

## SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

### Financial Results for the First Two Quarters (April 1 to September 30, 2011) of the Fiscal Year Ending March 31, 2012

November 4, 2011

**Company Name: Yamaichi Electronics Co., Ltd.**

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

President : Shunji Orita

Managing Director : katsuchi kato Tel: (03)3778-6111

Scheduled date of securities report submission: November 14, 2011

Scheduled date of dividend payment commencement:

Supplementary materials for the quarterly financial statements: Yes

Presentation to explain for the quarterly financial statements: Yes

### 1. Consolidated Financial Results (April 1 to September 30, 2011) for the Fiscal Year Ending March 31, 2012

#### (1) Consolidated Operating Results (aggregated)

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

	Net Sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters ended September 30, 2011	11,800	△23.6	△111	—	△478	—	△694	—
September 30, 2010	15,444	66.5	1,406	—	870	—	797	—

Note: Comprehensive income First two quarters ended September 30, 2011 ¥△1,062 million (—%)

First two quarters ended September 30, 2010 ¥387million (—%)

	Net profit per share	Diluted net profit per share
First two quarters ended September 30, 2011	Yen △29.81	Yen —
September 30, 2010	40.54	—

#### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	27,349	15,673	57.2
As of March 31, 2011	28,330	16,736	59.0

Reference: Shareholders' equity as of September 30, 2011: ¥15,653 million as of March 31, 2011: ¥16,716 million.

### 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
Year ended March 31, 2011	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Year ending March 31, 2012	—	0.00			
Forecast: Year ending March 31, 2012			—	—	—

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

### 3. Forecast of Consolidated Operating Results for the year ending March 31, 2012

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

	Net Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Year ending March 31, 2012	24,000 △12.7	10 △99.0	△500 —	△800 —	△34.35

Note: Modifications in forecasts of consolidated operating results from the latest announcement : Yes

#### 4. Other

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

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

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

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

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

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

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of shares outstanding (common stock)

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

September 30, 2011	23,289,775 shares
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March 31, 2011	23,289,775 shares
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2) Number of shares of treasury stock at term end:

September 30, 2011	2,592 shares
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March 31, 2011	2,592 shares
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3) Average number of outstanding shares (during the second quarter ended September 30):

September 30, 2011	23,287,183 shares
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September 30, 2010	19,680,258 shares
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#### \* Status of Performance of Quarterly Review Procedures

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

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

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

## 5. Qualitative Information on Current Quarter Account Settlement

### (1) Qualitative Information on Consolidated Operation Results

In the electronics industry to which the Company Group pertains, circumstances in general shifted severe because of demand recovery from the effect of the Great East Japan Earthquake disaster remaining slower than anticipated in addition to the prolonged strong yen and the global economic slowdown.

Under these operation circumstances the Company Group made efforts for thorough rationalization and cost reduction in addition to gaining orders and sales through new product development and reinforcement of customer-support systems. However, business results fell short of sufficient levels because of loss pileup in the PV solution segment.

As a result, the business results in the current second quarter consolidated cumulative period were sales of 11,800 million yen (down 23.6% from the year-earlier same period), operating loss of 111 million yen (vs. operating profit of 1,406 million yen in the year-earlier same period), ordinary loss of 478 million yen (vs. ordinary profit of 870 million yen in the year-earlier same period) and quarter net loss of 694 million yen (vs. quarter net profit of 797 million yen in the year-earlier same period).

Business results by segments are as follows:

#### [Test Solution Business]

IC socket products for semiconductor testing – the main items of this segment – had slow sale in general because of delays in recovery of semiconductor manufacturers from the effect of the Great East Japan Earthquake disaster. However, flash memory burn-in socket products for some semiconductor manufacturers and test socket products for logic semiconductors had brisk sale thanks to robust demand for tablet PCs and smart phones.

As a result, sales were 3,821 million yen (down 28.1% from the year-earlier same period) and operating profit was 239 million yen (down 67.7% from the year-earlier same period).

#### [Connector Solution Business]

Connector products for compact memory cards and high-speed transmission connector products – the main items of this segment – entered a recovery trend since the summer from the production adjustment resulting from the Great East Japan Earthquake disaster. But the recovery remained at levels below assumptions. Flexible Printed Boards (YFLEX™) cable products had steady sale in the domestic amusement market and car navigation market.

As a result, sales were 5,685 million yen (down 15.1% from the year-earlier same period) and operating profit was 344 million yen (down 54.5% from the year-earlier same period).

#### [PV Solution Business]

Positive investments were made in this segment to gain market share, however, the sales stayed far below anticipation because of sluggish conclusion of new business talks in addition to demand decrease due to dull market.

As a result, sales were 948 million yen (down 37.9% from the year-earlier same period) and operating loss was 455 million yen (vs. operating profit of 58 million yen in the year-earlier same period).

#### [Optical-related business]

Filter products for video equipment – the main items of this segment – had steady sale thanks to large orders placed for new products. On the other hand, management reforms including voluntary retirement solicitation and offshore production shift were carried out for profit-loss structure renovation.

As a result, sales were 789 million yen (up 30.1% from the year-earlier same period) and operating profit was 23 million yen (up 103.7% from the year-earlier same period).

#### [EMS Business]

EMS business at Matty Co., Ltd. recorded a big revenue decrease because of the effects of the termination of photocopy assembly and business reorganization of liquid crystal panel manufacturers.

Printed circuit board assembly business at Pricon Microelectronics Inc. shifted slowly due to the effect of production adjustment for HDD – its main substrate mounting products.

As a result, sales were 554 million yen (down 57.3% from the year-earlier same period) and operating loss was 120 million yen (vs. operating profit of 23 million yen in the year-earlier same period).

### (2) Qualitative Information on Consolidated Financial Condition

#### State of Assets, Liabilities and Net Assets

Total assets at the end of the current second quarter were 27,349 million yen (down 981 million yen from the end of the preceding period).

Liquid assets decreased 971 million yen mainly because cash and deposits decreased due to production equipment acquisition etc.

Tangible fixed assets increased 48 million yen because of production equipment acquisition etc.

Investment and other assets decreased 22 million yen because of investment securities appraisal variance decrease etc.

Liabilities were 11,675 million yen (up 81 million yen from the end of the preceding period).

Liquid liabilities decreased 180 million yen mainly because accounts payable decreased due to purchase amount decrease.

Fixed liabilities increased 261 million yen mainly because of increase in long-term loans payable.

Net assets were 15,673 million yen (down 1,062 million yen from the end of the preceding period).

Shareholders' equity decreased 694 million yen because of the posting of the quarter net loss.

#### State of Cash Flows

Cash and cash equivalent ("fund") in the current second quarter consolidated cumulative period decreased 2,525 million yen from the year-earlier same period to 6,070 million yen, though the period-beginning balance increased 2,669 million yen from the year-earlier same period, mainly because quarter net loss before adjustment for taxes etc. was 585 million yen (vs. quarter net profit of 1,130 million yen before adjustment for taxes etc. in the year-earlier same period) due to sales decrease etc.

State of respective cash flows and their causes in the current second quarter consolidated cumulative period are as follows:

**(Cash Flow from Operating Activities)**

The cash flow from operating activities decreased 1,323 million yen from the year-earlier same period in earnings to 492 million yen mainly because of the quarter net loss before adjustment for taxes etc. due to sales decrease etc.

**(Cash Flow from Investment Activities)**

The cash flow from investment activities increased 316 million yen from the year-earlier same period to 1,225 million yen in expenditure mainly because of tangible fixed asset acquisition.

**(Cash Flow from Financial Activities)**

The cash flow from financial activities decreased 884 million yen from the year-earlier same period to 214 million yen in revenue mainly because of the public subscription capital increase carried out in the year-earlier same period.

**(3) Qualitative Information on Consolidated Business Result Forecasts**

The March 2012 consolidated and individual full period business result forecasts published on May 18, 2011 were amended since the initial forecasts were found unattainable in view of the business results up to the second quarter cumulative period and the business trend prospects in respective business sectors in and after the third quarter.

For details, see “Notice on Exchange Loss Posting, Difference between Second Quarter Cumulative Period Business Result Forecasts and Actual Result Values, and Full Period Business Result Forecast Amendment” published on November 4, 2011.

## Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
Cash and deposits	6,741,626	6,073,106
Notes and accounts receivable-trade	4,340,518	4,215,791
Merchandise and finished goods	1,451,162	1,096,436
Work in process	238,406	303,720
Raw materials and supplies	1,388,351	1,619,700
Deferred tax assets	85,911	58,614
Other	838,737	740,620
Allowance for doubtful accounts	△14,020	△9,057
<b>Total current assets</b>	<b>15,070,695</b>	<b>14,098,933</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	2,850,687	3,036,189
Machinery, equipment and vehicles	2,443,533	2,428,380
Tools, furniture and fixtures	1,560,770	1,651,632
Land	3,473,383	3,469,213
Lease assets	36,886	51,015
Construction in progress	396,001	173,327
<b>Total tangible fixed assets</b>	<b>10,761,262</b>	<b>10,809,757</b>
<b>Intangible fixed assets</b>		
Goodwill	28,237	14,118
Other	135,687	114,024
<b>Total intangible fixed assets</b>	<b>163,925</b>	<b>128,142</b>
<b>Investments and other assets</b>		
Investment securities	1,302,753	1,227,597
Deferred tax assets	111,702	102,746
Other	1,009,984	1,072,871
Allowance for doubtful accounts	△89,873	△90,933
<b>Total investments and other assets</b>	<b>2,334,566</b>	<b>2,312,281</b>
<b>Total fixed assets</b>	<b>13,259,754</b>	<b>13,250,182</b>
<b>Total assets</b>	<b>28,330,450</b>	<b>27,349,115</b>

(Thousand of yen)

	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
<b>(LIABILITIES)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,887,456	1,666,389
Short-term loans payable	6,673,840	6,660,284
Income taxes payable	64,033	47,139
Provision for bonuses	297,886	247,534
Deferred tax liabilities	54,445	101,629
Other	1,357,958	1,432,254
<b>Total current liabilities</b>	<b>10,335,621</b>	<b>10,155,231</b>
<b>Long-term liabilities</b>		
Long-term borrowings	625,000	917,500
Accrued severance indemnities	18,233	41,345
Allowance for director's retirement benefits	37,172	54,164
Deferred tax liabilities	241,303	210,516
Other	336,893	296,924
<b>Total long-term liabilities</b>	<b>1,258,604</b>	<b>1,520,451</b>
<b>Total liabilities</b>	<b>11,594,225</b>	<b>11,675,682</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' equity</b>		
Common stock	10,047,063	10,047,063
Capital surplus	9,580,902	5,004,947
Retained earnings	△1,832,677	2,049,044
Treasury stock - at cost	△3,718	△3,718
<b>Total shareholders' equity</b>	<b>17,791,570</b>	<b>17,097,337</b>
<b>Valuation and translation adjustments</b>		
Unrealized gains on available-for-sale securities	196,147	135,728
Foreign currency translation adjustments	△1,271,441	△1,579,150
<b>Total valuation and translation adjustments</b>	<b>△1,075,294</b>	<b>△1,443,421</b>
<b>Minority interests</b>	<b>19,948</b>	<b>19,517</b>
<b>Total net assets</b>	<b>16,736,224</b>	<b>15,673,433</b>
<b>Total liabilities and total net assets</b>	<b>28,330,450</b>	<b>27,349,115</b>

## Consolidated Statements of Income

(Thousand of yen)

	2Q period of previous year (From April 1, 2010 to September 30, 2010)	2Q period of current year (From April 1, 2011 to September 30, 2011)
	Amount	Amount
<b>Net sales</b>	15,444,870	11,800,474
<b>Cost of sales</b>	10,915,466	8,982,124
<b>Gross profit</b>	4,529,404	2,818,349
<b>Selling, general and administrative expenses</b>	3,123,271	2,930,138
<b>Operating income</b>	1,406,133	△111,788
<b>Non-operating income</b>		
Interests income	5,515	5,409
Dividends income	12,172	12,319
Other	59,527	131,491
<b>Total non-operating income</b>	77,215	149,221
<b>Non-operating expenses</b>		
Interests expense	100,330	91,551
Foreign exchange loss	471,750	365,086
Other	40,834	59,558
<b>Total non-operating expenses</b>	612,916	516,196
<b>Ordinary income</b>	870,432	△478,763
<b>Extraordinary income</b>		
Gain on sales of fixed assets	10,086	472
Gain on sale of investment securities	12,187	
Gain on retirement benefit reserve reversal	243,247	
Gain on sales of golf membership		2,092
Other	61,800	
<b>Total extraordinary income</b>	327,320	2,565
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	42,895	
Loss on sale of fixed assets	9,596	57
Loss on valuation of investment securities	3,270	
Other	11,086	109,079
<b>Total extraordinary loss</b>	66,849	109,137
<b>Income before income taxes</b>	1,130,904	△585,335
<b>Income taxes</b>	332,971	109,305
<b>Minority interests</b>	153	△407
<b>Net income</b>	797,778	△694,232

(Thousand of yen)

	2Q period of previous year (From April 1, 2010 to September 30, 2010)	2Q period of current year (From April 1, 2011 to September 30, 2011)
	Amount	Amount
<b>Income before minority interests</b>	797,932	△694,640
<b>Other comprehensive income</b>		
Unrealized gains on available-for-sale securities	△144,364	△60,418
Foreign currency translation adjustments	△260,161	△317,634
Other	△5,480	9,736
<b>Total other comprehensive income</b>	△410,005	△368,316
<b>Comprehensive income</b>	387,926	△1,062,957
attribute to		
Comprehensive income attribute to owners of the parent	387,920	△1,062,360
Comprehensive income attribute to minority interests	6	△596

## Consolidated Statements of Cash Flows

(Thousand of yen)

	Previous year (From April 1, 2009 to to September 30, 2010)	Current year (From April 1, 2010 to September 30, 2011)
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes and other adjustments to net income	1,130,904	△585,335
Depreciation and amortization	799,277	904,313
Interest and dividends income	△17,687	△17,729
Interest expenses	100,330	91,551
Exchange (gain) loss	393,087	336,343
(Increase) decrease in trade receivables	407,045	△46,177
(Increase) decrease in inventories	△823,783	△121,922
Increase (decrease) in trade payables	△26,202	△118,837
Other, net	185,819	177,875
<b>Sub total</b>	<b>2,148,790</b>	<b>620,081</b>
Interest and dividends received	17,468	17,521
Interest paid	△104,479	△95,008
Severance costs paid	△84,698	
Income taxes paid	△161,183	△50,241
<b>Net cash provided by operating activities</b>	<b>1,815,898</b>	<b>492,352</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△965,954	△1,164,341
Proceeds from sales of property, plant and equipment	56,403	3,245
Other, net	940	△64,497
<b>Net cash used in investing activities</b>	<b>△908,610</b>	<b>△1,225,593</b>
<b>Cash flows from Financing activities</b>		
Increase (decrease) in short-term borrowings	237,742	281,928
Increase from long-term borrowings	200,000	850,000
Repayment of long-term loans payable	△119,916	△837,416
Increase from Issuance of new shares	587,255	
Increase from disposal of treasury stocks	333,202	
Cash dividends paid	△82	
Other, net	△138,727	△79,737
<b>Net cash used in financing activities</b>	<b>1,099,474</b>	<b>214,774</b>
<b>Effect of exchange rates changes on cash and cash equivalents</b>	<b>△146,592</b>	<b>△147,132</b>
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>1,860,169</b>	<b>△665,599</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,066,656</b>	<b>6,736,206</b>
<b>Net increase (decrease) of cash and cash equivalents from changes in scope of consolidation</b>	<b>6,178</b>	
<b>Cash and cash equivalents at end of period</b>	<b>5,933,004</b>	<b>6,070,606</b>