Translation

July 28, 2016

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2017 <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 to file quarterly securities report: August 10, 2016
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, 2017 (from April 1, 2016 to June 30, 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2016	37,804	(6.4)	2,826	(18.0)	1,853	(45.0)	1,164	(42.2)	820	(49.2)	(3,920)	–
June 30, 2015	40,408	14.2	3,445	3.7	3,372	2.6	2,015	(14.7)	1,615	(16.8)	2,848	135.4

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2016	55.32	–
June 30, 2015	108.98	–

(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, 2016	136,225	75,751	65,576	48.1	4,425.28
March 31, 2016	145,905	80,217	69,689	47.8	4,702.81

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, 2016	–	22.00	–	28.00	50.00
Fiscal year ending March 31, 2017	–				
Fiscal year ending March 31, 2017 (Forecast)		30.00	–	30.00	60.00

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

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	%	Yen
Six months ending September 30, 2016	73,000	(8.2)	5,300	(20.7)	4,400	(33.0)	3,100	(31.6)	2,400	(33.2)	161.96
Fiscal year ending March 31, 2017	151,000	(8.7)	11,200	(23.5)	10,200	(24.2)	6,500	(25.6)	5,100	(29.1)	344.16

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: 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 June 30, 2016	14,820,000 shares
As of March 31, 2016	14,820,000 shares

b. Number of treasury shares at end of period

As of June 30, 2016	1,401 shares
As of March 31, 2016	1,401 shares

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

Three months ended June 30, 2016	14,818,599 shares
Three months ended June 30, 2015	14,818,704 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 at the time of disclosure of this quarterly financial results report.

* 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, 2016	As of June 30, 2016
ASSETS		
Current assets		
Cash and cash equivalents	23,716	21,037
Trade and other receivables	32,354	30,629
Inventories	22,317	20,483
Other current assets	1,785	1,552
Subtotal	80,172	73,701
Assets held for sale	320	288
Total current assets	80,492	73,989
Non-current assets		
Property, plant and equipment	60,011	56,743
Intangible assets	1,459	1,448
Other non-current assets	1,401	851
Deferred tax assets	2,542	3,192
Total non-current assets	65,413	62,235
Total assets	145,905	136,225
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	35,830	32,214
Borrowings	13,826	13,661
Income taxes payable	909	758
Other current liabilities	2,623	2,548
Total current liabilities	53,189	49,181
Non-current liabilities		
Borrowings	7,490	5,939
Net defined benefit liability	3,034	3,188
Deferred tax liabilities	1,189	1,477
Other non-current liabilities	787	688
Total non-current liabilities	12,500	11,292
Total liabilities	65,689	60,473
Equity		
Issued capital	1,754	1,754
Capital surplus	566	566
Retained earnings	65,380	65,785
Treasury shares	(2)	(2)
Other components of equity	1,991	(2,527)
Total equity attributable to owners of parent	69,689	65,576
Non-controlling interests	10,527	10,175
Total equity	80,217	75,751
Total liabilities and equity	145,905	136,225

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Revenue	40,408	37,804
Cost of sales	32,941	31,165
Gross profit	7,467	6,639
Selling, general and administrative expenses	4,012	3,955
Other income	86	152
Other expense	96	10
Operating profit	3,445	2,826
Finance income	38	69
Finance costs	111	1,042
Profit before tax	3,372	1,853
Income tax expense	1,357	689
Profit for the period	2,015	1,164
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	3	(1)
Total items that will not be reclassified to profit or loss	3	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	830	(5,083)
Total items that may be reclassified to profit or loss	830	(5,083)
Total other comprehensive income, net of tax	833	(5,084)
Comprehensive income for the period	2,848	(3,920)
Profit attributable to:		
Owners of parent	1,615	820
Non-controlling interests	400	344
Profit for the period	2,015	1,164
Total comprehensive income attributable to:		
Owners of parent	2,398	(3,698)
Non-controlling interests	449	(223)
Comprehensive income	2,848	(3,920)
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	108.98	55.32

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Issued capital	Capital surplus	Retained earnings	Treasury shares	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	–	–	1,615	–	–	–
Other comprehensive income	–	–	–	–	–	2
Comprehensive income for the period	–	–	1,615	–	–	2
Dividends paid	–	–	(296)	–	–	–
Total transactions with owners	–	–	(296)	–	–	–
Balance as of June 30, 2015	1,754	566	60,487	(2)	–	16

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity				
	Exchange differences on translation of foreign operations	Total other components of equity	Total equity attributable to owners of parent		
Balance as of April 1, 2015	7,164	7,179	68,665	10,665	79,331
Profit for the period	–	–	1,615	400	2,015
Other comprehensive income	782	783	783	50	833
Comprehensive income for the period	782	783	2,398	449	2,848
Dividends paid	–	–	(296)	(103)	(400)
Total transactions with owners	–	–	(296)	(103)	(400)
Balance as of June 30, 2015	7,945	7,962	70,767	11,011	81,778

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Issued capital	Capital surplus	Retained earnings	Treasury shares	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	–	–	820	–	–	–
Other comprehensive income	–	–	–	–	–	(0)
Comprehensive income for the period	–	–	820	–	–	(0)
Dividends paid	–	–	(415)	–	–	–
Total transactions with owners	–	–	(415)	–	–	–
Balance as of June 30, 2016	1,754	566	65,785	(2)	–	12

	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	–	–	820	344	1,164
Other comprehensive income	(4,517)	(4,517)	(4,517)	(567)	(5,084)
Comprehensive income for the period	(4,517)	(4,517)	(3,698)	(223)	(3,920)
Dividends paid	–	–	(415)	(130)	(545)
Total transactions with owners	–	–	(415)	(130)	(545)
Balance as of June 30, 2016	(2,538)	(2,527)	65,576	10,175	75,751

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flows from (used in) operating activities		
Profit before tax	3,372	1,853
Depreciation and amortization	1,974	2,026
Increase (decrease) in net defined benefit liability	(16)	170
Interest and dividends received	(38)	(69)
Interest paid	104	55
Loss (profit) from sale of non–current assets	(1)	(14)
Loss on retirement of non–current assets	17	4
Extra retirement benefits	63	–
Decrease (increase) in operating receivables	(1,292)	(1,264)
Decrease (increase) in inventories	1,163	87
Increase (decrease) in trade and other payables	3,313	299
Other inflows (outflows) of cash	(1,883)	367
Subtotal	6,777	3,516
Interest received	38	67
Dividends received	1	1
Interest paid	(104)	(60)
Extra retirement benefits paid	(222)	(104)
Income taxes refund (paid)	(914)	(848)
Net cash flows from (used in) operating activities	5,575	2,572
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	288	(40)
Purchase of property, plant and equipment	(3,369)	(2,761)
Proceeds from sales of property, plant and equipment	330	78
Purchase of intangible assets	(133)	(51)
Payments for loans receivable	(5)	–
Proceeds from collection of loans receivable	–	1
Net cash flows from (used in) investing activities	(2,889)	(2,774)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	1,131	(329)
Repayments of finance lease obligations	(38)	(44)
Proceeds from non–current borrowings	–	864
Repayments of non–current borrowings	(801)	(786)
Dividends paid	(296)	(410)
Dividends paid to non–controlling interests	(103)	(271)
Net cash flows from (used in) financing activities	(108)	(974)
Effect of exchange rate changes on cash and cash equivalents	384	(1,457)
Net increase (decrease) in cash and cash equivalents	2,963	(2,633)
Cash and cash equivalents at beginning of period	17,591	21,342
Cash and cash equivalents at end of period	20,555	18,709