

**Quarterly Consolidated Financial Statements
Included in the Quarterly Report
Meiko Electronics Co., Ltd.
and its consolidated subsidiaries**

For the third quarter and nine months ended December 31, 2014

(ENGLISH TRANSLATION)

NOTE:

This document is an excerpt translation of the Quarterly Report (“Shihanki Houkokusho”) of Meiko Electronics Co., Ltd. (the “Company”), for the third quarter and nine months ended December 31, 2014, filed with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan pursuant to the Financial Instruments and Exchange Law of Japan on February 13, 2015.

Please note that the quarterly consolidated financial statements in this document are a translation of the reviewed quarterly consolidated financial statements presented in Japanese. The translation of the quarterly consolidated financial statements and notes has NOT been audited by KPMG AZSA LLC, who reviewed the original Japanese figures.

The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. The final decision and responsibility for investments rests solely with the reader of this document.

Financial Information

1 Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the “Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64 of 2007).

2 Review reports

The quarterly consolidated financial statements of the Company for the third quarter (October 1, 2014 - December 31, 2014), and those for the nine months ended December 31, 2014, were reviewed by KPMG AZSA LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law of Japan.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Meiko Electronics Co., Ltd. and its consolidated subsidiaries

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014
Assets				
Current assets				
Cash and deposits	¥ 8,978	¥ 11,756	\$ 97,513	
Notes and accounts receivable-trade	17,543	*3 23,430	*3 194,341	
Merchandise and finished goods	4,573	6,412	53,187	
Work in process	2,604	3,413	28,313	
Raw materials and supplies	4,424	5,437	45,100	
Other	4,633	6,042	50,112	
Allowance for doubtful accounts	(15)	(18)	(146)	
Total current assets	42,740	56,472	468,420	
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	27,791	31,323	259,810	
Machinery, equipment and vehicles, net	29,927	36,024	298,808	
Land	1,702	1,702	14,119	
Construction in progress	7,335	6,192	51,356	
Other, net	824	1,765	14,635	
Total property, plant and equipment	67,579	77,006	638,728	
Intangible assets	455	439	3,641	
Investments and other assets	*2 4,653	*2 6,854	*2 56,853	
Total non-current assets	72,687	84,299	699,222	
Total assets	¥ 115,427	¥ 140,771	\$ 1,167,642	

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014
Liabilities				
Current liabilities				
Notes and accounts payable-trade	¥ 9,933	*3 ¥ 15,682	*3 \$	130,080
Short-term loans payable	8,362	15,012		124,519
Current portion of long-term loans payable	11,867	13,254		109,933
Income taxes payable	165	1,261		10,462
Provision for bonuses	500	264		2,187
Other	6,083	*3 6,839	*3	56,725
Total current liabilities	36,910	52,312		433,906
Non-current liabilities				
Long-term loans payable	29,216	33,850		280,773
Provision for directors' retirement benefits	261	239		1,983
Net defined benefit liability	1,942	2,045		16,962
Other	2,390	2,574		21,351
Total non-current liabilities	33,809	38,708		321,069
Total liabilities	70,719	91,020		754,975
Net assets				
Shareholders' equity				
Capital stock	12,889	12,889		106,905
Capital surplus	14,810	14,810		122,843
Retained earnings	13,756	14,171		117,548
Treasury shares	(396)	(396)		(3,288)
Total shareholders' equity	41,059	41,474		344,008
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	98	62		516
Deferred gains or losses on hedges	(82)	(180)		(1,492)
Foreign currency translation adjustment	3,766	8,513		70,615
Remeasurements of defined benefit plans	(133)	(118)		(980)
Total accumulated other comprehensive income	3,649	8,277		68,659
Total net assets	44,708	49,751		412,667
Total liabilities and net assets	¥ 115,427	¥ 140,771	\$	1,167,642

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income
For the Nine Months Ended December 31, 2014
Meiko Electronics Co., Ltd. and its consolidated subsidiaries

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Nine months ended December 31, 2014
Net sales	¥ 59,144	¥ 67,476	\$ 559,689
Cost of sales	51,097	61,758	512,258
Gross profit	8,047	5,718	47,431
Selling, general and administrative expenses	6,696	7,863	65,224
Operating income (loss)	1,351	(2,145)	(17,793)
Non-operating income			
Interest income	14	29	238
Dividend income	18	20	168
Foreign exchange gains	2,823	5,086	42,183
Other	174	149	1,237
Total non-operating income	3,029	5,284	43,826
Non-operating expenses			
Interest expenses	700	770	6,390
Other	335	258	2,131
Total non-operating expenses	1,035	1,028	8,521
Ordinary income	3,345	2,111	17,512
Extraordinary income			
Gain on sales of non-current assets	382	3	26
Compensation income	287	—	—
Total extraordinary income	669	3	26
Extraordinary losses			
Loss on sales and retirement of non-current assets	179	143	1,189
Impairment loss	62	—	—
Loss on valuation of investment securities	27	9	71
Business structure improvement expenses	63	32	270
Total extraordinary losses	331	184	1,530
Income before income taxes	3,683	1,930	16,008
Income taxes	2,880	1,384	11,483
Income before minority interests	803	546	4,525
Net income	¥ 803	¥ 546	\$ 4,525

Consolidated Statements of Comprehensive Income
For the Nine Months Ended December 31, 2014
Meiko Electronics Co., Ltd. and its consolidated subsidiaries

	Millions of yen		Thousands of
	Nine months ended December 31, 2013	Nine months ended December 31, 2014	U.S. dollars Nine months ended December 31, 2014
Income before minority interests	¥ 803	¥ 546	\$ 4,525
Other comprehensive income			
Valuation difference on available-for-sale securities	164	(36)	(296)
Deferred gains or losses on hedges	58	(98)	(813)
Foreign currency translation adjustment	4,187	4,747	39,379
Remeasurements of defined benefit plans, net of tax	—	15	124
Total other comprehensive income	4,409	4,628	38,394
Comprehensive income	5,212	5,174	42,919
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	¥ 5,212	¥ 5,174	\$ 42,919
Comprehensive income attributable to minority interests	—	—	—

Notes to the Consolidated Financial Statements

Matters concerning Going Concern Assumption

Not applicable

Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Meiko Electronics Co., Ltd. (the “Company”) have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.56 to \$1, the approximate rate of exchange at December 31, 2014. Such translation should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Change in Accounting Policies

Effective from the three-month period ended June 30, 2014, the Company and its consolidated domestic subsidiaries have applied article 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, issued on May 17, 2012 (hereinafter, the “Statement No. 26”)) and article 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, issued on May 17, 2012 (hereinafter, the “Guidance No. 25”)), based on which the calculation methods for retirement benefit obligations and service costs have been changed. The period attribution method for estimated retirement benefits has been changed from the straight-line basis to the benefit formula basis. And the method of determining the discount rate has been revised from applying the number of years close to employees’ average remaining service period as the remaining period of the bond based on which the discount rate is determined, to using the single weighted-average discount rate that takes into account the assumed payment period of retirement benefits and the amount of each assumed payment period.

These revisions have no impact on retained earnings and income and loss at the beginning of the nine-month period ended December 31, 2014.

Specific Accounting Treatments Adopted in Preparing the Quarterly Consolidated Financial Statements

Nine months ended December 31, 2014

Computation of Tax Expense

Tax expenses are calculated by reasonably estimating the effective tax rate after the adoption of tax-effect accounting that is applicable to income before income taxes for the fiscal year ending March 31, 2015, and multiplied by this estimated effective tax rate.

Consolidated Balance Sheets

1 Guarantee obligation

We provide debt guarantee for installment payables of the following affiliate.

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	
Meiko Electronics Thang Long Co., Ltd. For contracts in US dollars	¥ —	¥ 2,466	\$	20,452

*2 Amount of allowance directly deducted from the amount of assets

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	
Investments and other assets	¥ 21	¥ 20	\$	162

*3 Accounting treatment for notes maturing on December 31, 2014

Notes maturing on the final day of a quarterly reporting period are accounted for as if they had been settled on the final day of the period.

As the final day of the third quarter was a bank holiday, the following notes that matured on that day were accounted for as though they had been settled on the maturity date, December 31, 2014.

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	
Notes receivable-trade	¥ —	¥ 31	\$	258
Notes payable-trade	¥ —	¥ 48	\$	396
Notes payable-facilities	¥ —	¥ 1	\$	6

4 Discounted notes receivable-trade are summarized below:

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2014	December 31, 2014	December 31, 2014	
Discounted notes receivable-trade	¥ 38	¥ 71	\$	587

Consolidated Statements of Cash Flows

No consolidated statements of cash flow were prepared for the nine months ended December 31, 2014.

Depreciation (including amortization related to intangible assets) for the nine months ended December 31, 2014 is shown below:

	Millions of yen		Thousands of U.S. dollars	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Nine months ended December 31, 2014	
Depreciation	¥ 4,575	¥ 5,183	\$	42,994

Total Shareholders' Equity

Nine months ended December 31, 2013

1 Cash dividends paid

Resolution	
Board meeting on November 8, 2013	
Type of shares	Common stock
Total dividends (Millions of yen)	94
Dividend per share (Yen).....	5.00
Record date.....	September 30, 2013
Effective date.....	November 29, 2013
Dividend resource.....	Retained earnings

2 Of the dividends whose record date falls during the nine months ended December 31, 2013, those dividends whose effective date fell after the last day of the third quarter

Not applicable

3 Significant changes in shareholders' equity

During the nine months ended December 31, 2013, capital stock and legal capital surplus each increased by 2,039 million yen through new share issues by a paid-in public offering (book building method), with December 18, 2013 as the payment date. As a result, capital stock and legal capital surplus on the final day of the third quarter (December 31, 2013) were 12,585 million yen and 14,506 million yen, respectively.

Nine months ended December 31, 2014

1 Cash dividends paid

Resolution	
Board meeting on May 28, 2014	
Type of shares	Common stock
Total dividends (Millions of yen)	131
Dividend per share (Yen).....	5.00
Record date.....	March 31, 2014
Effective date.....	June 12, 2014
Dividend resource.....	Retained earnings

2 Of the dividends whose record date falls during the nine months ended December 31, 2014, those dividends whose effective date will fall after the last day of the third quarter

Not applicable

Segment Information

As the Group's businesses are all in the single segment of PCB design, manufacturing, sales, and ancillary operations, this section is omitted.

Per Share Information

The basis for calculating net income per share is shown below:

Item	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net income per share (Yen)	42.04	20.84
Basis for calculation		
Net income (Millions of yen)	803	546
Amounts not attributable to common shareholders (Millions of yen)	–	–
Net income attributable to common shares (Millions of yen)	803	546
Average number of common shares outstanding for the period (Shares)	19,101,931	26,174,076

Note: Diluted net income per share is not disclosed as there were no diluted shares.

Significant Subsequent Events

Not applicable

2 Other

As per a resolution passed by the Board of Directors at its meeting held on November 7, 2014, no interim dividend will be paid for the fiscal year ending March 31, 2015.