

Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 <under IFRS>

Company name: **Yutaka Giken Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7229
 URL: <https://www.yutakagiken.co.jp/en/index.html>
 Representative: Katsuhiro Kurokawa, President & Representative Director
 Contact: Hitoshi Ono, General Manager of Accounting Division
 Tel: +81-53-433-4111

Scheduled date for holding annual general meeting of shareholders: June 22, 2018
 Scheduled date to commence dividend payments: June 25, 2018
 Scheduled date to file annual securities report: June 22, 2018
 Preparation of supplementary results briefing material on consolidated financial results: Yes
 Holding of consolidated financial results presentation meeting: Yes

(Millions of yen with fractional amounts rounded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	181,158	15.3	9,644	(20.3)	9,687	(14.5)	4,945	(31.3)	3,006	(44.9)	3,896	(43.9)
March 31, 2017	157,176	(4.9)	12,096	(17.4)	11,336	(15.7)	7,195	(17.6)	5,455	(24.2)	6,945	181.8

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	202.85	—	4.1	6.3	5.3
March 31, 2017	368.09	—	7.6	7.5	7.7

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2018: — million yen

For the fiscal year ended March 31, 2017: — million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2018	154,606	85,156	74,494	48.2	5,027.13
March 31, 2017	154,906	84,828	73,850	47.7	4,983.66

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	14,804	(7,099)	(8,124)	25,246
March 31, 2017	16,809	(10,884)	(824)	25,849

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2017	–	30.00	–	30.00	60.00	889	16.3	1.2
March 31, 2018	–	31.00	–	31.00	62.00	919	30.6	1.2
Fiscal year ending March 31, 2019 (Forecast)	–	36.00	–	36.00	72.00		16.9	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending September 30, 2018	91,000	7.8	5,500	28.2	5,600	19.3	3,500	1.7	2,600	3.1	Yen 175.46
Fiscal year ending March 31, 2019	182,000	0.5	12,300	27.5	12,500	29.0	8,000	61.8	6,300	109.6	425.15

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

- (2) Changes in accounting policies and changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies other than the above: None

c. Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2018	14,820,000 shares
As of March 31, 2017	14,820,000 shares

- b. Number of treasury shares at end of period

As of March 31, 2018	1,584 shares
As of March 31, 2017	1,479 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2018	14,818,469 shares
Fiscal year ended March 31, 2017	14,818,577 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

The forward-looking statements including earnings forecasts contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended as the Company's commitment to achieve such forecasts. Actual business and other results may differ significantly from these forecasts due to a wide range of factors.

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	28,136	27,098
Trade and other receivables	33,890	39,500
Inventories	23,075	24,926
Other current assets	2,033	1,469
Subtotal	87,134	92,993
Assets held for sale	327	–
Total current assets	87,461	92,993
Non-current assets		
Property, plant and equipment	61,846	56,095
Intangible assets	1,164	1,047
Net defined benefit asset	729	827
Other non-current assets	927	945
Deferred tax assets	2,777	2,698
Total non-current assets	67,444	61,613
Total assets	154,906	154,606
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	38,171	42,377
Borrowings	18,136	14,191
Income taxes payable	1,847	2,293
Other current liabilities	2,659	3,192
Total current liabilities	60,813	62,053
Non-current liabilities		
Borrowings	4,058	3,322
Net defined benefit liability	2,649	2,773
Deferred tax liabilities	1,711	546
Other non-current liabilities	846	756
Total non-current liabilities	9,264	7,397
Total liabilities	70,077	69,450
Equity		
Issued capital	1,754	1,754
Capital surplus	486	8
Retained earnings	70,891	72,990
Treasury shares	(2)	(2)
Other components of equity	721	(256)
Total equity attributable to owners of parent	73,850	74,494
Non-controlling interests	10,978	10,662
Total equity	84,828	85,156
Total liabilities and equity	154,906	154,606

(2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Revenue	157,176	181,158
Cost of sales	128,863	154,231
Gross profit	28,312	26,926
Selling, general and administrative expenses	16,301	17,310
Other income	415	418
Other expense	330	390
Operating profit	12,096	9,644
Finance income	320	363
Finance costs	1,081	320
Profit before tax	11,336	9,687
Income tax expense	4,141	4,741
Profit for the period	7,195	4,945
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	935	(12)
Net change in financial assets at fair value through other comprehensive income	5	(2)
Total items that will not be reclassified to profit or loss	940	(14)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,189)	(1,036)
Total items that may be reclassified to profit or loss	(1,189)	(1,036)
Total other comprehensive income, net of tax	(249)	(1,050)
Comprehensive income for the period	6,945	3,896
Profit attributable to:		
Owners of parent	5,455	3,006
Non-controlling interests	1,740	1,939
Profit for the period	7,195	4,945
Comprehensive income attributable to:		
Owners of parent	5,102	1,961
Non-controlling interests	1,844	1,935
Comprehensive income	6,945	3,896
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	368.09	202.85

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of net defined benefit liability (asset)	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2016	1,754	566	65,380	(2)	—	12
Profit for the period	—	—	5,455	—	—	—
Other comprehensive income	—	—	—	—	915	3
Comprehensive income for the period	—	—	5,455	—	915	3
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(859)	—	—	—
Changes in ownership interests in subsidiaries	—	(80)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	915	—	(915)	—
Total transactions with owners	—	(80)	56	(0)	(915)	—
Balance as of March 31, 2017	1,754	486	70,891	(2)	—	15

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
Balance as of April 1, 2016	1,979	1,991	69,689	10,527	80,217
Profit for the period	—	—	5,455	1,740	7,195
Other comprehensive income	(1,271)	(353)	(353)	103	(249)
Comprehensive income for the period	(1,271)	(353)	5,102	1,844	6,945
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(859)	(1,498)	(2,358)
Changes in ownership interests in subsidiaries	(1)	(1)	(81)	105	24
Transfer from other components of equity to retained earnings	—	(915)	—	—	—
Total transactions with owners	(1)	(916)	(940)	(1,393)	(2,334)
Balance as of March 31, 2017	707	721	73,850	10,978	84,828

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of net defined benefit liability (asset)	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2017	1,754	486	70,891	(2)	–	15
Profit for the period	–	–	3,006	–	–	–
Other comprehensive income	–	–	–	–	(2)	(1)
Comprehensive income for the period	–	–	3,006	–	(2)	(1)
Purchase and sales of treasury shares	–	–	–	(0)	–	–
Dividends paid	–	–	(904)	–	–	–
Changes in ownership interests in subsidiaries	–	(478)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	(2)	–	2	–
Total transactions with owners	–	(478)	(906)	(0)	2	–
Balance as of March 31, 2018	1,754	8	72,990	(2)	–	14

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
Balance as of April 1, 2017	707	721	73,850	10,978	84,828
Profit for the period	–	–	3,006	1,939	4,945
Other comprehensive income	(1,041)	(1,045)	(1,045)	(5)	(1,050)
Comprehensive income for the period	(1,041)	(1,045)	1,961	1,935	3,896
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(904)	(1,549)	(2,453)
Changes in ownership interests in subsidiaries	64	64	(413)	(702)	(1,115)
Transfer from other components of equity to retained earnings	–	2	–	–	–
Total transactions with owners	64	67	(1,318)	(2,251)	(3,568)
Balance as of March 31, 2018	(270)	(256)	74,494	10,662	85,156

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from (used in) operating activities		
Profit before tax	11,336	9,687
Depreciation and amortization	8,614	9,104
Finance costs (income)	(51)	(78)
Impairment loss	–	2,999
Decrease (increase) in trade and other receivables	(2,388)	(5,676)
Decrease (increase) in inventories	(1,091)	(2,444)
Increase (decrease) in trade and other payables	3,067	5,757
Increase (decrease) in net defined benefit liability	151	266
Other inflows (outflows) of cash	785	(578)
Subtotal	20,423	19,037
Interest received	314	364
Dividends received	1	1
Interest paid	(278)	(294)
Income taxes refund (paid)	(3,651)	(4,304)
Net cash flows from (used in) operating activities	16,809	14,804
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	31	372
Purchase of property, plant and equipment	(11,033)	(7,779)
Proceeds from sales of property, plant and equipment	415	418
Purchase of intangible assets	(321)	(110)
Proceeds from redemption of investment securities	30	–
Payments for loans receivable	(41)	(4)
Proceeds from collection of loans receivable	35	4
Net cash flows from (used in) investing activities	(10,884)	(7,099)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	3,338	(1,565)
Repayments of finance lease obligations	(238)	(306)
Proceeds from non-current borrowings	864	784
Repayments of non-current borrowings	(3,081)	(3,251)
Capital contribution from non-controlling interests	24	–
Payments for acquisition of interests in subsidiaries from non-controlling interests	–	(1,115)
Purchase of treasury shares	(0)	(0)
Dividends paid	(859)	(903)
Dividends paid to non-controlling interests	(872)	(1,767)
Net cash flows from (used in) financing activities	(824)	(8,124)
Effect of exchange rate changes on cash and cash equivalents	(594)	(183)
Net increase (decrease) in cash and cash equivalents	4,507	(603)
Cash and cash equivalents at beginning of period	21,342	25,849
Cash and cash equivalents at end of period	25,849	25,246