

## Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012 (Three Months Ended June 30, 2011)

**[Japanese GAAP]**

Company name: EBARA-UDYLITE CO., LTD.	Listing: Tokyo Stock Exchange, First Section
Stock code: 4975	URL: <a href="http://www.jcu-i.com/">http://www.jcu-i.com/</a>
Representative: Yoshimasa Kasuya, Chairman and CEO	
Contact: Masaaki Kamitani, Senior Managing Director, Senior Managing Executive Officer, and Chief Director, Administration	Tel: +81-3-3833-0322
Scheduled date of filing of Quarterly Report:	August 10, 2011
Scheduled date of payment of dividend:	-
Preparation of supplementary materials for quarterly financial results:	None
Holding of quarterly financial results meeting:	None

*(All amounts are rounded down to the nearest million yen)*

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (Apr. 1, 2011 – Jun. 30, 2011)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2011	2,763	(4.0)	173	(32.0)	182	(35.2)	99	55.9
Three months ended Jun. 30, 2010	2,879	26.9	255	200.2	282	142.4	63	34.1

Note: Comprehensive income (million yen):  
 First three months of FY3/12: 140 (up 103.1%)  
 First three months of FY3/11: 68 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2011	28.14	-
Three months ended Jun. 30, 2010	17.48	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2011	11,368	5,905	51.7
As of Mar. 31, 2011	11,845	5,870	49.3

Reference: Shareholders' equity (million yen): Jun. 30, 2011: 5,872 Mar. 31, 2011: 5,842

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/11	-	27.00	-	30.00	57.00
FY3/12	-				
FY3/12 (forecasts)		30.00	-	30.00	60.00

Note: Revisions to the most recently announced dividend forecast: None

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

*(Percentages represent year-over-year changes)*

	Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	5,870	1.0	400	(40.5)	370	(44.0)	200	(37.3)	56.70
Full year	13,240	8.2	1,190	(21.6)	1,150	(22.6)	680	(20.4)	192.78

Note: Revisions to the most recently announced consolidated forecast: Yes

#### 4. Others

(1) Changes in significant subsidiaries during the period: None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting consolidated quarterly financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and revised restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Revised restatements: None

(4) Number of outstanding shares (common stock)

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

Jun. 30, 2011:	3,527,400 shares	Mar. 31, 2011:	3,527,400 shares
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2) Number of treasury stock shares at end of period:

Jun. 30, 2011:	119 shares	Mar. 31, 2011:	119 shares
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3) Average number of shares outstanding during the period:

Three months ended Jun. 30, 2011:	3,527,281 shares	Three months ended Jun. 30, 2010:	3,640,863 shares
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\* Indication of audit procedure implementation status

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Law. At the time when this report is released, the audit procedures for financial statements have not been completed.

\* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ substantially from these forecasts for a number of reasons.

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## 1. Qualitative Information on Consolidated Quarterly Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy during the first quarter of the current fiscal year was heavily impacted by the Great East Japan Earthquake, which struck on March 11, 2011 and gave a devastating damage particularly to the Tohoku area. Specifically, it made component manufacturers in this affected area unable to ship their products, and the subsequent nuclear power plant accident also raised a concern over precarious power supply. Consequently, production activities were seriously disrupted in the automotive and all the other industries across the board, and there is still uncertainty over the outlook for the domestic economy. The global economic outlook has also become increasingly unpredictable, as the markets now focused on problems such as slowdown in the US economic recovery and the fiscal crisis in Europe as well as various economic issues emerging in the China that has driven the global economy.

Against this backdrop, the Group's first-quarter sales amounted to 2,763 million yen (down 4.0% year over year) due to relatively solid performance in the overseas market mixed with sales which plummeted in the domestic market in the wake of the earthquake. As a result, the Group reported operating income and ordinary income of 173 million yen (down 32.0%) and 182 million yen (down 35.2%), respectively, but net income surged 55.9% to 99 million yen.

Reportable segment performance was as follows.

#### Chemicals business

The chemicals business segment generated sales of 1,169 million yen (down 16.9%) due to a decrease in sales of the surface treatment chemicals (for the wet process), affected by the earthquake disaster. Consequently, segment profit amounted to 235 million yen (down 36.5%)

#### Overseas business

The overseas business segment experienced fairly strong performance for the surface treatment chemicals (for the wet process) in China, Taiwan and South Korea with resulting in total segment sales of 1,454 million yen (up 44.7%) with a segment profit of 308 million yen (up 49.4%).

#### Machine business

The machine business segment reported segment sales of 145 million yen (down 56.9%) partly due to the delay in the inspection schedule. Consequently, segment loss amounted to 62 million yen (compared to the year-ago segment loss of 14 million yen).

#### New businesses

The new businesses segment reported sales of 20 million yen (down 88.0%). Consequently, segment loss amounted to 89 million yen (compared to the year-ago segment loss of 112 million yen).

### (2) Qualitative Information Regarding Consolidated Financial Position

#### Assets

Total assets at the end of the first quarter of the current fiscal year decreased 477 million yen to 11,368 million yen.

Current assets decreased 622 million yen to 6,440 million yen mainly due to a decrease in cash and deposits.

Fixed assets increased 145 million yen to 4,928 million yen mainly due to the purchasing of investment securities to strengthen business relationships with the issuers.

## **Liabilities**

Total liabilities at the end of the first quarter decreased 511 million yen to 5,463 million yen.

Current liabilities decreased 389 million yen to 3,471 million yen mainly because accrued income taxes declined due to tax payments.

Long-term liabilities decreased by 121 million yen to 1,991 million yen mainly due to repayments of long-term loans payable.

## **Net assets**

Net assets at the end of the first quarter increased 34 million yen to 5,905 million yen.

### **(3) Qualitative Information Regarding Consolidated Forecast**

For the consolidated forecast for the current fiscal year, the Company has reviewed the effects caused by the Great East Japan Earthquake that occurred on March 11, 2011 as well as the current performance trends, and has revised both the first-half and full-year forecasts that were announced on May 9, 2011.

For more details, please refer to “Revisions to Earnings Forecasts,” which has been announced today (August 5, 2011).

## **2. Matters Related to Summary Information (Others)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

### **(2) Application of Special Accounting Methods for Presenting Consolidated Quarterly Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Revised Restatements**

Not applicable.

**3. Consolidated Quarterly Financial Statements****(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY3/11 (As of Mar. 31, 2011)	First quarter of FY3/12 (As of Jun. 30, 2011)
Assets		
Current assets		
Cash and deposits	2,498,558	1,939,040
Notes and accounts receivable-trade	3,178,243	2,956,574
Merchandise and finished goods	543,092	613,959
Work in process	90,506	118,773
Raw materials and supplies	296,399	314,796
Deferred tax assets-current	232,268	214,285
Other current assets	245,291	301,613
Allowance for doubtful accounts	(20,769)	(18,384)
Total current assets	7,063,591	6,440,659
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	1,741,467	1,720,012
Machinery, equipment and vehicles, net	261,469	322,585
Tools, furniture and fixtures, net	232,124	225,487
Land	522,824	522,824
Lease assets, net	152,201	148,500
Construction in progress	17,154	4,742
Total property, plant and equipment	2,927,241	2,944,152
Intangible fixed assets		
Goodwill	296,225	277,051
Other intangible fixed assets	55,436	51,076
Total intangible fixed assets	351,661	328,127
Investments and other assets		
Investment securities	816,805	947,285
Deferred tax assets-non-current	239,686	262,193
Other investments	485,563	485,196
Allowance for doubtful accounts	(38,559)	(38,777)
Total investments and other assets	1,503,496	1,655,898
Total fixed assets	4,782,399	4,928,177
Total assets	11,845,990	11,368,836

	(Thousands of yen)	
	FY3/11 (As of Mar. 31, 2011)	First quarter of FY3/12 (As of Jun. 30, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,887,095	1,735,518
Short-term loans payable	99,409	229,636
Current portion of long-term loans payable	747,972	727,972
Lease obligations-current	13,480	13,600
Accrued income taxes	355,773	106,416
Reserve for bonuses	253,931	140,509
Advances received	14,633	36,831
Deferred tax liabilities	1,094	5,997
Other current liabilities	488,254	475,202
<b>Total current liabilities</b>	<b>3,861,644</b>	<b>3,471,686</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,136,374	969,381
Lease obligations-non-current	165,322	161,877
Reserve for retirement benefits	557,434	602,095
Asset retirement obligations	161,568	162,457
Other long-term liabilities	92,826	96,174
<b>Total long-term liabilities</b>	<b>2,113,526</b>	<b>1,991,985</b>
<b>Total liabilities</b>	<b>5,975,171</b>	<b>5,463,672</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,176,255	1,176,255
Capital surplus	1,128,904	1,128,904
Retained earnings	3,997,241	3,990,669
Treasury stock	(191)	(191)
<b>Total shareholders' equity</b>	<b>6,302,208</b>	<b>6,295,637</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(81,381)	(108,094)
Foreign currency translation adjustments	(378,311)	(315,252)
<b>Total accumulated other comprehensive income</b>	<b>(459,692)</b>	<b>(423,347)</b>
<b>Minority interests</b>	<b>28,303</b>	<b>32,875</b>
<b>Total net assets</b>	<b>5,870,819</b>	<b>5,905,164</b>
<b>Total liabilities and net assets</b>	<b>11,845,990</b>	<b>11,368,836</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/11 (Apr. 1, 2010 – Jun. 30, 2010)	First three months of FY3/12 (Apr. 1, 2011 – Jun. 30, 2011)
Sales	2,879,643	2,763,781
Cost of sales	1,477,815	1,391,264
Gross profit on sales	1,401,827	1,372,516
Selling, general and administrative expenses		
Salaries and wages	356,967	369,223
Bonuses	110,381	129,958
Retirement benefit expenses	37,023	38,835
Depreciation expense	61,657	55,873
Other expenses	580,535	605,046
Total selling, general and administrative expenses	1,146,565	1,198,937
Operating income	255,262	173,579
Non-operating income		
Interest income	2,052	2,343
Dividend income	9,611	9,343
Foreign exchange gain	5,795	6,134
Insurance income	20,036	925
Reversal of allowance for doubtful accounts	-	2,859
Other non-operating income	2,324	1,457
Total non-operating income	39,820	23,064
Non-operating expenses		
Interest expenses	11,241	9,203
Equity in losses of affiliates	140	4,059
Other non-operating expenses	1,641	666
Total non-operating expenses	13,023	13,930
Ordinary income	282,059	182,714
Extraordinary gains		
Gain on sales of fixed assets	113	2,013
Gain on sales of investment securities	828	-
Reversal of allowance for doubtful accounts	4,628	-
Total extraordinary gains	5,570	2,013
Extraordinary losses		
Loss on sales of fixed assets	2,744	-
Loss on removal of fixed assets	4,995	367
Impairment losses	18,641	-
Loss on application of ARO accounting standard	43,307	-
Total extraordinary losses	69,689	367
Income before income taxes and minority interests	217,940	184,360
Income taxes-current	49,938	63,209
Income taxes-deferred	101,537	18,783
Total income taxes	151,476	81,993
Income before minority interests	66,464	102,366
Minority interests in income	2,820	3,120
Net income	63,644	99,246

**Consolidated Statements of Comprehensive Income**  
**(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/11 (Apr. 1, 2010 – Jun. 30, 2010)	First three months of FY3/12 (Apr. 1, 2011 – Jun. 30, 2011)
Income before minority interests	66,464	102,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,667)	(26,713)
Foreign currency translation adjustments	37,826	59,553
Share of other comprehensive income of associates accounted for using equity method	371	4,956
Total other comprehensive income	2,531	37,796
Comprehensive income	68,995	140,163
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	64,733	135,591
Comprehensive income attributable to minority interests	4,262	4,572

**(3) Going Concern Assumption**

Not applicable.

**(4) Segment Information**

I First three months of FY3/11 (Apr. 1, 2010 – Jun. 30, 2010)

## 1. Information related to sales and profit or losses for each reportable segment

(Thousands of yen)

	Reportable segment					Adjustments *1	Amounts shown on consolidated statements of income *2
	Chemicals business	Overseas business	Machine business	New businesses	Total		
Sales							
Sales to outside customers	1,408,250	1,002,990	297,802	170,600	2,879,643	-	2,879,643
Inter-segment sales and transfers	420	2,038	39,816	-	42,274	(42,274)	-
Total	1,408,670	1,005,028	337,618	170,600	2,921,917	(42,274)	2,879,643
Segment profit (loss)	371,238	206,401	(14,595)	(112,238)	450,806	(195,544)	255,262

Notes: 1. The negative adjustment of 195,544 thousand yen to segment profit includes inter-segment transaction elimination of 39 thousand yen and corporate expenses of -195,584 thousand yen. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated statements of income.

## 2. Information related to impairment losses on fixed assets or goodwill, etc. for each reportable segment

Significant impairment losses related to fixed assets

(Thousands of yen)

	Reportable segment					Adjustments	Amounts shown on consolidated statements of income
	Chemicals business	Overseas business	Machine business	New businesses	Total		
Impairment losses	11,319	7,322	-	-	18,641	-	18,641

These impairment losses were recognized because the Company decided to remove the surface treatment chemical production equipment at the Fujisawa Plant earlier than was originally planned.

Significant change in goodwill

Not applicable.

Significant gain on negative goodwill

Not applicable.

## II First three months of FY3/12 (Apr. 1, 2011 – Jun. 30, 2011)

## 1. Information related to sales and profit or losses for each reportable segment

(Thousands of yen)

	Reportable segment					Adjustments *1	Amounts shown on consolidated statements of income *2
	Chemicals business	Overseas business	Machine business	New businesses	Total		
Sales							
Sales to outside customers	1,169,917	1,432,075	141,331	20,456	2,763,781	-	2,763,781
Inter-segment sales and transfers	-	22,496	4,175	-	26,671	(26,671)	-
Total	1,169,917	1,454,572	145,506	20,456	2,790,452	(26,671)	2,763,781
Segment profit (loss)	235,814	308,452	(62,878)	(89,939)	391,448	(217,869)	173,579

Notes: 1. The negative adjustment of 217,869 thousand yen to segment profit includes inter-segment transaction elimination of -1,096 thousand yen and corporate expenses of -216,772 thousand yen. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating income shown on the consolidated statements of income.

## 2. Information related to impairment losses on fixed assets or goodwill, etc. for each reportable segment

Significant impairment losses related to fixed assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on negative goodwill

Not applicable.

**(5) Significant Changes in Shareholders' Equity**

Not applicable.

**(6) Material Subsequent Events****Establishment of an important subsidiary**

The Company established a subsidiary in Indonesia based on the resolution approved by the Board of Directors on May 9, 2011.

## 1. Purpose of establishing the subsidiary

For the purpose of increasing sales of the Company's products in Indonesia.

## 2. Profile of the new company

- |                       |                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------|
| (1) Company name:     | PT. JCU INDONESIA                                                                               |
| (2) Location:         | Kota Bekasi, Jawa Barat                                                                         |
| (3) Business:         | Sale of surface treatment chemicals and machines and provision of associated technical services |
| (4) Capital:          | US\$1,200,000 (about 94 million yen)                                                            |
| (5) Establishment:    | July 8, 2011                                                                                    |
| (6) Equity ownership: | EBARA-UDYLITE CO., LTD.: 95%<br>EBARA-UDYLITE (ASIA-PACIFIC) CO., LTD.: 5%                      |
| (7) Fiscal year end:  | December                                                                                        |

**Reclassification of Shenzhen SenRen Vacuum Plating Co., Ltd. as a subsidiary**

The Company's Board of Directors approved a resolution on July 29, 2011 to make an additional investment in Shenzhen SenRen Vacuum Plating Co., Ltd. Due to this investment, Shenzhen SenRen Vacuum Plating has been reclassified from an equity-method affiliate to a consolidated subsidiary. Furthermore, Shenzhen SenRen Vacuum Plating is classified as a specified subsidiary because its capital stock is at least 10% as much as the Company's capital stock.

## 1. Purpose of the additional investment

By making this additional investment to transform Shenzhen SenRen Vacuum Plating into a wholly owned subsidiary, the Company can play a leading role in enacting business reforms at this subsidiary.

## 2. Seller

Tritree Metal (ShenZhen) Co., Ltd.

## 3. Profile of Shenzhen SenRen Vacuum Plating Co., Ltd.

- |                      |                                                                              |
|----------------------|------------------------------------------------------------------------------|
| (1) Company name:    | Shenzhen SenRen Vacuum Plating Co., Ltd.                                     |
| (2) Location:        | Shenzhen, Guangzhou, China                                                   |
| (3) Representative:  | Wang YouLin<br>(President of Tritree Metal (ShenZhen) Co., Ltd.)             |
| (4) Business:        | Providing coloring treatment for metal components using sputtering equipment |
| (5) Capital:         | 25 million Chinese yuan                                                      |
| (6) Establishment:   | May 6, 2010                                                                  |
| (7) Fiscal year end: | December                                                                     |

## 4. Contact signing date

August 2, 2011

## 5. Acquisition cost and change in equity interests

- |                                               |                                                  |
|-----------------------------------------------|--------------------------------------------------|
| (1) Acquisition cost:                         | 900 million Chinese yuan (about 112 million yen) |
| (2) Equity interest before stock acquisition: | 50%                                              |
| (3) Equity interest after stock acquisition:  | 100%                                             |

*\* This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*