

Consolidated Financial Results for the First Six 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>
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date to file quarterly securities report: November 14, 2018
 Scheduled date to commence dividend payments: December 5, 2018
 Preparation of supplementary results briefing material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes

(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 September 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	%
September 30, 2018	90,430	7.1	4,549	6.0	5,162	10.0	2,454	(28.7)	1,737	(31.1)	2,454	(44.6)
September 30, 2017	84,448	14.9	4,291	(24.4)	4,695	6.0	3,441	12.8	2,522	6.8	4,428	—

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2018	117.20	—
September 30, 2017	170.16	—

(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
September 30, 2018	150,570	86,871	75,869	50.4	5,119.95
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	%	
Fiscal year ending March 31, 2019	183,000	1.0	11,100	15.1	11,600	19.8	6,500	31.4	5,000	66.3	Yen 337.42

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** 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 September 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 September 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 September 30, 2018	14,818,390 shares
Three months ended September 30, 2017	14,818,502 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 September 30, 2018
ASSETS		
Current assets		
Cash and cash equivalents	27,098	23,326
Trade and other receivables	39,500	42,511
Inventories	24,926	21,523
Other current assets	1,469	1,202
Total current assets	92,993	88,562
Non-current assets		
Property, plant and equipment	56,095	56,151
Intangible assets	1,047	995
Net defined benefit asset	827	807
Other non-current assets	945	1,034
Deferred tax assets	2,698	3,021
Total non-current assets	61,613	62,008
Total assets	154,606	150,570
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	42,377	42,578
Borrowings	14,191	8,394
Income taxes payable	2,293	2,335
Other current liabilities	3,192	3,537
Total current liabilities	62,053	56,844
Non-current liabilities		
Borrowings	3,322	2,859
Net defined benefit liability	2,773	2,740
Deferred tax liabilities	546	356
Other non-current liabilities	756	900
Total non-current liabilities	7,397	6,855
Total liabilities	69,450	63,699
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	72,990	74,268
Treasury shares	(2)	(2)
Other components of equity	(256)	(158)
Total equity attributable to owners of parent	74,494	75,869
Non-controlling interests	10,662	11,002
Total equity	85,156	86,871
Total liabilities and equity	154,606	150,570

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended September 30, 2017	Three months ended September 30, 2018
Revenue	84,448	90,430
Cost of sales	71,616	77,793
Gross profit	12,832	12,637
Selling, general and administrative expenses	8,686	8,234
Other income	294	258
Other expense	150	111
Operating profit	4,291	4,549
Finance income	533	741
Finance costs	129	127
Profit before tax	4,695	5,162
Income tax expense	1,253	2,709
Profit for the period	3,441	2,454
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	2	(1)
Total items that will not be reclassified to profit or loss	2	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	985	1
Total items that may be reclassified to profit or loss	985	1
Total other comprehensive income, net of tax	987	0
Comprehensive income for the period	4,428	2,454
Profit attributable to:		
Owners of parent	2,522	1,737
Non-controlling interests	920	717
Profit for the period	3,441	2,454
Total comprehensive income attributable to:		
Owners of parent	3,359	1,835
Non-controlling interests	1,069	619
Comprehensive income	4,428	2,454
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	170.16	117.20

(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			2,522		
Other comprehensive income					1
Comprehensive income for the period	—	—	2,522	—	1
Purchase and sales of treasury shares				(0)	
Dividends paid			(445)		
Total transactions with owners	—	—	(445)	(0)	—
Balance as of September 30, 2017	1,754	486	72,968	(2)	16

	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		—	2,522	920	3,441
Other comprehensive income	836	838	838	149	987
Comprehensive income for the period	836	838	3,359	1,069	4,428
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(445)	(369)	(814)
Total transactions with owners	—	—	(445)	(369)	(814)
Balance as of September 30, 2017	1,543	1,559	76,765	11,678	88,443

(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, 2018	1,754	8	72,990	(2)	14
Profit for the period			1,737		
Other comprehensive income					(0)
Comprehensive income for the period	—	—	1,737	—	(0)
Purchase and sales of treasury shares				(0)	
Dividends paid			(459)		
Total transactions with owners	—	—	(459)	(0)	—
Balance as of September 30, 2018	1,754	8	74,268	(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		—	1,737	717	2,454
Other comprehensive income	98	98	98	(98)	0
Comprehensive income for the period	98	98	1,835	619	2,454
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(459)	(279)	(738)
Total transactions with owners	—	—	(459)	(279)	(738)
Balance as of September 30, 2018	(172)	(158)	75,869	11,002	86,871

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended September 30, 2017	Three months ended September 30, 2018
Cash flows from (used in) operating activities		
Profit before tax	4,695	5,162
Depreciation and amortization	4,543	4,231
Finance costs (income)	(51)	(27)
Decrease (increase) in trade and other receivables	(2,095)	(2,209)
Decrease (increase) in inventories	(1,012)	3,994
Increase (decrease) in trade and other payables	2,013	(193)
Increase (decrease) in net defined benefit liability	83	(23)
Other inflows (outflows) of cash	(335)	703
Subtotal	7,841	11,639
Interest received	182	155
Dividends received	1	1
Interest paid	(129)	(129)
Income taxes refund (paid)	(2,942)	(3,272)
Net cash flows from (used in) operating activities	4,953	8,395
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(379)	732
Purchase of property, plant and equipment	(4,194)	(3,093)
Proceeds from sales of property, plant and equipment	251	183
Purchase of intangible assets	(60)	(88)
Payments for loans receivable	(4)	—
Proceeds from collection of loans receivable	2	3
Net cash flows from (used in) investing activities	(4,385)	(2,263)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(2,896)	(6,165)
Repayments of finance lease obligations	(12)	(195)
Proceeds from non-current borrowings	784	—
Repayments of non-current borrowings	(1,618)	(757)
Purchase of treasury shares	(0)	(0)
Dividends paid	(440)	(459)
Dividends paid to non-controlling interests	(1,767)	(1,387)
Net cash flows from (used in) financing activities	(5,950)	(8,964)
Effect of exchange rate changes on cash and cash equivalents	469	(216)
Net increase (decrease) in cash and cash equivalents	(4,914)	(3,048)
Cash and cash equivalents at beginning of period	25,849	25,246
Cash and cash equivalents at end of period	20,935	22,198