

Consolidated Financial Results for the First Nine 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: February 12, 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 the first nine months of the fiscal year ending March 31, 2016 (from April 1, 2015 to December 31, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2015	120,833	12.4	9,936	16.2	9,232	3.4	6,320	(4.2)	4,956	(11.9)	3,705	(71.5)
December 31, 2014	107,495	—	8,551	—	8,929	—	6,598	—	5,627	—	12,988	—

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2015	334.44	—
December 31, 2014	379.74	—

(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
December 31, 2015	148,591	82,303	70,750	47.6	4,774.38
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: 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 December 31, 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 December 31, 2015	1,401 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)

Nine months ended December 31, 2015	14,818,690 shares
Nine months ended December 31, 2014	14,818,721 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. However, the quarterly review procedures for the quarterly financial statements pursuant to this Act have been completed as our quarterly securities report was already filed today on February 5, 2016.

*** 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 December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	20,032	22,693
Trade and other receivables	31,802	32,350
Inventories	26,346	24,042
Other current assets	2,305	1,731
Subtotal	80,485	80,816
Assets held for sale	–	335
Total current assets	80,485	81,151
Non-current assets		
Property, plant and equipment	60,024	61,575
Intangible assets	875	1,081
Other non-current assets	1,389	1,572
Deferred tax assets	2,888	3,212
Total non-current assets	65,176	67,440
Total assets	145,661	148,591
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	34,393	35,493
Borrowings	14,293	14,997
Income taxes payable	1,054	1,096
Other current liabilities	2,171	1,891
Total current liabilities	51,911	53,476
Non-current liabilities		
Borrowings	9,756	8,039
Net defined benefit liability	2,590	2,529
Deferred tax liabilities	1,444	1,558
Other non-current liabilities	630	685
Total non-current liabilities	14,420	12,812
Total liabilities	66,330	66,288
Equity		
Issued capital	1,754	1,754
Capital surplus	566	566
Retained earnings	59,168	63,502
Treasury shares	(2)	(2)
Other components of equity	7,179	4,930
Total equity attributable to owners of parent	68,665	70,750
Non-controlling interests	10,665	11,553
Total equity	79,331	82,303
Total liabilities and equity	145,661	148,591

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Revenue	107,495	120,833
Cost of sales	87,578	98,936
Gross profit	19,916	21,897
Selling, general and administrative expenses	11,456	11,911
Other income	361	186
Other expense	271	235
Operating profit	8,551	9,936
Finance income	657	166
Finance costs	280	870
Profit before tax	8,929	9,232
Income tax expense	2,331	2,912
Profit for the period	6,598	6,320
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	12	4
Total items that will not be reclassified to profit or loss	12	4
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,378	(2,619)
Total items that may be reclassified to profit or loss	6,378	(2,619)
Total other comprehensive income, net of tax	6,390	(2,615)
Total comprehensive income for the period	12,988	3,705
Profit attributable to:		
Owners of parent	5,627	4,956
Non-controlling interests	970	1,364
Profit for the period	6,598	6,320
Total comprehensive income attributable to:		
Owners of parent	11,533	2,707
Non-controlling interests	1,455	998
Total comprehensive income	12,988	3,705
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	379.74	334.44

(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	—	—	5,627	—	—	—
Other comprehensive income	—	—	—	—	—	11
Comprehensive income for the period	—	—	5,627	—	—	11
Transactions with owners						
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(578)	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	—	(578)	(0)	—	—
Balance as of December 31, 2014	1,754	566	57,374	(2)	—	10

	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	—	—	5,627	970	6,598
Other comprehensive income	5,895	5,906	5,906	484	6,390
Comprehensive income for the period	5,895	5,906	11,533	1,455	12,988
Transactions with owners					
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(578)	(85)	(663)
Transfer from other components of equity to retained earnings	—	—	—	—	—
Total transactions with owners	—	—	(578)	(85)	(663)
Balance as of December 31, 2014	7,983	7,993	67,685	10,976	78,661

(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	—	—	4,956	—	—	—
Other comprehensive income	—	—	—	—	—	0
Comprehensive income for the period	—	—	4,956	—	—	0
Transactions with owners						
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(622)	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	—	(622)	(0)	—	—
Balance as of December 31, 2015	1,754	566	63,502	(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, 2015	7,164	7,179	68,665	10,665	79,331
Profit for the period	–	–	4,956	1,364	6,320
Other comprehensive income	(2,249)	(2,249)	(2,249)	(366)	(2,615)
Comprehensive income for the period	(2,249)	(2,249)	2,707	998	3,705
Transactions with owners					
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(622)	(110)	(733)
Transfer from other components of equity to retained earnings	–	–	–	–	–
Total transactions with owners	–	–	(623)	(110)	(733)
Balance as of December 31, 2015	4,915	4,930	70,750	11,553	82,303

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from (used in) operating activities		
Profit before tax	8,929	9,232
Depreciation and amortization	5,666	6,583
Increase (decrease) in net defined benefit liability	(160)	(61)
Interest and dividends received	(142)	(166)
Interest paid	270	281
Loss (profit) from sale of non-current assets	(212)	(8)
Loss on retirement of non-current assets	28	27
Extra retirement benefits	196	69
Decrease (increase) in operating receivables	(545)	(1,040)
Decrease (increase) in inventories	(1,583)	1,775
Increase (decrease) in trade and other payables	(963)	2,837
Other inflows (outflows) of cash	1,515	365
Subtotal	12,999	19,896
Interest received	142	162
Dividends received	1	1
Interest paid	(256)	(283)
Extra retirement benefits paid	(196)	(222)
Income taxes refund (paid)	(2,776)	(3,078)
Net cash flows from (used in) operating activities	9,913	16,477
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(869)	241
Purchase of property, plant and equipment	(10,711)	(10,996)
Proceeds from sales of property, plant and equipment	1,120	710
Purchase of intangible assets	(153)	(424)
Payments for loans receivable	(1)	(11)
Proceeds from collection of loans receivable	40	—
Net cash flows from (used in) investing activities	(10,574)	(10,480)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	1,283	1,088
Repayments of finance lease obligations	(103)	(52)
Proceeds from non-current borrowings	728	487
Repayments of non-current borrowings	(2,535)	(2,397)
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	(1,858)	(2,532)
Effect of exchange rate changes on cash and cash equivalents	1,536	(530)
Net increase (decrease) in cash and cash equivalents	(983)	2,933
Cash and cash equivalents at beginning of period	17,881	17,591
Cash and cash equivalents at end of period	16,898	20,525