2015 amounted to ¥13,845 million increased by ¥77 million compared to the previous financial year end. As a result, equity ratio at the end of the 1st quarter came to 50.4 % (the previous financial year end was 54.9 %).

(3) Qualitative information regarding consolidated business results forecasts

Consolidated twelve month business result forecasts ending at Mar.31, 2016 is the same as consolidated business results forecast which announced on May. 15, 2015.

2. Summary Information (Notes)

(1) Changes in significant consolidated subsidiaries.

None

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

(Adoption of accounting standards for Revised Accounting Standard for Business Combinations”)

The Company adopted the “Revised Accounting Standard for Business Combinations” (Accounting Standard Board of Japan (ASBJ) Statement No. 21 of September 13, 2013, hereinafter referred to as the “Business Combinations Accounting Standard”), the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of September 13, 2013, hereinafter referred to as the “Consolidated Financial Statements Accounting Standard”) and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 of September 13, 2013, hereinafter referred to as the “Business Divestitures Accounting Standard”) as of the first quarter of this fiscal year.

In consequence, the differences arising from the changes in the equity portion for the subsidiaries the Company continues to control are recognized in capital surplus, and costs associated with the acquisition are treated as expenses in the fiscal year in which they incurred. Additionally, for business combinations that are implemented after the beginning of the first quarter of this fiscal year, the revision of acquisition costs allocation due to determination of provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarter in which the business combination occurred.

Furthermore, the Company changed the method of presenting quarterly net income and moved “Minority interests” to “Non-controlling interests.”

In order to reflect these changes in representation, the Company reclassified its quarterly consolidated financial statements for the first quarter of the previous fiscal year and consolidated financial statements for the previous fiscal year.

The Company applied these standards in accordance with the transitional treatment prescribed in Section 58-2 (4) of the Business Combinations Accounting Standard, Section 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Section 57-4 (4) of the Business Divestitures Accounting Standard, and continue to apply these standards from the beginning of the first quarter of this fiscal year into the future.

The effect of these changes in accounting policies had no effect on the quarterly consolidated financial statements for the first quarter of this fiscal year.

3. Consolidated financial information

(1) Consolidated Balance Sheets

(Thousands of yen)

	The previous financial year end (Mar. 31, 2015)	This financial period (Jun. 30, 2015)
(Assets)		
Current assets		
Cash and deposits	7,211,589	7,710,781
Trade note and accounts receivable	7,077,799	7,584,217
Securities	1,035,126	88,214
Merchandise and finished goods	147,213	214,989
Work in process	2,788,163	4,013,607
Raw materials and supplies	636,700	674,441
Deferred income taxes	241,050	381,047
Others	378,805	257,165
Allowance for doubtful accounts	-11,560	-12,068
Total current assets	19,504,887	20,912,396
Non current assets		
Tangible fixed assets		
Buildings and structures	2,705,236	2,721,454
Accumulated depreciation	-1,988,841	-2,019,122
Building and structures(net)	716,395	702,331
Machinery, equipment and vehicles	354,276	379,224
Accumulated depreciation	-269,233	-299,435
Machinery, equipment and vehicles(net)	85,042	79,789
Tools, equipment and fixtures	2,381,058	2,401,678
Accumulated depreciation	-2,059,828	-2,096,669
Tools, equipment and fixtures(net)	321,229	305,008
Land	2,568,122	2,568,122
Leased assets	39,064	41,722
Accumulated depreciation	-17,237	-19,057
Leased assets(net)	21,827	22,664
Construction in progress	542,788	551,312
Total tangible fixed assets	4,255,405	4,229,228
Intangible assets		
Good will	90,753	80,296
Soft wares	38,912	58,956
Leased assets	28,433	26,201
Telephone subscription rights	18,638	18,638
Patent license	155,000	143,000
Others	31,407	11,835
Total intangible assets	363,145	338,928
Investments and other assets		
Investment in securities	203,071	1,179,402
Long-term lending	92,713	79,235
Differed income taxes	176,458	178,348
Long-term retentions receivable	68,168	68,168
Others	140,511	146,443
Allowance for doubtful accounts	-96,768	-96,948
Total investments and other assets	584,156	1,554,648
Total non current assets	5,202,707	6,122,806
Total assets	24,707,595	27,035,203

(Thousands of yen)

	The previous financial year end. (Mar. 31, 2015)	This financial period (Jun. 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,588,992	5,330,534
Short-term loans payable	1,576,688	2,052,434
Current portion of bonds payable	700,000	700,000
Lease obligations	16,480	16,786
Income taxes payable	265,050	204,885
Provision for bonuses	217,935	139,561
Provision for products warranty	89,241	124,886
Expense payable	248,468	423,494
Advances received	779	93,450
Others	273,968	308,383
Total current liabilities	6,977,604	9,394,417
Fixed liabilities		
Bonds payable	300,000	300,000
Long-term loans payable	2,430,465	2,312,687
Expense payable long term	218,228	164,799
Lease obligations	36,351	34,603
Deferred tax payable	71,747	74,681
Provision for director's retirement benefits	55,570	57,461
Obligations related to retirement benefits	821,345	823,026
Others	28,436	28,437
Total fixed liabilities	3,962,144	3,795,697
Total liabilities	10,939,748	13,190,115
Net assets		
Shareholders' equity		
Capital stock	2,756,680	2,756,680
Capital surplus	3,582,276	3,582,276
Retained earnings	7,838,790	7,856,211
Treasury stock	-646,220	-646,220
Total shareholders' equity	13,531,527	13,548,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,057	67,142
Foreign currency translation adjustment	-30,564	-10,509
Pension liability adjustments	6,875	6,926
Total accumulated other comprehensive income	35,367	63,559
Subscription rights to shares	23,631	27,386
Non controlling interests	177,319	205,194
Total net assets	13,767,846	13,845,088
Total liabilities and net assets	24,707,595	27,035,203

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

(Thousands of yen)

	The previous corresponding period (Apr.1, 2014 to Jun. 30, 2014)	Three months ended Jun. 30, 2015 (Apr. 1, 2015 to Jun. 30, 2015)
Net sales	1,900,510	4,695,963
Cost of sales	1,493,378	3,562,150
Gross profit	407,131	1,133,812
Selling, g&a expenses		
Salary & directors' compensation	317,991	362,781
Provision for bonuses	26,785	32,780
Fringe benefit expenses	16,549	19,054
Rent expenses	28,198	31,061
Outsourcing expenses	10,355	25,303
R&D expenses	62,637	59,874
Depreciations	43,865	56,563
Others	256,448	329,385
Total selling, g&a expenses	762,830	916,805
Operating income(loss)	-355,698	217,007
Non-operating income		
Interest income	4,249	1,509
Dividends income	1,225	1,208
Foreign exchange gains	---	21,329
Rents income	2,739	3,040
Others	3,276	1,462
Total non-operating income	11,490	28,548
Non-operating expenses		
Interest expenses	8,101	8,818
Foreign exchange losses	20,331	---
Factoring fee	17	---
Equity in loss of affiliates	250	13,706
Others	1,714	2,229
Total non-operating losses	30,414	24,754
Ordinary income(loss)	(374,622)	220,801
Extraordinary income		
Income on disposal of fixed assets	165	---
Total extraordinary income	165	---
Extraordinary loss		
Losses on disposal of fixed assets	13	1
Total extraordinary loss	13	1
Income(Loss) before income tax	(374,470)	220,800
Income taxes	8,620	227,878
Income tax adjustment	--66,884	-143,358
Total income tax	-58,264	84,519
Income(Loss)before minority interests	(316,206)	136,280
Net income attributable to non controlling interests	(7,878)	29,667
Net income attributable to owners of parent (loss)	(308,328)	106,612

Consolidated statements of comprehensive income

(Thousands of yen)

	The previous corresponding period (Apr.1, 2014 to Jun.30, 2014)	Three months ended Jun. 30, 2014 (Apr.1, 2015 to Jun. 30, 2015)
Income(Loss) before minority interests	(316,206)	136,280
Other comprehensive income		
Valuation difference on available-for sale securities	3,251	8,546
Foreign currency translation adjustment	-2,670	20,055
Pension liability adjustments	-612	50
Total other comprehensive income	-31	28,653
Comprehensive income	-316,237	164,933
(comprehensive income attribute to)		
Owners of parent	-308,523	134,804
Non controlling interests	-7,714	30,129

(3)Notes on consolidated financial information.**(Notes concerning going concern assumption.**

None

(Notes Concerning Major Changes in Shareholders Equity)

None

(Segment Information and others)**[Segment information]**

I . The previous corresponding period (Apr. 1, 2014 to Jun. 30, 2014)

1. Information on sales and income or loss in reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment Note 1	Posted on consolidated statement of income Note 2
	Display related business	Mechatroni cs related business	Cleaning related & other business			
Sales						
Sales to outside costumer	945,244	724,740	230,525	1,900,510	---	1,900,510
Intersegment sales and transfers	---	---	---	---	---	---
Total	945,244	724,740	230,525	1,900,510	---	1,900,510
Segment income (loss)	(20,566)	(186,808)	(12,896)	(220,270)	(135,427)	(355,698)

Notes

1. Segment income (loss) adjustment of (¥135,427 thousand) is the corporate expenses not apportioned in each reportable segment. Corporate expenses mainly comprise the headquarters' general and administrative expenses.

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

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets: None

Significant changes in goodwill amount: None

Significant income related to negative goodwill: None

II. This financial period (Apr. 1, 2015 to Jun.30, 2015)

1. Information on sales and income or loss in reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment Note 1	Posted on consolidated statement of income Note 2
	Display related business	Mechatronics related business	Cleaning related & other business			
Sales						
Sales to outside customer	3,145,516	1,282,400	268,046	4,695,963	---	4,695,963
Intersegment sales and transfers	---	---	---	---	---	---
Total	3,145,516	1,282,400	268,046	4,695,963	---	4,695,963
Segment income (loss)	393,190	(1,444)	(26,577)	365,167	(148,160)	217,007

Notes

1. Segment income (loss) adjustment of (¥148,160 thousand) is the corporate expenses not apportioned in each reportable segment. Corporate expenses mainly comprise the headquarters' general and administrative expenses.
2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets: None
 Significant changes in goodwill amount: None
 Significant income related to negative goodwill: None

3. Changes of reportable segments

As of the first quarter of this financial year, we have changed reportable segment classification from the previous two categories such as "Industrial electronics related business" and "Cleaning related business" to present three categories such as "Display related business", "Mechatronics related business" and "Cleaning related and other business".

Segment information of the previous corresponding period is the one made by changed new classification.