

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2016 <under IFRS>

Company name: **Yutaka Giken Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7229
 URL: <http://www.yutakagiken.co.jp/en/index.html>
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Scheduled date to file quarterly securities report: November 13, 2015
 Scheduled date to commence dividend payments: December 4, 2015
 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 the first six months of the fiscal year ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

(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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2015	79,523	16.2	6,686	8.6	6,567	1.9	4,531	(5.2)	3,591	(11.3)	1,975	(71.0)
September 30, 2014	68,465	—	6,157	—	6,446	—	4,780	—	4,051	—	6,820	—

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2015	242.36	—
September 30, 2014	273.37	—

(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, 2015	146,975	80,905	69,745	47.5	4,706.55
March 31, 2015	145,661	79,331	68,665	47.1	4,633.69

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, 2015	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2016	—	22.00			
Fiscal year ending March 31, 2016 (Forecast)			—	22.00	44.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	167,000	15.2	12,900	12.2	12,800	7.0	8,800	(0.9)	6,800	(9.4)	Yen 458.88

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, 2015	14,820,000 shares
As of March 31, 2015	14,820,000 shares

- b. Number of treasury shares at end of period

As of September 30, 2015	1,296 shares
As of March 31, 2015	1,296 shares

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

Six months ended September 30, 2015	14,818,704 shares
Six months ended September 30, 2014	14,818,730 shares

*** Indication regarding execution of quarterly review procedures**

This quarterly financial results report is out of the scope of the quarterly review procedures that are required by the Financial Instruments and Exchange Act. The quarterly review procedures for the quarterly financial statements pursuant to this Act have not been completed as our quarterly securities report was already filed today on November 6, 2015.

*** Proper use of earnings forecasts, and other special notes**

1. The Company has applied International Financial Reporting Standards (IFRS) in preparing its consolidated financial statements beginning with those in the annual securities report for the fiscal year ended March 31, 2015. The consolidated financial statements for the same quarter of the previous fiscal year and those for the previous fiscal year are also presented in accordance with IFRS.
2. 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, 2015	As of September 30, 2015
ASSETS		
Current assets		
Cash and cash equivalents	20,032	22,290
Trade and other receivables	31,802	31,357
Inventories	26,346	24,758
Other current assets	2,305	2,470
Subtotal	80,485	80,874
Assets held for sale	–	330
Total current assets	80,485	81,204
Non-current assets		
Property, plant and equipment	60,024	59,727
Intangible assets	875	979
Other non-current assets	1,389	1,610
Deferred tax assets	2,888	3,455
Total non-current assets	65,176	65,771
Total assets	145,661	146,975
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	34,393	34,239
Borrowings	14,293	14,106
Income taxes payable	1,054	1,730
Other current liabilities	2,171	2,978
Total current liabilities	51,911	53,054
Non-current liabilities		
Borrowings	9,756	8,341
Net defined benefit liability	2,590	2,433
Deferred tax liabilities	1,444	1,556
Other non-current liabilities	630	686
Total non-current liabilities	14,420	13,016
Total liabilities	66,330	66,070
Equity		
Issued capital	1,754	1,754
Capital surplus	566	566
Retained earnings	59,168	62,463
Treasury shares	(2)	(2)
Other components of equity	7,179	4,963
Total equity attributable to owners of parent	68,665	69,745
Non-controlling interests	10,665	11,160
Total equity	79,331	80,905
Total liabilities and equity	145,661	146,975

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenue	68,465	79,523
Cost of sales	55,208	64,791
Gross profit	13,257	14,732
Selling, general and administrative expenses	7,351	7,987
Other income	301	157
Other expense	50	216
Operating profit	6,157	6,686
Finance income	474	94
Finance costs	186	212
Profit before tax	6,446	6,567
Income tax expense	1,666	2,036
Profit for the period	4,780	4,531
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	—	—
Net change in financial assets at fair value through other comprehensive income	10	6
Total items that will not be reclassified to profit or loss	10	6
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,029	(2,562)
Total items that may be reclassified to profit or loss	2,029	(2,562)
Total other comprehensive income, net of tax	2,040	(2,556)
Comprehensive income for the period	6,820	1,975
Profit attributable to:		
Owners of parent	4,051	3,591
Non-controlling interests	729	940
Profit for the period	4,780	4,531
Total comprehensive income attributable to:		
Owners of parent	5,822	1,376
Non-controlling interests	997	599
Comprehensive income	6,820	1,975
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	273.37	242.36

(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	
					Remeasurements of net defined benefit liability (asset)	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2014	1,754	566	52,324	(1)	—	(0)
Profit for the period	—	—	4,051	—	—	—
Other comprehensive income	—	—	—	—	—	5
Comprehensive income for the period	—	—	4,051	—	—	5
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(282)	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	—	(282)	(0)	—	—
Balance as of September 30, 2014	1,754	566	56,094	(2)	—	5

	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, 2014	2,087	2,087	56,730	9,607	66,337
Profit for the period	–	–	4,051	729	4,780
Other comprehensive income	1,766	1,771	1,771	268	2,040
Comprehensive income for the period	1,766	1,771	5,822	997	6,820
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(282)	(85)	(367)
Transfer from other components of equity to retained earnings	–	–	–	–	–
Total transactions with owners	–	–	(282)	(85)	(367)
Balance as of September 30, 2014	3,854	3,859	62,271	10,519	72,790

(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, 2015	1,754	566	59,168	(2)	—	15
Profit for the period	—	—	3,591	—	—	—
Other comprehensive income	—	—	—	—	—	4
Comprehensive income for the period	—	—	3,591	—	—	4
Purchase and sales of treasury shares	—	—	—	—	—	—
Dividends paid	—	—	(296)	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	—	(296)	—	—	—
Balance as of September 30, 2015	1,754	566	62,463	(2)	—	19

	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, 2015	7,164	7,179	68,665	10,665	79,331
Profit for the period	–	–	3,591	940	4,531
Other comprehensive income	(2,219)	(2,216)	(2,216)	(341)	(2,556)
Comprehensive income for the period	(2,219)	(2,216)	1,376	599	1,975
Purchase and sales of treasury shares	–	–	–	–	–
Dividends paid	–	–	(296)	(105)	(401)
Transfer from other components of equity to retained earnings	–	–	–	–	–
Total transactions with owners	–	–	(296)	(105)	(401)
Balance as of September 30, 2015	4,945	4,963	69,745	11,160	80,905

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from (used in) operating activities		
Profit before tax	6,446	6,567
Depreciation and amortization	3,735	4,492
Increase (decrease) in net defined benefit liability	(143)	(136)
Interest and dividends received	(92)	(94)
Interest paid	176	178
Loss (profit) from sale of non-current assets	(205)	1
Loss on retirement of non-current assets	23	27
Extra retirement benefits	–	63
Decrease (increase) in operating receivables	364	(63)
Decrease (increase) in inventories	335	964
Increase (decrease) in trade and other payables	253	1,068
Other inflows (outflows) of cash	1,566	667
Subtotal	12,459	13,734
Interest received	91	93
Dividends received	1	1
Interest paid	(163)	(179)
Extra retirement benefits paid	–	(222)
Income taxes refund (paid)	(2,133)	(1,800)
Net cash flows from (used in) operating activities	10,254	11,627
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(498)	(193)
Purchase of property, plant and equipment	(7,171)	(6,768)
Proceeds from sales of property, plant and equipment	1,018	853
Purchase of intangible assets	(126)	(211)
Payments for loans receivable	(1)	(13)
Proceeds from collection of loans receivable	36	–
Net cash flows from (used in) investing activities	(6,743)	(6,331)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(338)	140
Repayments of finance lease obligations	(100)	(21)
Proceeds from non-current borrowings	623	–
Repayments of non-current borrowings	(1,729)	(1,582)
Purchase of treasury shares	(0)	–
Dividends paid	(282)	(296)
Dividends paid to non-controlling interests	(652)	(1,013)
Net cash flows from (used in) financing activities	(2,478)	(2,771)
Effect of exchange rate changes on cash and cash equivalents	561	(376)
Net increase (decrease) in cash and cash equivalents	1,594	2,147
Cash and cash equivalents at beginning of period	17,881	17,591
Cash and cash equivalents at end of period	19,475	19,739