Translation

July 27, 2018

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2019 <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 to file quarterly securities report: August 10, 2018
Scheduled date to commence dividend payments: –
Preparation of supplementary results briefing material on quarterly financial results: None
Holding of quarterly financial results presentation meeting: None

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

1. Consolidated financial results for first three months of the fiscal year ending March 31, 2019 (from April 1, 2018 to June 30, 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2018	46,444	12.3	3,057	35.5	3,553	42.0	1,854	3.1	1,466	9.0	1,304	(28.1)
June 30, 2017	41,363	9.4	2,255	(20.2)	2,502	35.0	1,799	54.6	1,344	64.0	1,813	—

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2018	98.91	—
June 30, 2017	90.71	—

(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
June 30, 2018	148,987	85,722	75,091	50.4	5,067.41
March 31, 2018	154,606	85,156	74,494	48.2	5,027.13

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	31.00	—	31.00	62.00
Fiscal year ending March 31, 2019	—				
Fiscal year ending March 31, 2019 (Forecast)		36.00	—	36.00	72.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

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	%	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	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

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** 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: Yes

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 June 30, 2018	14,820,000 shares
As of March 31, 2018	14,820,000 shares

b. Number of treasury shares at end of period

As of June 30, 2018	1,617 shares
As of March 31, 2018	1,584 shares

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

Three months ended June 30, 2018	14,818,397 shares
Three months ended June 30, 2017	14,818,521 shares

* Quarterly reviews are not required for quarterly financial results reports.

* 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.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
ASSETS		
Current assets		
Cash and cash equivalents	27,098	24,140
Trade and other receivables	39,500	40,762
Inventories	24,926	21,202
Other current assets	1,469	1,154
Total current assets	92,993	87,258
Non-current assets		
Property, plant and equipment	56,095	56,010
Intangible assets	1,047	1,045
Net defined benefit asset	827	827
Other non-current assets	945	928
Deferred tax assets	2,698	2,919
Total non-current assets	61,613	61,729
Total assets	154,606	148,987
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	42,377	43,081
Borrowings	14,191	7,745
Income taxes payable	2,293	2,057
Other current liabilities	3,192	3,030
Total current liabilities	62,053	55,912
Non-current liabilities		
Borrowings	3,322	3,181
Net defined benefit liability	2,773	2,765
Deferred tax liabilities	546	677
Other non-current liabilities	756	730
Total non-current liabilities	7,397	7,353
Total liabilities	69,450	63,265
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	72,990	73,997
Treasury shares	(2)	(2)
Other components of equity	(256)	(666)
Total equity attributable to owners of parent	74,494	75,091
Non-controlling interests	10,662	10,631
Total equity	85,156	85,722
Total liabilities and equity	154,606	148,987

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Revenue	41,363	46,444
Cost of sales	35,096	39,286
Gross profit	6,267	7,159
Selling, general and administrative expenses	4,175	4,243
Other income	187	189
Other expense	23	48
Operating profit	2,255	3,057
Finance income	313	562
Finance costs	66	66
Profit before tax	2,502	3,553
Income tax expense	703	1,699
Profit for the period	1,799	1,854
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in financial assets at fair value through other comprehensive income	1	(2)
Total items that will not be reclassified to profit or loss	1	(2)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	14	(548)
Total items that may be reclassified to profit or loss	14	(548)
Total other comprehensive income, net of tax	14	(550)
Comprehensive income for the period	1,813	1,304
Profit attributable to:		
Owners of parent	1,344	1,466
Non-controlling interests	455	389
Profit for the period	1,799	1,854
Total comprehensive income attributable to:		
Owners of parent	1,351	1,056
Non-controlling interests	463	248
Comprehensive income	1,813	1,304
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	90.71	98.91

(3) Condensed Quarterly 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
					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			1,344		
Other comprehensive income					0
Comprehensive income for the period	—	—	1,344	—	0
Dividends paid			(445)		
Total transactions with owners	—	—	(445)	—	—
Balance as of June 30, 2017	1,754	486	71,791	(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, 2017	707	721	73,850	10,978	84,828
Profit for the period		—	1,344	455	1,799
Other comprehensive income	6	6	6	8	14
Comprehensive income for the period	6	6	1,351	463	1,813
Dividends paid		—	(445)	(369)	(814)
Total transactions with owners	—	—	(445)	(369)	(814)
Balance as of June 30, 2017	713	728	74,757	11,071	85,828

(Millions of yen)

	Equity attributable to owners of parent				
					Other components of equity
	Issued capital	Capital surplus	Retained earnings	Treasury shares	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2018	1,754	8	72,990	(2)	14
Profit for the period			1,466		
Other comprehensive income					(1)
Comprehensive income for the period	—	—	1,466	—	(1)
Purchase and sales of treasury shares				(0)	
Dividends paid			(459)		
Total transactions with owners	—	—	(459)	(0)	—
Balance as of June 30, 2018	1,754	8	73,997	(2)	13

	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, 2018	(270)	(256)	74,494	10,662	85,156
Profit for the period		—	1,466	389	1,854
Other comprehensive income	(409)	(410)	(410)	(140)	(550)
Comprehensive income for the period	(409)	(410)	1,056	248	1,304
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(459)	(279)	(738)
Total transactions with owners	—	—	(459)	(279)	(738)
Balance as of June 30, 2018	(679)	(666)	75,091	10,631	85,722

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from (used in) operating activities		
Profit before tax	2,502	3,553
Depreciation and amortization	2,189	2,120
Finance costs (income)	(37)	(22)
Decrease (increase) in trade and other receivables	2,745	(797)
Decrease (increase) in inventories	(734)	4,025
Increase (decrease) in trade and other payables	414	934
Increase (decrease) in net defined benefit liability	40	(3)
Other inflows (outflows) of cash	(1,542)	143
Subtotal	5,578	9,953
Interest received	106	90
Dividends received	1	1
Interest paid	(64)	(67)
Income taxes refund (paid)	(1,222)	(2,134)
Net cash flows from (used in) operating activities	4,398	7,843
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(39)	683
Purchase of property, plant and equipment	(2,479)	(1,595)
Proceeds from sales of property, plant and equipment	29	13
Purchase of intangible assets	(21)	(70)
Proceeds from collection of loans receivable	2	0
Net cash flows from (used in) investing activities	(2,509)	(968)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(1,577)	(6,518)
Repayments of finance lease obligations	(7)	(85)
Repayments of non-current borrowings	(908)	(453)
Purchase of treasury shares	―	(0)
Dividends paid	(440)	(455)
Dividends paid to non-controlling interests	(627)	(1,387)
Net cash flows from (used in) financing activities	(3,558)	(8,899)
Effect of exchange rate changes on cash and cash equivalents	167	(254)
Net increase (decrease) in cash and cash equivalents	(1,502)	(2,278)
Cash and cash equivalents at beginning of period	25,849	25,246
Cash and cash equivalents at end of period	24,347	22,967