

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2013
(Based on Japanese GAAP)**

August 2, 2013

Company name YKT CORPORATION
 Stock exchange listing Tokyo
 Stock Code 2693 URL <http://www.ykt.co.jp>
 Representative PRESIDENT TORU ICHIOKA
 Inquiries DIRECTOR EIJI MAEDA TEL 03-3467-1251
 Scheduled date to file Quarterly Securities Report August 9, 2013
 Scheduled date to commence dividend payments -
 Preparation of supplementary material on quarterly earnings yes
 Holding of quarterly earnings performance review no -

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2013 (from January 1, 2013 to June 30, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------------|-----------------|--------|------------------|------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended June 30, 2013 | 3,902 | (14.8) | (74) | - | (82) | - | (67) | - |
| Six months ended June 30, 2012 | 4,579 | (5.6) | 217 | 88.4 | 225 | 67.3 | 177 | 36.8 |

| | Net income per share | Diluted net income per share |
|--------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Six months ended June 30, 2013 | (5.72) | - |
| Six months ended June 30, 2012 | 14.98 | 14.96 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2013 | 8,612 | 5,462 | 63.4 | 459.52 |
| As of December 31, 2012 | 9,227 | 5,571 | 60.3 | 468.70 |

2. Cash dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended December 31, 2012 | - | 0.00 | - | 5.00 | 5.00 |
| Year ending December 31, 2013 | - | 0.00 | - | - | - |
| Year ending December 31, 2013 (Forecast) | - | - | - | 5.00 | 5.00 |

3. Forecast for the year ending December 31, 2013 (from January 1, 2013 to December 31, 2013)

Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|-----------|-----------------|-----|------------------|---|-----------------|---|-----------------|---|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 8,300 | 3.2 | (30) | - | (40) | - | (50) | - | (4.21) |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2013
 (changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: yes
 - Changes in accounting policies due to other reasons: no
 - Changes in accounting estimates: no
 - Restatement of prior period financial statements after error corrections: no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

| | | | |
|---------------------|-------------------|-------------------------|-------------------|
| As of June 30, 2013 | 11,888,740 shares | As of December 31, 2012 | 11,888,740 shares |
|---------------------|-------------------|-------------------------|-------------------|

Number of shares of treasury stock at the end of the period

| | | | |
|---------------------|---------------|-------------------------|---------------|
| As of June 30, 2013 | 10,845 shares | As of December 31, 2012 | 10,705 shares |
|---------------------|---------------|-------------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|--------------------------------|-------------------|--------------------------------|-------------------|
| Six months ended June 30, 2013 | 11,877,969 shares | Six months ended June 30, 2012 | 11,878,205 shares |
|--------------------------------|-------------------|--------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of December 31, 2012 | As of June 30, 2013 |
|-------------------------------------|-------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,550,885 | 2,887,422 |
| Notes and accounts receivable-trade | 1,341,500 | 971,388 |
| Merchandise | 1,421,970 | 824,524 |
| Other | 388,026 | 311,238 |
| Allowance for doubtful accounts | (1,945) | (930) |
| Total current assets | 5,700,438 | 4,993,643 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 470,508 | 459,752 |
| Land | 1,702,974 | 1,702,974 |
| Other, net | 74,834 | 71,727 |
| Total property, plant and equipment | 2,248,317 | 2,234,454 |
| Intangible assets | | |
| Other | 21,728 | 19,462 |
| Total intangible assets | 21,728 | 19,462 |
| Investments and other assets | | |
| Investment securities | 102,413 | 156,628 |
| Real estate for investment, net | 718,314 | 711,718 |
| Guarantee deposits | 313,016 | 313,913 |
| Other | 123,750 | 182,972 |
| Allowance for doubtful accounts | (247) | - |
| Total investments and other assets | 1,257,247 | 1,365,232 |
| Total noncurrent assets | 3,527,293 | 3,619,148 |
| Total assets | 9,227,731 | 8,612,792 |

(Thousands of yen)

| | As of December 31, 2012 | As of June 30, 2013 |
|---|-------------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 822,279 | 910,689 |
| Short-term loans payable | 400,000 | - |
| Current portion of long-term loans payable | 510,648 | 578,629 |
| Current portion of bonds | 163,600 | 113,500 |
| Income taxes payable | 11,882 | 7,657 |
| Other | 730,000 | 651,148 |
| Total current liabilities | 2,638,409 | 2,261,624 |
| Noncurrent liabilities | | |
| Bonds payable | 72,000 | 40,000 |
| Long-term loans payable | 727,040 | 623,571 |
| Provision for retirement benefits | 185,338 | 198,305 |
| Other | 33,608 | 27,102 |
| Total noncurrent liabilities | 1,017,987 | 888,978 |
| Total liabilities | 3,656,397 | 3,150,602 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,385,709 | 1,385,709 |
| Capital surplus | 1,997,995 | 1,997,995 |
| Retained earnings | 2,166,080 | 2,038,784 |
| Treasury stock | (3,176) | (3,200) |
| Total shareholders' equity | 5,546,609 | 5,419,290 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 11,623 | 18,353 |
| Deferred gains or losses on hedges | 7,893 | 1,270 |
| Foreign currency translation adjustment | 1,099 | 19,166 |
| Total accumulated other comprehensive income | 20,615 | 38,790 |
| Subscription rights to shares | 4,108 | 4,108 |
| Total net assets | 5,571,334 | 5,462,189 |
| Total liabilities and net assets | 9,227,731 | 8,612,792 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Six months ended June 30, 2012 | Six months ended June 30, 2013 |
|--|-----------------------------------|-----------------------------------|
| Net sales | 4,579,026 | 3,902,152 |
| Cost of sales | 3,500,466 | 3,144,934 |
| Gross profit | 1,078,560 | 757,217 |
| Selling, general and administrative expenses | 861,558 | 832,190 |
| Operating income (loss) | 217,001 | (74,973) |
| Non-operating income | | |
| Interest income | 3,816 | 3,703 |
| Dividends income | 2,112 | 2,190 |
| Purchase discounts | 8,849 | 4,188 |
| Real estate rent | 16,902 | 16,902 |
| Other | 8,509 | 1,019 |
| Total non-operating income | 40,190 | 28,004 |
| Non-operating expenses | | |
| Interest expenses | 12,497 | 11,441 |
| Rent expenses on real estates | 10,211 | 9,496 |
| Other | 9,300 | 14,199 |
| Total non-operating expenses | 32,009 | 35,138 |
| Ordinary income (loss) | 225,182 | (82,107) |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 595 | - |
| Total extraordinary losses | 595 | - |
| Income (loss) before income taxes and minority interests | 224,586 | (82,107) |
| Income taxes-current | 5,332 | 3,559 |
| Income taxes-deferred | 41,279 | (17,760) |
| Total income taxes | 46,611 | (14,201) |
| Income (loss) before minority interests | 177,974 | (67,906) |
| Net income (loss) | 177,974 | (67,906) |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Six months ended June 30, 2012 | Six months ended June 30, 2013 |
|---|-----------------------------------|-----------------------------------|
| Income (loss) before minority interests | 177,974 | (67,906) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,256 | 6,730 |
| Deferred gains or losses on hedges | 41,595 | (6,622) |
| Foreign currency translation adjustment | 4,088 | 18,067 |
| Total other comprehensive income | 47,941 | 18,174 |
| Comprehensive income | 225,916 | (49,731) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 225,916 | (49,731) |

Consolidated statements of cash flows

(Thousands of yen)

| | Six months ended June 30, 2012 | Six months ended June 30, 2013 |
|---|-----------------------------------|-----------------------------------|
| Net cash provided by (used in) operating activities | | |
| Income (loss) before income taxes and minority interests | 224,586 | (82,107) |
| Depreciation and amortization | 32,370 | 30,232 |
| Interest and dividends income | (5,928) | (5,894) |
| Interest expenses | 12,497 | 11,441 |
| Decrease (increase) in notes and accounts receivable-trade | 259,095 | 380,526 |
| Decrease (increase) in inventories | (147,999) | 607,184 |
| Increase (decrease) in notes and accounts payable-trade | (88,874) | 77,010 |
| Other, net | (7,943) | (61,959) |
| Subtotal | 277,803 | 956,433 |
| Interest and dividends income received | 5,966 | 5,969 |
| Interest expenses paid | (10,717) | (10,469) |
| Income taxes paid | (19,555) | (1,831) |
| Net cash provided by (used in) operating activities | 253,497 | 950,102 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (5,449) | (13,066) |
| Purchase of intangible assets | (12,950) | - |
| Purchase of investment securities | - | (43,757) |
| Other, net | (6,185) | 2,226 |
| Net cash provided by (used in) investing activities | (24,585) | (54,597) |
| Net cash provided by (used in) financing activities | | |
| Increase in short-term loans payable | - | 15,000 |
| Decrease in short-term loans payable | - | (415,000) |
| Proceeds from long-term loans payable | 300,000 | 240,000 |
| Repayment of long-term loans payable | (220,358) | (275,488) |
| Redemption of bonds | (82,100) | (82,100) |
| Cash dividends paid | (60,327) | (58,361) |
| Other, net | (3,616) | (5,075) |
| Net cash provided by (used in) financing activities | (66,401) | (581,024) |
| Effect of exchange rate change on cash and cash equivalents | 2,068 | 22,052 |
| Net increase (decrease) in cash and cash equivalents | 164,579 | 336,533 |
| Cash and cash equivalents at beginning of period | 2,391,843 | 2,536,478 |
| Cash and cash equivalents at end of period | 2,556,422 | 2,873,011 |