

Consolidated Financial Results for the Fiscal Year Ended 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>
 Representative: Minoru Okamoto, President & Representative Director
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Scheduled date for holding annual general meeting of shareholders: June 24, 2016
 Scheduled date to commence dividend payments: June 27, 2016
 Scheduled date to file annual securities report: June 24, 2016
 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, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	165,315	14.0	14,637	27.4	13,451	12.4	8,731	(1.7)	7,194	(4.1)	2,465	(83.1)
March 31, 2015	144,992	4.2	11,494	(1.7)	11,968	(1.2)	8,881	4.0	7,502	8.1	14,584	37.9

	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, 2016	485.47	—	10.4	9.2	8.9
March 31, 2015	506.23	—	12.0	8.9	7.9

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

For the fiscal year ended March 31, 2016: — million yen

For the fiscal year ended March 31, 2015: — 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, 2016	145,905	80,217	69,689	47.8	4,702.81
March 31, 2015	145,661	79,331	68,665	47.1	4,633.69

(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, 2016	21,488	(13,374)	(2,978)	21,342
March 31, 2015	13,451	(13,532)	(1,521)	17,591

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, 2015	–	20.00	–	20.00	40.00	593	7.9	0.9
March 31, 2016	–	22.00	–	28.00	50.00	741	10.3	1.1
Fiscal year ending March 31, 2017 (Forecast)	–	30.00	–	30.00	60.00		13.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017
(from April 1, 2016 to March 31, 2017)

(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, 2016	78,000	(1.9)	6,400	(4.3)	6,200	(5.6)	4,400	(2.9)	3,600	0.2	242.94
Fiscal year ending March 31, 2017	163,000	(1.4)	12,800	(12.6)	12,500	(7.1)	8,100	(7.2)	6,500	(9.7)	438.64

*** 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 March 31, 2016	14,820,000 shares
As of March 31, 2015	14,820,000 shares

- b. Number of treasury shares at end of period

As of March 31, 2016	1,401 shares
As of March 31, 2015	1,296 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2016	14,818,667 shares
Fiscal year ended March 31, 2015	14,818,717 shares

*** Indication regarding execution of audit procedures**

This financial results report is out of the scope of the audit procedures that are required by the Financial Instruments and Exchange Act. Therefore, at the time of disclosure of this financial results report, the audit procedures for the financial statements pursuant to the said Act have not been completed.

*** 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 period 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.

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2015	As of March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	20,032	23,716
Trade and other receivables	31,802	32,354
Inventories	26,346	22,317
Other current assets	2,305	1,785
Subtotal	80,485	80,172
Assets held for sale	–	320
Total current assets	80,485	80,492
Non-current assets		
Property, plant and equipment	60,024	60,011
Intangible assets	875	1,459
Other non-current assets	1,389	1,401
Deferred tax assets	2,888	2,542
Total non-current assets	65,176	65,413
Total assets	145,661	145,905

	(Millions of yen)	
	As of March 31, 2015	As of March 31, 2016
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	34,393	35,830
Borrowings	14,293	13,826
Income taxes payable	1,054	909
Other current liabilities	2,171	2,623
Total current liabilities	51,911	53,189
Non-current liabilities		
Borrowings	9,756	7,490
Net defined benefit liability	2,590	3,034
Deferred tax liabilities	1,444	1,189
Other non-current liabilities	630	787
Total non-current liabilities	14,420	12,500
Total liabilities	66,330	65,689
Equity		
Issued capital	1,754	1,754
Capital surplus	566	566
Retained earnings	59,168	65,380
Treasury shares	(2)	(2)
Other components of equity	7,179	1,991
Total equity attributable to owners of parent	68,665	69,689
Non-controlling interests	10,665	10,527
Total equity	79,331	80,217
Total liabilities and equity	145,661	145,905

(2) Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Revenue	144,992	165,315
Cost of sales	118,328	134,884
Gross profit	26,664	30,431
Selling, general and administrative expenses	15,025	15,753
Other income	436	296
Other expense	582	336
Operating profit	11,494	14,637
Finance income	823	226
Finance costs	349	1,413
Profit before tax	11,968	13,451
Income tax expense	3,087	4,720
Profit for the period	8,881	8,731
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	(55)	(353)
Net change in financial assets at fair value through other comprehensive income	4	(5)
Total items that will not be reclassified to profit or loss	(51)	(359)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,753	(5,908)
Total items that may be reclassified to profit or loss	5,753	(5,908)
Total other comprehensive income, net of tax	5,703	(6,266)
Total comprehensive income for the period	14,584	2,465
Profit attributable to:		
Owners of parent	7,502	7,194
Non-controlling interests	1,379	1,537
Profit for the period	8,881	8,731
Total comprehensive income attributable to:		
Owners of parent	12,514	1,646
Non-controlling interests	2,070	819
Total comprehensive income	14,584	2,465
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	506.23	485.47

(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, 2014	1,754	566	52,324	(1)	–	(0)
Profit for the period	–	–	7,502	–	–	–
Other comprehensive income	–	–	–	–	(80)	15
Comprehensive income for the period	–	–	7,502	–	(80)	15
Purchase and sales of treasury shares	–	–	–	(0)	–	–
Dividends paid	–	–	(578)	–	–	–
Transfer from other components of equity to retained earnings	–	–	(80)	–	80	–
Total transactions with owners	–	–	(658)	(0)	80	–
Balance as of March 31, 2015	1,754	566	59,168	(2)	–	15
Profit for the period	–	–	7,194	–	–	–
Other comprehensive income	–	–	–	–	(360)	(3)
Comprehensive income for the period	–	–	7,194	–	(360)	(3)
Purchase and sales of treasury shares	–	–	–	(0)	–	–
Dividends paid	–	–	(622)	–	–	–
Transfer from other components of equity to retained earnings	–	–	(360)	–	360	–
Total transactions with the owners	–	–	(982)	(0)	360	–
Balance as of March 31, 2016	1,754	566	65,380	(2)	–	12

(Millions of yen)

(millions of yen)

	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	—	—	7,502	1,379	8,881
Other comprehensive income	5,077	5,012	5,012	691	5,703
Comprehensive income for the period	5,077	5,012	12,514	2,070	14,584
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(578)	(1,012)	(1,590)
Transfer from other components of equity to retained earnings	—	80	—	—	—
Total transactions with owners	—	80	(578)	(1,012)	(1,590)
Balance as of March 31, 2015	7,164	7,179	68,665	10,665	79,331
Profit for the period	—	—	7,194	1,537	8,731
Other comprehensive income	(5,185)	(5,548)	(5,548)	(718)	(6,266)
Comprehensive income for the period	(5,185)	(5,548)	1,646	819	2,465
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(622)	(957)	(1,579)
Transfer from other components of equity to retained earnings	—	360	—	—	—
Total transactions with owners	—	360	(623)	(957)	(1,579)
Balance as of March 31, 2016	1,979	1,991	69,689	10,527	80,217

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from (used in) operating activities		
Profit before tax	11,968	13,451
Depreciation and amortization	8,815	8,299
Increase (decrease) in net defined benefit liability	86	457
Interest and dividends received	(267)	(226)
Interest paid	349	359
Loss (profit) from sale of non-current assets	(214)	(15)
Loss on retirement of non-current assets	52	28
Loss on reduction of non-current assets	68	—
Impairment loss	—	479
Extra retirement benefits	355	173
Decrease (increase) in operating receivables	(1,130)	(2,912)
Decrease (increase) in inventories	(1,887)	2,258
Increase (decrease) in trade and other payables	560	4,303
Other inflows (outflows) of cash	(1,885)	(147)
Subtotal	16,868	26,506
Interest received	266	223
Dividends received	1	1
Interest paid	(351)	(339)
Extra retirement benefits paid	(196)	(254)
Income taxes refund (paid)	(3,138)	(4,649)
Net cash flows from (used in) operating activities	13,451	21,488
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(582)	(25)
Purchase of property, plant and equipment	(14,300)	(13,503)
Proceeds from sales of property, plant and equipment	1,604	715
Purchase of intangible assets	(295)	(546)
Payments for loans receivable	(1)	(14)
Proceeds from collection of loans receivable	42	—
Net cash flows from (used in) investing activities	(13,532)	(13,374)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	2,320	659
Repayments of finance lease obligations	(172)	(52)
Proceeds from non-current borrowings	851	1,322
Repayments of non-current borrowings	(3,290)	(3,250)
Purchase of treasury shares	(0)	(0)
Dividends paid	(578)	(622)
Dividends paid to non-controlling interests	(652)	(1,035)
Net cash flows from (used in) financing activities	(1,521)	(2,978)
Effect of exchange rate changes on cash and cash equivalents	1,313	(1,386)
Net increase (decrease) in cash and cash equivalents	(289)	3,750
Cash and cash equivalents at beginning of period	17,881	17,591
Cash and cash equivalents at end of period	17,591	21,342