

## Summary of Consolidated Financial Statements For the Fiscal Year Ended March 31, 2011

May 13, 2011

Listed company's name: UT Holdings Co. Ltd. Stock Exchange Listing: Osaka  
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Scheduled date of the Ordinary General Shareholders Meeting: June 25, 2011  
 Scheduled date of cash dividend payment: June 27, 2011  
 Scheduled date of filing of business report: June 27, 2011  
 Supplemental material on business results: Yes  
 Briefings on business results: Yes (for institutional investors)

(Fractions less than ¥1 million are omitted.)

### 1. Consolidated Results for FY3/2011 (from April 1, 2010 to March 31, 2011)

#### (1) Consolidated results of operation (% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2011	20,227	12.0	1,442	396.1	1,309	618.2	766	-
FY3/2010	18,056	-55.6	290	-83.8	182	-69.8	-1,401	-

(Reference) Comprehensive income: FY3/2011 754 million yen ( \_%); FY3/2010 -2,645 million yen ( \_%)

	Net profit per share	Net profit per share, diluted	Net profit to equity	Ordinary profit to total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/2011	3,605.81	-	30.6	13.8	7.1
FY3/2010	-6,593.58	-	-79.0	0.9	1.6

(Reference) Equity loss of equity-method affiliates: FY3/2011 69 million yen; FY3/2010 35 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2011	9,022	2,611	28.7	12,162.14
FY3/2010	9,893	2,480	24.5	11,389.40

(Reference) Equity capital: FY3/2011 2,585 million yen; FY3/2010 2,420 million yen

#### (3) Consolidated cash flow

	Operating cash flow	Investing cash flow	Financing cash flow	Cash and cash equivalents, at term-end
	Million yen	Million yen	Million yen	Million yen
FY3/2011	1,585	-32	-1,828	3,320
FY3/2010	2,067	-1,034	-1,723	3,538

### 2. Cash dividends

(Record date)	Per share dividends					Total amount of dividends (annual)	Payout ratio (Consol.)	Dividends to net assets (Consol.)
	1Q-end	2Q-end	3Q-end	FY-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/2010	0.00	0.00	0.00	2,300.00	2,300.00	493	-	27.6
FY3/2011	0.00	0.00	0.00	2,400.00	2,400.00	514	66.6	21.1
FY3/2012 (Plan)	0.00	0.00	0.00	2,500.00	2,500.00		53.1	

**3. Consolidated Forecasts for FY3/2012 (April 1, 2011 to March 31, 2012)**

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First 2 quarters	11,600	17.4	600	-32.2	585	-24.9	300	-8.0	1,411.46
Full year	25,000	23.5	2,000	38.6	1,960	49.7	1,000	30.5	4,704.88

**4. Other**

(1) Significant changes with respect to the subsidiaries during the fiscal year: None

New: None Eliminated: None

(2) Changes in accounting rules, procedures, and presentations for consolidated financial statements

(a) Changes to reflect revisions in accounting standards and related matters: Yes

(b) Changes other than (a): None

(Note) Please see details on "Changes in important accounting policies used in preparing consolidated financial statements."

(3) Number of shares issued and outstanding (common stock)

(a) Number of shares issued and outstanding at term-end (including treasury shares) FY3/2011 214,456 shares; FY3/2010 214,456 shares

(b) Number of treasury shares at term-end FY3/2011 1,911 shares; FY3/2010 1,911 shares

(c) Number of average shares issued and outstanding during the term FY3/2011 212,545 shares; FY3/2010 212,521 shares

**Reference: Summary of the Non-Consolidated Results****Non-Consolidated Results for FY3/2011 (April 1, 2010 to March 31, 2011)****(1) Non-consolidated results of operation**

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/2011	2,619	161.4	2,079	302.3	1,993	395.1	2,010	-
FY3/2010	1,001	298.2	516	-	402	-	-1,715	-81.1

	Net profit per share	Net profit per share, diluted
	Yen	Yen
FY3/2011	9,373.48	-
FY3/2010	-7,998.69	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/2011	5,470	3,086	56.4	14,391.46
FY3/2010	6,081	1,569	25.8	7,317.98

(Reference) Equity capital: FY3/2011 3,086 million yen; FY3/2010 1,569 million yen

\* Indication regarding auditing procedure implementation status

This earnings report is exempt from auditing procedure based upon the Financial Instruments and Exchange Act. It is under the auditing procedure process at the time of disclosure of this report.

**\*Instruction and precautions on usage of the forecasts**

The forecasts in this summary have been prepared based on information available as of the announcement date of this summary. Actual results may differ from the above forecasts, due to various uncertain factors or risks related to

future economic conditions, market fluctuation and others.

Attachments

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## **1. Qualitative information on consolidated results for the current fiscal year**

### **(1) Qualitative information on consolidated business results**

In the current fiscal year (from April 1, 2010 to March 31, 2011), Japan's economy recovered gradually and uncertainties decreased, thanks to an increase in demand associated with economic growth in Asia and emerging markets elsewhere, and the government's economic stimulative measures. However, the Great East Japan Earthquake that occurred on March 11, 2011 and the enormous damage it caused have been expected to affect economic conditions and the outlook has returned to being uncertain.

In this environment, the UT Group made proactive sales efforts to increase its share of providing outsourcing service to existing clients, and to gain new clients, taking advantage of a shift toward greater outsourcing, in anticipation of the likely revision of the Dispatched Worker Law, and providing cost-reducing solutions.

With regard to the outsourcing business, production by our major clientele of semiconductor manufacturers was robust but the earthquake of March 11 resulted in making some of our engineers inactive. However, the number of inactive workers has steadily decreased and the UT Group received only limited impact from the earthquake's effects. We strengthened our sales and hiring systems in order to expand our primary business areas from semiconductors to other growth areas and invested in a start-up task force. These measures contributed to a surge in the number of client plants, from 76 at the end of March 2010 to 194 at the end of March 2011. Our number of active engineers also increased, thanks to our gaining shares with existing clients. We also continued to implement thorough cost control.

As a result, the UT Group recorded sales of 20,227 million yen (up 12.0% from 18,056 million yen in the previous year), operating profit of 1,442 million yen (up 396.1% from 290 million yen), ordinary profit of 1,309 million yen (up 618.2% from 182 million yen), and net profit of 766 million yen (from net loss of 1,401 million yen) in the current fiscal year.

### **(2) Qualitative information on consolidated financial position**

At the end of the current fiscal year, total assets amounted to 9,022 million yen, down 871 million yen from the end of the previous year. Main reasons were a decrease in claims and liabilities due to collection of loans extended and repayment of borrowings, and a decrease in net assets due to cash dividend payment from capital surplus.

Liabilities were 6,411 million yen, down 1,001 million yen from the end of the previous year, mainly due to a decrease in borrowings.

Net assets stood at 2,611 million yen, up 130 million yen from the end of the previous year, mainly due to net profit of 766 million yen despite cash dividend payment of 488 million yen from capital surplus.

(Cash flow)

Cash and cash equivalents at the end of the current fiscal year were 3,320 million yen, down 217 million yen from the end of the previous fiscal year.

(Cash flow from operating activities)

Cash flow provided by operating activities amounted to 1,585 million yen (compared to that of 2,067 million yen in the previous year.) This was mainly attributable to net profit before income taxes and other adjustments of 1,237 million

yen, depreciation of 78 million yen, investment loss of equity-method affiliates of 69 million yen, and net increase in accrued consumption taxes of 141 million yen.

(Cash flow from investing activities)

Cash flow used in investing activities was 32 million yen (compared to that of 1,034 million yen in the previous year), mainly due to 16 million yen in payments for purchase of tangible fixed assets, 219 million yen for payments for extending loan, and 202 million yen in proceeds from collection of loan.

(Cash flow from financing activities)

Cash flow used in financing activities totaled 1,828 million yen (compared to that of 1,723 million yen in the previous year), mainly due to a net decrease of 1,313 million yen in short-term borrowings, 27 million yen for payments for repayment of long-term debt, and 487 million yen in dividends paid.

### Cash Flow Information

	FY3/2011
Equity ratio (%)	28.7
Equity ratio, at market value (%)	110.7
Ratio of interest-bearing debts to cash flow (%)	254.8
Interest coverage ratio (times)	13.0

(Note)

Equity ratio: Shareholders' equity / Total assets

Equity ratio, at market value: Market capitalization / Total assets

Ratio of interest-bearing debts to cash flow: Interest-bearing debts / Operating cash flow

Interest coverage ratio: Operating cash flow / Interests paid

### (3) Basic Policy regarding Allocation of Profits and Dividends for the Current and Next Fiscal Years

The UT Group regards the appropriate allocation of profits to shareholders as an important management issue. The Group's basic policy is to pay out dividends on the basis of business performance while ensuring repletion of reserves to enable reinforcement of the corporate structure and the future growth of business.

The Company stipulates in its Articles of Incorporation that it is permitted to pay dividends from the surplus in accordance with a resolution of the board of directors, based on Article 459-1 of the Company Law of Japan.

Given the fact that its earnings power has reached to a certain level and a certain amount of earnings can be forecasted for the next year onward, the Company intends to pay ordinary cash dividends of 2,400 yen per share for the current fiscal year. For the next fiscal year ending March 2012, the Company plans to pay ordinary cash dividend of 2,500 yen per share.

### (4) Risks in business operations

The UT Group faces the following risk factors which may affect its business performance, financial positions, and investors' decision making. Please be noted that the risks and uncertainties are not limited to the following risks.

The forward-looking statements below are based on the Group's judgments as of the date of this announcement of the business results (May 13, 2011), unless otherwise specified.

#### A) Group-wide risks

##### 1) Dependence on specific industries

Approximately 70% of the UT Group's sales depend on the semiconductor-related industry, which tends to be prone to the influence of economic conditions, making it difficult to sustain a stable trend in sales, or to avoid a

rapid change in sales.

**2) Risks in licensing and legal regulations**

The UT Group's subsidiaries hold licensing for businesses of general labor dispatch and fee-charging employment placement from Japan's Minister for Health, Labour, and Welfare. Our Group always ensures maintenance of corporate compliance, promotes clients' correct understanding on compliance, and focuses on contributing to improve the manufacturing dispatch industry.

**3) Financial conditions at the end of March 2011**

The UT Group borrows money needed for business expansion from many financial institutions. Our interest-bearing debts were 4,040 million yen at the end of March 2011 and interest payment amounted to 121 million yen. Our borrowing rates have stayed at low levels, thanks to a low interest rate environment in the financial markets. However, in the case of rising interest rates in the market, our borrowing rates are likely to rise, which may influence our business results and financial conditions.

**4) Risks in fluctuation in price of investment securities**

The UT Group is engaged in capital alliance for maintaining long-term friendly relationship, strategic corporate acquisition, and other activities with an aim to expand existing business base or enter into new business. For reasons such as capital alliance and corporate acquisition, we have purchased investment securities and shares of related companies, which are unlisted in the stock markets. These securities have inherent risk for price decline caused by deterioration in business results or financial conditions, economic fluctuation of the industries they are involved with, or changes in their business environment. A significant decline in market value or effective market value of investment securities or shares of related companies may force us to record loss on sale or valuation loss, and influence our business results or financial conditions.

**5) Securing and developing personnel**

The semiconductor related industry is an area characterized by the most intensified technological advances. Companies involved in the industry find it an important managerial issue to secure and develop appropriate talented personnel with technical knowledge relating to semiconductors. However, there is an extremely high demand for skilled personnel with expertise and technical knowledge in semiconductor business, which may make it difficult for us to hire the personnel required, and it is possible that the cost of hiring will exceed plans. The UT Group will continue to enhance hiring activities and improve training systems. In the case of failing to secure and develop talented personnel needed for our business expansion, or when many of our personnel leave the Group for whatever the reason, such cases can impinge on our business development plans and performance.

**B) Risks in outsourcing business**

**1) Risks relating to overseas relocation of manufacturing bases**

In the case of Japanese semiconductor-related manufacturers relocate their manufacturing bases overseas and reduce their domestic production bases, it is possible that there will be an impact on business performance of the UT Group and its companies in outsourcing operations.

**2) Risks relating to "contractual on-site work"**

Outsourcing operations of the UT Group consist of "contractual on-site work" at client premises. In conjunction with this, we sign equipment lease contracts with clients, and bear liability for damage to equipment during the term of the contract. The UT Group's companies in outsourcing operations also bear part of the productivity risk and the risk of producing defective products.

In the event that "engineering staff" (defined by us as employees assigned to work at the production sites of our clients; they include both regular employees and contract employees) suffer industrial accidents such as injury while on the job, we bear responsibility for such accidents. In the event that the costs of such damage and injury increase, it is possible that there will be an impact on the UT Group's business performance.

**3) Variable factors relating to performance of "contractual on-site work"**

One of the reasons clients contract on-site work by the UT Group's outsourcing business companies is to enable

them to turn labor costs into variable costs. We recognize that clients contract the performance of work by others, at their own production sites, in order to achieve flexibility in modifying production levels in accordance with changes in business conditions, as their strategy, in addition to hiring qualified professionals capable of making immediate contributions to their operations.

Consequently, when clients reduce production levels in pace with a slowdown in business, they tend to scale down their outsourcing contracts including those with our outsourcing business companies. Price competition among companies in the outsourcing service sector also tends to intensify.

On another front, the engineering staff who work for the UT Group's outsourcing business companies generally accept their positions based on the expectation of long-term employment. In the event that they cannot be re-assigned within our Group, they become redundant, and represent a potential downward influence on our earnings.

In the event that our outsourcing business companies rapidly increase the amount of contractual work, the burden of hiring costs can increase ahead of generating sales and have an adverse influence on performance in a given term.

So as to alleviate the risk of these variable factors, our outsourcing business companies devote efforts to building a partnership with their clients and aim at receiving long-term, stable outsourcing contracts.

#### **4) Engineering staff and hiring them**

It is the "engineering staff" who actually perform the work contracted by our outsourcing business companies. In principle, these personnel work under long-term contracts.

The work that we do under contract consists, in virtually all instances, of organizing groups or teams of experienced personnel, establishing a chain of command and the performance of work as teams. If there is an insufficiency of skill or experience, we raise the technical levels of employees through training programs or on-the-job training. If a group comes to be understaffed, we either transfer someone to the position or hire a new person. The employment of engineering personnel has the following characteristics.

- (i) Conditions in the job market can make it difficult for our outsourcing business companies to hire the personnel required.
- (ii) Hiring costs may increase due to a lower retention rate of our engineering staff, caused by an increase in liquidity in the labor market.
- (iii) The national population, especially in the youthful age brackets, has been on a declining trend since 2000. The average age of the engineering staff in our outsourcing business companies is relatively low. Reduction of the workforce can make hiring difficult.
- (iv) Hiring locally for local work is basic to the Company's approach, but if it is necessary to hire remotely and transfer employees to worksites, additional costs must be borne, and these costs can influence profits.

## **2. Management Policy**

### **(1) Basic Policy on Group Management**

We express our mission as follows. "The UT Group, with its technologies and teamwork, will assist its clients to improve their productivity and contribute to the development of leading global industries." Based on this mission, the UT Group's basic policy is to create good job opportunities in local communities, provide career advancement opportunities to people who work in outsourcing and subcontracting services, and to provide a cross-sector manufacturing employment coordinating function.

### **(2) Performance Benchmarks**

We use "earnings per share (EPS) growth of 30% or more (five-year average)" as the performance benchmark. The

reason for adopting this benchmark is that it relates closely to investment efficiency, which matters to shareholders, and allows us to measure shareholder value numerically.

Moreover, in order to realize this objective, we believe it is important to achieve more efficiency in management. Consequently, a “ratio of gross profit to sales” and a “ratio of ordinary profit to sales” are other profitability benchmarks on which we focus.

### **(3) Medium- to Long-term Business Plan**

The UT Group is engaged in the industry of personnel placement and outsourcing work and with customers in the semiconductor-related market. The environment of our industry and customers has been changing significantly. Specifically, the industry is facing a possible “revision of the Dispatched Worker Law and the resultant abolition of manufacturing dispatched works” and the “resetting of market shares within the manufacturing dispatch industry post the global recession that began in 2008.” The customers are seeing the “shift of growth areas to energies and environment,” “accelerating plant restructuring and structural reforms,” and “uncertainties in the outlook that was resulted from the Great East Japan Earthquake.” This makes the UT Group being in the midst of dramatic changes.

However, such dramatic changing environment provides us an opportunity to stimulate customer needs for more outsourcing services, more expertise, and broad-based cost down.

In this environment, we developed the New Medium-Term Business Plan and intend to grow in the medium- to long-term under the following vision: From “No. 1 semiconductor outsourcing service provider” to “Japan’s No.1 outsourcing provider” in quality and volume. We aim to grow from the present workforce of 5,000 to a workforce of 20,000 by the fiscal year ending March 31, 2016.

Specific strategies are as follows:

#### **(1) Enhance 4 growth areas**

We will gain market shares in manufacturing outsourcing services by expanding our areas of focus to 4 growth areas (displays, LEDs, secondary batteries, and solar batteries) on the back of our expertise accumulated in the semiconductor area.

#### **(2) Enhance large-scale outsourcing service capability**

In the environment where a shift from dispatched workers to outsourcing work accelerates, we will use our strength in know-how of outsourcing services and increase the number of our headcount per plant.

#### **(3) Improve benefits to employees**

As we regard employees just like customers, we intend to raise the employee retention rate and enhance our capability of hiring of engineering staff.

### **(4) Issues Facing the Company**

The UT Group faces the following issues in its operation.

#### **i) Ensuring personnel**

The number of working people, particularly in the youthful age brackets, has been declining since 2000 in Japan. In addition, following the tighter regulation with the revised Dispatched Worker Law, companies nationwide have started to directly hire more regular employees. Inasmuch as the majority of the people who work in our areas of outsourcing business are younger workers, this trend can easily have an impact on our operations. The prospects are that over the long term it will become increasingly difficult to hire engineers.

In this environment, we are enhancing our hiring strategy under multi brands and regional hiring. At the same time, we are offering our employees a variety of life support plans, including a support program to build a career path, so that we

become a company supported by its employees and secure the necessary personnel.

**ii) Revision in the Dispatched Worker Law**

The revised Dispatched Worker Law remains under Diet deliberation at present. The revised law is likely to abolish in principle manufacturing dispatched workers except those regularly employed.

The UT Group is among the first to promote a shift to outsourced and subcontracting services and has almost completed a shift from dispatch contracts to subcontracted contracts. We are thus able to eliminate mostly the impact of abolition of manufacturing dispatch.

We will continue to promote building a system to receive subcontracted work orders by adhering to compliance requirements and build the strongest competitive worksite that satisfies our clients.

## 3. Consolidated Financial Statements

## (1) Consolidated balance sheet

(Thousands of yen)

	<b>FY3/2010</b> March 31, 2010	<b>FY3/2011</b> March 31, 2011
(Assets)		
Current assets		
Cash & deposits	3,538,112	3,320,442
Trade notes and accounts receivable	1,939,400	2,213,603
Work in process	13,312	2,120
Raw materials	-	449
Deferred tax assets	123,918	145,905
Other	457,839	185,691
Allowance for doubtful accounts	-4,734	-4,804
Total current assets	6,067,849	5,863,409
Fixed assets		
Tangible fixed assets		
Buildings and structures	23,482	24,526
Accumulated depreciation	-6,558	-9,902
Buildings and structures (net amount)	16,924	14,623
Other	136,521	160,022
Accumulated depreciation	-117,680	-137,824
Other (net amount)	18,840	22,198
Total tangible fixed assets	35,765	36,821
Intangible fixed assets		
Software	124,024	68,197
Other	1,752	1,752
Total intangible fixed assets	125,776	69,949
Investments and other assets		
Investment securities	180,832	61,525
Long-term loans to directors	1,251,970	1,050,071
Bankruptcy rehabilitation claim	2,254,798	-
Deferred tax assets	2,076,493	1,807,496
Other	119,240	131,341
Allowance for doubtful accounts	-2,222,319	-
Total investments and other assets	3,661,016	3,050,434
Total fixed assets	3,822,558	3,157,206
Deferred assets		
Other	3,200	1,600
Total deferred assets	3,200	1,600
Total assets	9,893,607	9,022,216

(Thousands of yen)

	<b>FY3/2010</b> <b>March 31, 2010</b>	<b>FY3/2011</b> <b>March 31, 2011</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	1,800	-
Short-term borrowings	5,262,251	3,948,588
Accrued expenses	1,021,606	1,245,409
Accrued income tax	201,928	124,036
Accrued consumption tax	157,586	316,287
Allowance for bonus	106,441	191,822
Allowance for directors' bonus	131,300	67,544
Deferred taxed liabilities	451	89
Other	403,640	415,744
<b>Total current liabilities</b>	<b>7,287,006</b>	<b>6,309,523</b>
<b>Long-term liabilities</b>		
Long-term debt	119,880	92,352
Reserve for retirement benefits for employees	5,040	8,992
Deferred taxed liabilities	881	167
<b>Total long-term liabilities</b>	<b>125,801</b>	<b>101,511</b>
<b>Total liabilities</b>	<b>7,412,808</b>	<b>6,411,034</b>
<b>(Net Assets)</b>		
<b>Shareholders' equity</b>		
Common stock	2,062,144	500,000
Capital surplus	8,438,017	580,530
Retained earnings	-7,626,601	1,954,087
Treasury stock	-447,734	-447,734
<b>Total shareholders' equity</b>	<b>2,425,825</b>	<b>2,586,883</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized valuation gain on other investment securities	-5,064	-1,880
Currency translation and adjustments	-	-
<b>Total accumulated other comprehensive income</b>	<b>-5,064</b>	<b>-1,880</b>
<b>Minority interests</b>	<b>60,038</b>	<b>26,178</b>
<b>Total net assets</b>	<b>2,480,799</b>	<b>2,611,181</b>
<b>Total liabilities and net assets</b>	<b>9,893,607</b>	<b>9,022,216</b>

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

(Thousands of yen)

	<b>FY3/2010</b>	<b>FY3/2011</b>
	<b>From April 1, 2009 to March 31, 2010</b>	<b>From April 1, 2010 to March 31, 2011</b>
Sales	18,056,078	20,227,395
Cost of sales	15,185,948	16,486,486
Gross profit	2,870,129	3,740,908
Selling, general and administrative expenses		
Compensation for directors	163,391	195,697
Personnel expenses	722,154	729,886
Allowance for bonus	41,699	154,225
Allowance for directors' bonus	131,300	67,544
Welfare expenses	191,531	198,465
Expenses for hiring activities	45,259	122,910
Depreciation	151,411	78,413
Goodwill amortization	127,327	-
Commission paid	283,529	264,499
Other	721,769	486,877
Total selling, general and administrative expenses	2,579,374	2,298,520
Operating profit	290,755	1,442,388
Non-operating income		
Interest received	50,158	39,507
Foreign exchange gains	82,417	-
Government subsidies for employment adjustment	65,158	1,155
Other	42,364	10,880
Total non-operating income	240,098	51,543
Non-operating expenses		
Interest paid	249,376	100,845
Foreign exchange loss	-	770
Equity in loss of affiliates	35,449	69,941
Other	63,702	12,951
Total non-operating expenses	348,529	184,508
Ordinary profit	182,324	1,309,422

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Extraordinary income		
Reversal of allowance for doubtful accounts	1,045,538	-
Gain on retirement of corporate bonds	5,100,000	-
Gain on sale of investment securities	32,917	-
Profit from revised profit of previous term	28,146	10,968
Reversal of allowance for directors' bonus	-	9,184
Gain on sale of subsidiary shares	1,227,673	-
Other	12,850	-
Gain on negative goodwill	-	12,168
Total extraordinary income	7,447,127	32,321
Extraordinary loss		
Loss on sale of investment securities	2,543	14,091
Valuation loss on investment securities	10,852	-
Loss on sale of subsidiary shares	363,351	-
Reversal of allowance for doubtful accounts	2,713,686	-
Goodwill amortization	4,441,154	-
Loss on disposal of inventories	2,077,869	-
Loss on business withdrawal	658,586	-
Bad debts loss	-	30,000
Impairment loss	330,502	-
Loss due to disaster	-	50,221
Other	417,055	10,054
Total extraordinary loss	11,015,602	104,368
Net income or loss ( - ) before income taxes and other adjustment	-3,386,151	1,237,375
Income and other taxes – current	229,780	239,710
Adjustment for income and other taxes	-1,017,933	246,322
Total income and other taxes	-788,153	486,033
Net income before minority interests	-	751,342
Minority interests in loss (-) in consolidated subsidiaries	-1,196,723	-15,054
Net profit or loss( - )	-1,401,273	766,396

**(Consolidated statements of comprehensive income)**

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Net income before minority interests		751,342
Other comprehensive income		
Net unrealized valuation gain on other investment securities	-	3,183
Total other comprehensive income	-	3,183
Comprehensive income	-	754,525
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	-	769,580
Comprehensive income attributable to minority interests	-	-15,055

**(3) Consolidated Statements of Changes in Shareholders' Equity**

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Shareholders' equity		
Common stock		
Balance at end of previous year	2,061,194	2,062,144
Changes during year in review		
New share issuance	950	-
Decrease in capital	-	-1,562,144
Total changes during year in review	950	-1,562,144
Balance at end of year in review	2,062,144	500,000
Capital surplus		
Balance at end of previous year	8,437,067	8,438,017
Changes during year in review		
New share issuance	950	-
Decrease in capital	-	1,562,144
Distribution of capital surplus	-	-488,853
Deficit disposition	-	-8,930,778
Total changes during year in review	950	-7,857,487
Balance at end of year in review	8,438,017	580,530
Retained earnings		
Balance at end of previous year	-8,965,562	-7,626,601
Changes during year in review		
Net profit or loss (-)	-1,401,273	766,396
Change in retained earnings associated with an increase in consolidated subsidiaries	-	-116,485
Change in retained earnings associated with an elimination in consolidation	2,774,244	-
Change in retained earnings associated with an elimination of affiliates in equity-stake method	-34,010	-
Deficit disposition	-	8,930,778
Total changes during year in review	1,338,960	9,580,689
Balance at end of year in review	-7,626,601	1,954,087
Treasury stock		
Balance at end of previous year	-447,734	-447,734
Changes during year in review		
Total changes during year in review	-	-
Balance at end of year in review	-447,734	-447,734
Total shareholders' equity		
Balance at end of previous year	1,084,965	2,425,825

Changes during year in review		
New share issuance	1,900	-
Distribution of retained earnings	-	-488,853
Net profit or loss (-)	-1,401,273	766,396
Change in retained earnings associated with an increase in consolidated subsidiaries	-	-116,485
Change in retained earnings associated with an elimination in consolidation	2,774,244	-
Change in retained earnings associated with an elimination of affiliates in equity-stake method	-34,010	-
Total changes during year in review	1,340,860	161,057
Balance at end of year in review	2,425,825	2,586,883

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Accumulated other comprehensive income		
Net unrealized gains on other investment securities		
Balance at end of previous year	-24,621	-5,064
Changes during year in review		
Net changes in items other than shareholders' equity	19,557	3,184
Total changes during year in review	19,557	3,184
Balance at end of year in review	-5,064	-1,880
Currency translation and adjustments		
Balance at end of previous year	66,816	-
Changes during year in review		
Net changes in items other than shareholders' equity	-66,816	-
Total changes during year in review	-66,816	-
Balance at end of year in review	-	-
Total accumulated other comprehensive income		
Balance at end of previous year	42,194	-5,064
Changes during year in review		
Net changes in items other than shareholders' equity	-47,259	3,184
Total changes during year in review	-47,259	3,184
Balance at end of year in review	-5,064	-1,880
Minority interests		
Balance at end of previous year	2,180,988	60,038
Changes during year in review		
Net changes in items other than shareholders' equity	-2,120,950	-33,859
Total changes during year in review	-2,120,950	-33,859
Balance at end of year in review	60,038	26,178
Total net assets		
Balance at end of previous year	3,308,148	2,480,799
Changes during year in review		
New share issuance	1,900	-
Distribution of capital surplus	-	-488,853
Net profit or loss (-)	-1,401,273	766,396
Change in retained earnings associated with an increase in consolidated subsidiaries	-	-116,485
Change in retained earnings associated with an elimination in consolidation	2,774,244	-
Change in retained earnings associated with an elimination of affiliates in equity-stake method	-34,010	-

Net changes in items other than shareholders' equity	-2,168,209	-30,674
Total changes during year in review	-827,348	130,382
Balance at end of year in review	2,480,799	2,611,181

**(4) Consolidated cash flow statements**

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Cash flow from operating activities		
Net profit or loss (-) before income taxes and other adjustments	-3,386,151	1,237,375
Depreciation	153,162	78,413
Impairment loss	330,502	-
Goodwill amortization	4,568,481	-
Negative goodwill amortization	-4,025	-
Gain on negative goodwill	-	-12,168
Amortization of founding expenses	1,600	1,600
Amortization of share issuance expenses	9,727	-
Commission paid	14,625	-
Bad debts loss	234,858	30,000
Taxes	17,511	-
Amortization of corporate bond issuance expenses	1,329	-
Increase or decrease ( - ) in allowance for doubtful accounts	1,828,761	70
Increase or decrease ( - ) in provision for bonuses	69,441	76,467
Increase or decrease ( - ) in provision for directors' bonuses	131,300	-63,756
Interest income and dividend income	-55,735	-39,507
Interest expense	249,376	100,845
Loss or gain ( - ) on sale of investment securities	-25,762	14,091
Gain on retirement of corporate bond	-5,100,000	-
Loss or gain ( - ) on sale of subsidiary shares	-864,322	-
Loss or gain ( - ) on sale of shares of related companies	-4,610	-
Foreign exchange loss or gain ( - )	13,839	770
Equity in investment loss or gain ( - ) of affiliates	35,449	69,941
Loss on disposal of fixed assets	56,004	-
Moving expenses of head office	39,039	-
Loss or gain ( - ) on sale of tangible fixed assets	11,567	-
Increase( - ) or decrease in accounts receivable	-478,401	-182,230
Increase ( - ) or decrease in prepaid expenses	22,637	-18,224
Increase ( - ) or decrease in inventories	2,981,686	3,002
Increase ( - ) or decrease in long-term deposits	44,164	-
Increase or decrease ( - ) in accounts payable	402,562	-39
Increase ( - ) or decrease in consumption taxes receivable	330,330	459
Increase or decrease ( - ) in accrued consumption taxes	122,850	141,626
Increase or decrease ( - ) in accrued expenses	113,564	235,431

Increase or decrease ( - ) in deposits	-3,722	-72,148
Increase or decrease ( - ) in deposits received	40,936	-
Other	352,254	107,950
Subtotal	2,254,833	1,709,971
Interest and dividends received	58,442	43,755
Interest paid	-255,533	-121,952
Income taxes paid	-277,891	-265,605
Income tax refund	288,011	219,563
Cash flow from operating activities	2,067,862	1,585,732

(Thousands of yen)

	<b>FY3/2010</b> From April 1, 2009 to March 31, 2010	<b>FY3/2011</b> From April 1, 2010 to March 31, 2011
Cash flow from investing activities		
Payments for purchase of tangible fixed assets	-20,152	-16,096
Proceeds from sale of tangible fixed assets	15,417	-
Payments for purchase of intangible fixed assets	-2,550	-1,227
Proceeds from sale of investment securities	244,608	-
Proceeds from redemption of investment securities	1,500	-
Payments for purchase of subsidiary shares	-30,000	-
Proceeds from sale of subsidiary shares	2,300,000	-
Payments for sale of subsidiary shares, associated with change in scope of consolidation	-1,429,150	-
Payments for extending loan	-2,309,460	-219,516
Proceeds from collection of loan	136,649	202,405
Increase ( - ) or decrease in guarantee money paid	61,256	1,190
Other	-2,246	747
Cash flow from investing activities	-1,034,128	-32,496
Cash flow from financing activities		
Net increase or decrease ( - ) in short-term borrowings	-638,646	-1,313,663
Proceeds from long-term debt	160,000	-
Payments for repayment of long-term debt	-12,592	-27,528
Payments for redemption of corporate bonds	-1,200,000	-
Payments for taxes	-17,511	-
Payments for issuance of corporate bonds	-1,329	-
Proceeds from issuance of common stock	1,900	-
Payments for commissions paid	-13,871	-
Dividends paid	-1,913	-487,191
Cash flow from financing activities	-1,723,963	-1,828,382
Effect of exchange rate changes on cash and cash equivalents	-13,875	-770
Increase or decrease ( - ) in cash and cash equivalents	-704,105	-275,917
Cash and cash equivalents at beginning of year	4,634,783	3,538,112
Increase in cash and cash equivalents associated with addition in consolidation	-	60,350
Decrease in cash and cash equivalents associated with elimination from consolidation	-392,566	-2,102
Cash and cash equivalents at year-end	3,538,112	3,320,442

**Note on the assumption as a going concern**

Not applicable

**Changes in important accounting policies used in preparing consolidated financial statements**

For the fiscal year ended March 31, 2011

(Application of "Accounting Standard for Asset Retirement Obligations")

The UT Group applies "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 18 of March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March 21, 2008) from the current fiscal year ended March 31, 2011.

This application has no impacts on the Group's earnings.

**Changes in presentations**

(Consolidated statements of income)

THE UT Group presents "Income before minority interests" on the consolidated statements of income from the current fiscal year ended March 31, 2011 by applying the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5 of March 24, 2009), based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of December 26, 2008.)

**Additional information**

The Group applies "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25 of June 30, 2010) from the current fiscal year ended March 31, 2011. The amounts of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for the previous fiscal year ended March 31, 2010 are presented as "Valuation and transaction adjustments" and "Total valuation and transaction adjustments" respectively.

**Notes**

(Notes to consolidated statements of comprehensive income)

For the fiscal year ended March 31, 2011

## 1. Comprehensive income for the previous fiscal year ended March 31, 2010

Comprehensive income attributable to shareholders of the parent company	-1,448,532,000 yen
<u>Comprehensive income attributable to minority interests</u>	<u>-1,196,723,000</u>
Total	-2,645,256,000

## 2. Other comprehensive income for the previous fiscal year ended March 31, 2010

Net unrealized gains on other securities	19,557,000 yen
<u>Foreign currency translation adjustments</u>	<u>-66,816,000</u>
Total	-47,259,000

**Segment information****a. Segment information by type of business**

Fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(Thousands of yen)

	Outsourcing business	Manufacturing equipment business	Total	Elimination or corporate	Consolidated
Sales and operating profit					
Sales					
(1) Sales to outside customers	16,080,212	1,975,865	18,056,078	-	18,056,078
(2) Inter-segment sales	-	148	148	-148	-
Total	16,080,212	1,976,013	18,056,226	-148	18,056,078
Operating expenses	14,764,387	3,004,634	17,769,022	-3,699	17,765,323
Operating profit or loss	1,315,824	-1,028,620	287,203	3,551	290,755
Assets, depreciation, impairment loss, and capital expenditures					
Assets					
Depreciation and amortization	11,155,747	39,348	11,195,095	-1,301,487	9,893,607
Impairment loss	101,658	47,004	148,663	4,811	153,474
Capital expenditures	-	330,502	330,502	-	330,502
	2,015	-	2,015	19,773	21,788

## (Notes)

- Business classification is based on categories adopted for purpose of internal management.
- Main businesses of each segment
  - Outsourcing business: Contracted on-site work at domestic manufacturers' facilities
  - Manufacturing equipment business: Trade and manufacturing of pre-owned and new semiconductor manufacturing equipment and provision of engineering services
- Unallocated operating expenses of 485,097,000 yen in FY3/2011 are expenses of general affairs.
- Corporate assets included under "Elimination or corporate" (3,522,831,000 yen) are mainly bankruptcy or reorganization claims.
- Apex, Inc. and its two consolidated subsidiaries, Apex Advanced Technology, Inc. and Apex Semiconductor, Inc. were included in the manufacturing equipment business segment until FY3/2010. However, UT Holdings eliminated Apex Inc. and its two subsidiaries from the scope of consolidation as Apex filed for bankruptcy protection under the Civil Rehabilitation Law on March 29, 2010, an effective control relationship with UT no longer existed, and judgment of UT's stakeholders could have been jeopardized. Sales and earnings of Apex when it was UT's consolidated subsidiary were included in those of the manufacturing equipment business segment.

**b. Segment information by geographic location]**

Fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

As sales in Japan account for over 90% of sales of all segments, segment information by geographic location is omitted.

**c. Overseas sales**

Fiscal year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

As overseas sales account for less than 10% of sales, information on overseas sales is omitted.

**d. Segment information**

As the UT Group has only outsourcing business segment, segment information is omitted.

(Additional information)

Effective from the current fiscal year ended March 31, 2011, the Company has applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 of March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 of March 21, 2008).

**e. Segment related information**

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

**1. Information by product and service**

As the UT Group has only outsourcing business segment, segment information by product and service is not available and is omitted.

**2. Information by country or region****(1) Sales**

As sales to outside customers in Japan account for over 90% of sales, information is omitted.

**(2) Tangible fixed assets**

As the Company does not have tangible fixed assets outside of Japan, information is omitted.

**(3) Information by major customer**

Sony Semiconductor Kyushu Corporation	2,596,330,000 yen
Total	2,596,330,000 yen

(Note) As the UT Group has only outsourcing business segment, a name of related segment is omitted.

**f. Impairment loss by business segment reported**

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

Not applicable

**g. Amortization and balance of goodwill by business segment reported**

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

Not applicable

**h. Gain on negative goodwill by business segment reported**

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

Gain on negative goodwill	12,168,000 yen
Total	12,168,000 yen

(Note) As the UT Group has only outsourcing business segment, a name of related segment is omitted.

**(Per share data)**

As of and year ended	March 31, 2010	March 31, 2011
Net assets per share	11,389.40	12,162.14
Net income or loss per share	-6,593.58	3,605.81
Net income per share (diluted)	Net income per share (diluted) is not stated as net loss per share is recorded.	Net income per share (diluted) is not stated as there is no dilutive share.

(Note) Net income per share or net loss per share is calculated based on the following:

As of and year ended	March 31, 2010	March 31, 2011
Net income or loss per share		
Net income or net loss	-1,401,273,000	766,396,000
Amount not attributable to common stockholders	-	-
Net income or loss attributable to common stock	-1,401,273,000	766,396,000
Average number of common stock during the fiscal year	212,521	212,545
Outline of dilutive common stock that are not included in calculating net income per share (diluted) because of no dilutive impact	Stock options with new stock acquisition rights Resolution at the General Shareholders Meeting of June 26, 2004 (new stock acquisition rights:159) Resolution at the General Shareholders Meeting of June 25, 2005 (new stock acquisition rights:457) Resolution at the General Shareholders Meeting of June 25, 2005 (new stock acquisition rights:20) Resolution at the General Shareholders Meeting of June 25, 2005 (new stock acquisition rights:60)	-

**(Subsequent important events)**

Fiscal year ended March 31, 2010

The Company's General Meeting of Shareholders held on June 25, 2010 approved a resolution by the Board of Directors held on May 21, 2010 to decrease the amount of common stock and capital surplus and appropriated surplus for the purpose of paying dividends from other capital surplus funds.

1) Method to decrease the amount of common stock and capital surplus

The total amount of common stock and capital surplus, which decreases, was transferred to the other capital surplus account, with no change to the number of shares issued and outstanding.

2) Decreased amount of common stock

The amount of common stock was reduced from 2,062 million yen to 500 million yen, and the remaining 1,562 million yen was transferred to other capital surplus account.

3) Decrease amount of capital surplus

The total amount of capital surplus of 2,462 million yen was transferred to other capital surplus account.

4) Appropriation of surplus fund

a) Item and amount of decreased surplus: Other capital surplus 10,352 million yen

b) Item and amount of increased surplus: Retained earnings carried forward 10,352 million yen

5) Schedule

a) Date of resolution of the Board of Directors:	May 21, 2010
b) Date of public notice for receiving objections from creditors:	May 21, 2010
c) Final date for receiving objections from creditors:	June 21, 2010
d) Date of resolution of the General Meeting of Shareholders:	June 25, 2010
e) Effective date:	June 25, 2010