

**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, 2012

(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, 2012, 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, 2013.

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) (the “Regulation for Quarterly Consolidated Financial Statements”).

2 Review reports

The quarterly consolidated financial statements of the Company for the third quarter (October 1, 2012 - December 31, 2012), and those for the third quarter and nine months ended December 31, 2012, 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, 2012	December 31, 2012	December 31, 2012	December 31, 2012
Assets				
Current assets				
Cash and deposits	¥ 3,971	¥ 7,528	\$ 86,972	
Notes and accounts receivable-trade	*2 12,635	*2 13,153	*2 151,948	
Merchandise and finished goods	2,954	3,296	38,079	
Work in process	2,774	2,712	31,334	
Raw materials and supplies	3,343	4,344	50,185	
Other	2,784	4,159	48,042	
Allowance for doubtful accounts	(17)	(17)	(198)	
Total current assets	<u>28,444</u>	<u>35,175</u>	<u>406,362</u>	
Noncurrent assets				
Property, plant and equipment				
Buildings and structures, net	20,964	23,434	270,721	
Machinery, equipment and vehicles, net	27,581	26,190	302,569	
Land	1,944	1,944	22,462	
Construction in progress	5,263	5,170	59,726	
Other, net	675	694	8,021	
Total property, plant and equipment	<u>56,427</u>	<u>57,432</u>	<u>663,499</u>	
Intangible assets	590	505	5,840	
Investments and other assets	*1 5,644	*1 7,880	*1 91,032	
Total noncurrent assets	<u>62,661</u>	<u>65,817</u>	<u>760,371</u>	
Total assets	¥ <u><u>91,105</u></u>	¥ <u><u>100,992</u></u>	\$ <u><u>1,166,733</u></u>	

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012
Liabilities				
Current liabilities				
Notes and accounts payable-trade	*2 ¥ 6,297	*2 ¥ 8,067	*2 \$ 93,200	
Short-term loans payable	3,098	12,753	147,329	
Current portion of long-term loans payable	10,368	*3 12,348	*3 142,657	
Income taxes payable	510	695	8,033	
Provision for bonuses	460	271	3,135	
Provision for loss on disaster	528	296	3,421	
Other	*2 5,355	5,402	62,401	
Total current liabilities	26,616	39,832	460,176	
Noncurrent liabilities				
Long-term loans payable	26,749	*3 24,902	*3 287,688	
Provision for retirement benefits	1,324	1,462	16,895	
Provision for directors' retirement benefits	261	261	3,016	
Other	1,127	924	10,675	
Total noncurrent liabilities	29,461	27,549	318,274	
Total liabilities	56,077	67,381	778,450	
Net assets				
Shareholders' equity				
Capital stock	10,546	10,546	121,830	
Capital surplus	12,467	12,467	144,029	
Retained earnings	15,518	13,135	151,746	
Treasury stock	(396)	(396)	(4,579)	
Total shareholders' equity	38,135	35,752	413,026	
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	(178)	(147)	(1,705)	
Deferred gains or losses on hedges	(90)	(216)	(2,497)	
Foreign currency translation adjustment	(2,839)	(1,778)	(20,541)	
Total accumulated other comprehensive income	(3,107)	(2,141)	(24,743)	
Total net assets	35,028	33,611	388,283	
Total liabilities and net assets	¥ 91,105	¥ 100,992	\$ 1,166,733	

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income
For the Nine Months Ended December 31, 2012
Meiko Electronics Co., Ltd. and its consolidated subsidiaries

	Millions of yen		Thousands of
	Nine months ended December 31, 2011	Nine months ended December 31, 2012	U.S. dollars Nine months ended December 31, 2012
Net sales	¥ 48,287	¥ 45,091	\$ 520,921
Cost of sales	41,924	39,344	454,534
Gross profit	6,363	5,747	66,387
Selling, general and administrative expenses	5,545	5,937	68,585
Operating income (loss)	818	(190)	(2,198)
Non-operating income			
Interest income	12	15	178
Dividends income	13	13	148
Foreign exchange gains	—	863	9,976
Other	192	173	1,999
Total non-operating income	217	1,064	12,301
Non-operating expenses			
Interest expenses	596	670	7,741
Depreciation	212	703	8,129
Foreign exchange losses	346	—	—
Other	337	365	4,216
Total non-operating expenses	1,491	1,738	20,086
Ordinary loss	(456)	(864)	(9,983)
Extraordinary income			
Gain on sales of noncurrent assets	135	6	71
Compensation income	—	412	4,765
Total extraordinary income	135	418	4,836
Extraordinary loss			
Loss on sales and retirement of noncurrent assets	4	25	295
Loss on valuation of investment securities	320	—	—
Loss on disaster	138	—	—
Loss on abandonment of inventories	—	496	5,731
Loss on abolishment of retirement benefit plan	65	—	—
Environmental expenses	—	437	5,048
Plant suspension expenses	—	234	2,702
Total extraordinary losses	527	1,192	13,776
Loss before income taxes	(848)	(1,638)	(18,923)
Income taxes	156	651	7,519
Refund of income taxes	(413)	—	—
Loss before minority interests	(591)	(2,289)	(26,442)
Net loss	¥ (591)	¥ (2,289)	\$ (26,442)

Consolidated Statements of Comprehensive Income
For the Nine Months Ended December 31, 2012
Meiko Electronics Co., Ltd. and its consolidated subsidiaries

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Nine months ended December 31, 2012
Loss before minority interests	¥ (591)	¥ (2,289)	\$ (26,442)
Other comprehensive income			
Valuation difference on available-for-sale securities	93	31	355
Deferred gains or losses on hedges	(107)	(126)	(1,459)
Foreign currency translation adjustment	(655)	1,061	12,258
Total other comprehensive income	(669)	966	11,154
Comprehensive income	<u>(1,260)</u>	<u>(1,323)</u>	<u>(15,288)</u>
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	¥ (1,260)	¥ (1,323)	\$ (15,288)
Comprehensive income attributable to minority interests	—	—	—

Matters concerning Going Concern Assumption

Not applicable

Change in Scope of Consolidation and Application of the Equity Method

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 ¥86.56 to \$1, the approximate rate of exchange at December 31, 2012. 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

Nine months ended December 31, 2012

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

In accordance with revisions to the Corporation Tax Act, from the first quarter of the fiscal year ending March 31, 2013, the Company and its domestic consolidated subsidiaries have changed the depreciation method, based on the revised Corporation Tax Act, for property, plant and equipment acquired on or after April 1, 2012.

The effect of this change on profit and loss is negligible.

Specific Accounting Treatments Adopted in Preparing the Quarterly Consolidated Financial Statements

Nine months ended December 31, 2012

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, 2013, and multiplied by this estimated effective tax rate.

Notes to the Consolidated Financial Statements

Consolidated Balance Sheets

*1 Amount of allowance directly deducted from the amount of investments and other assets

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2012	December 31, 2012	December 31, 2012	
Allowance for doubtful accounts·····	¥ 46	¥ 40	\$	461
Allowance for investment loss·····	69	69		797

*2 Accounting treatment for notes maturing on December 31, 2012

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.

Because the final day of the third quarter (December 31, 2012) was a bank holiday, the following notes maturing on the final day of the quarter were accounted for as if they had been settled on the maturity date.

	Millions of yen		Thousands of U.S. dollars	
	March 31, 2012	December 31, 2012	December 31, 2012	
Notes receivable–trade·····	¥ 73	¥ 28	\$	321
Notes payable–trade·····	44	46		530
Notes payable–facilities·····	1	—		—

*3 Financial covenants

Nine months ended December 31, 2012

Of loans payable, ¥23,826 million (including loans payable scheduled for repayment within one year) have financial covenants attached under which the breaching of any of the following will require the accelerated repayment of the obligation in the corresponding funding agreement (the covenants differ by agreement, with the main covenants listed below).

- (1) An ordinary loss shall not be recorded in the consolidated statement of income for each fiscal year.
- (2) Two consecutive ordinary losses shall not be recorded in the consolidated statements of income for each fiscal year.
- (3) The total amount of net assets recorded in the consolidated balance sheet as of the close of each fiscal year shall be at least the higher of: (i) 75% of the total amount of net assets recorded in the consolidated balance sheet as of March 31, 2012; or (ii) 75% of the total amount of net assets recorded in the consolidated balance sheet as of the close of the immediately preceding fiscal year.
- (4) The total amount of interest-bearing debt recorded in the consolidated balance sheet as of the close of each fiscal year shall be no more than the amount of net sales recorded in the consolidated statement of income for the same fiscal year, divided by 12 and multiplied by 8.

Consolidated Statements of Cash Flows

No consolidated statements of cash flow were prepared for the nine months ended December 31, 2012.

Depreciation and amortization (including amortization related to intangible assets, except for goodwill) for the nine months ended December 31, 2012 and the amortization of goodwill are shown below:

	Millions of yen		Thousands of
	Nine months ended December 31, 2011	Nine months ended December 31, 2012	U.S. dollars
Depreciation and amortization.....	¥ 4,572	¥ 4,824	\$ 55,727
Amortization of goodwill	47	48	551

Total Shareholders' Equity

Nine months ended December 31, 2011

1 Cash dividends paid

Not applicable

2 Of the dividends whose record date falls during the nine months ended December 31, 2011, those dividends whose effective date fell after the last day of the third quarter

Not applicable

Nine months ended December 31, 2012

1 Cash dividends paid

Resolution

June 27, 2012 Shareholders' meeting

Type of shares Common stock

Total dividends (Millions of yen) 94

Dividend per share (Yen)..... 5.00

Record date..... March 31, 2012

Effective date..... June 28, 2012

Dividend resource..... Retained earnings

2 Of the dividends whose record date falls during the nine months ended December 31, 2012, those dividends whose effective date will fall after the last day of the third quarter

Not applicable

Segment Information

I Nine months ended December 31, 2011

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

II Nine months ended December 31, 2012

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

Financial Instruments

Pursuant to the provisions of Article 17-2 of the Regulation for Quarterly Consolidated Financial Statements, this section is omitted.

Securities

Pursuant to the provisions of Article 17-2 of the Regulation for Quarterly Consolidated Financial Statements, this section is omitted.

Derivative Transactions

Pursuant to the provisions of Article 17-2 of the Regulation for Quarterly Consolidated Financial Statements, this section is omitted.

Business Combinations, etc.

Not applicable

Per Share Information

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

Item	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net loss per share (Yen)	(31.46)	(121.91)
Basis for calculation		
Net loss (Millions of yen)	(591)	(2,289)
Amounts not attributable to common shareholders (Millions of yen)	—	—
Net loss attributable to common shareholders (Millions of yen)	(591)	(2,289)
Average number of common shares outstanding for the period (Shares)	18,774,150	18,774,076

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

Significant Subsequent Events

Transaction under joint control, etc.

Meiko Electronics (Wuhan) Co., Ltd., a consolidated subsidiary of the Group in China, carried out an absorption-type merger of Meiko New And High Technology Circuit (Wuhan) Co., Ltd., a non-consolidated subsidiary, as of January 28, 2013 based on the resolution of the board meeting that took place on January 7, 2013.

(1) Outline of the transaction including the names and business descriptions of the companies involved in the combination, the legal method of business combination, the name of the company after combination and the purpose of the transaction

1) Names of the companies involved in the combination

Meiko Electronics (Wuhan) Co., Ltd. : Company surviving absorption-type merger

Meiko New And High Technology Circuit (Wuhan) Co., Ltd. : Absorbed company

2) Business description

Meiko Electronics (Wuhan) Co., Ltd. : Manufacture and sale of electronic circuit boards

Meiko New And High Technology Circuit (Wuhan) Co., Ltd. : Manufacture and sale of electronic circuit boards

3) Legal method of business combination

Absorption-type merger with Meiko Electronics (Wuhan) Co., Ltd. as the surviving company and Meiko New And High Technology Circuit (Wuhan) Co., Ltd. as the absorbed company

4) Name of the company after combination

Meiko Electronics (Wuhan) Co., Ltd.

5) Outline of the transaction including the purpose of the transaction

The merger was carried out in order to improve the efficiency of the business and reduce management costs by combining Meiko Electronics (Wuhan) Co., Ltd. and Meiko New And High Technology Circuit (Wuhan) Co., Ltd.

(2) Outline of accounting treatment

The transaction was accounted for as a transaction under joint control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

2 Other

As per a resolution passed by the Board of Directors at its meeting held on November 6, 2012, an interim dividend will not be paid for the fiscal year ending March 31, 2013.