

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2018 <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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Scheduled date to file quarterly securities report: August 10, 2017
 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, 2018 (from April 1, 2017 to June 30, 2017)

(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, 2017	41,363	9.4	2,255	(20.2)	2,502	35.0	1,799	54.6	1,344	64.0	1,813	—
June 30, 2016	37,804	(6.4)	2,826	(18.0)	1,853	(45.0)	1,164	(42.2)	820	(49.2)	(3,920)	—

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2017	90.71	—
June 30, 2016	55.32	—

(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, 2017	152,683	85,828	74,757	49.0	5,044.80
March 31, 2017	154,906	84,828	73,850	47.7	4,983.66

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, 2017	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		31.00	—	31.00	62.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2017	79,000	7.5	4,400	(22.4)	4,700	6.1	3,300	8.2	2,400	1.6	Yen 161.96
Fiscal year ending March 31, 2018	162,000	3.1	11,700	(3.3)	12,000	5.9	7,800	8.4	6,000	10.0	404.90

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: 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, 2017	14,820,000 shares
As of March 31, 2017	14,820,000 shares

- b. Number of treasury shares at end of period

As of June 30, 2017	1,479 shares
As of March 31, 2017	1,479 shares

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

Three months ended June 30, 2017	14,818,521 shares
Three months ended June 30, 2016	14,818,599 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, 2017	As of June 30, 2017
ASSETS		
Current assets		
Cash and cash equivalents	28,136	26,668
Trade and other receivables	33,890	31,327
Inventories	23,075	23,868
Other current assets	2,033	2,782
Subtotal	87,134	84,646
Assets held for sale	327	–
Total current assets	87,461	84,646
Non-current assets		
Property, plant and equipment	61,846	62,206
Intangible assets	1,164	1,120
Net defined benefit asset	729	719
Other non-current assets	927	867
Deferred tax assets	2,777	3,125
Total non-current assets	67,444	68,037
Total assets	154,906	152,683
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	38,171	37,941
Borrowings	18,136	16,303
Income taxes payable	1,847	1,459
Other current liabilities	2,659	2,572
Total current liabilities	60,813	58,275
Non-current liabilities		
Borrowings	4,058	3,446
Net defined benefit liability	2,649	2,690
Deferred tax liabilities	1,711	1,741
Other non-current liabilities	846	702
Total non-current liabilities	9,264	8,580
Total liabilities	70,077	66,855
Equity		
Issued capital	1,754	1,754
Capital surplus	486	486
Retained earnings	70,891	71,791
Treasury shares	(2)	(2)
Other components of equity	721	728
Total equity attributable to owners of parent	73,850	74,757
Non-controlling interests	10,978	11,071
Total equity	84,828	85,828
Total liabilities and equity	154,906	152,683

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Revenue	37,804	41,363
Cost of sales	31,165	35,096
Gross profit	6,639	6,267
Selling, general and administrative expenses	3,955	4,175
Other income	152	187
Other expense	10	23
Operating profit	2,826	2,255
Finance income	69	313
Finance costs	1,042	66
Profit before tax	1,853	2,502
Income tax expense	689	703
Profit for the period	1,164	1,799
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	(1)	1
Total items that will not be reclassified to profit or loss	(1)	1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(5,083)	14
Total items that may be reclassified to profit or loss	(5,083)	14
Total other comprehensive income, net of tax	(5,084)	14
Comprehensive income for the period	(3,920)	1,813
Profit attributable to:		
Owners of parent	820	1,344
Non-controlling interests	344	455
Profit for the period	1,164	1,799
Total comprehensive income attributable to:		
Owners of parent	(3,698)	1,351
Non-controlling interests	(223)	463
Comprehensive income	(3,920)	1,813
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	55.32	90.71

(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, 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

(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	–	–	1,344	–	–
Other comprehensive income	–	–	–	–	0
Comprehensive income for the period	–	–	1,344	–	0
Dividends paid	–	–	(445)	–	–
Total transactions with owners	–	–	(445)	–	–
Balance as of June 30, 2017	1,754	486	71,791	(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, 2017	707	721	73,850	10,978	84,828
Profit for the period	—	—	1,344	455	1,799
Other comprehensive income	6	6	6	8	14
Comprehensive income for the period	6	6	1,351	463	1,813
Dividends paid	—	—	(445)	(369)	(814)
Total transactions with owners	—	—	(445)	(369)	(814)
Balance as of June 30, 2017	713	728	74,757	11,071	85,828

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from (used in) operating activities		
Profit before tax	1,853	2,502
Depreciation and amortization	2,026	2,189
Finance costs (income)	(14)	(37)
Decrease (increase) in trade and other receivables	(1,264)	2,745
Decrease (increase) in inventories	87	(734)
Increase (decrease) in trade and other payables	299	414
Increase (decrease) in net defined benefit liability	170	40
Other inflows (outflows) of cash	358	(1,532)
Subtotal	3,516	5,588
Interest received	67	106
Dividends received	1	1
Interest paid	(60)	(64)
Extra retirement benefits paid	(104)	(10)
Income taxes refund (paid)	(848)	(1,222)
Net cash flows from (used in) operating activities	2,572	4,398
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(40)	(39)
Purchase of property, plant and equipment	(2,761)	(2,479)
Proceeds from sales of property, plant and equipment	78	29
Purchase of intangible assets	(51)	(21)
Proceeds from collection of loans receivable	1	2
Net cash flows from (used in) investing activities	(2,774)	(2,509)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(329)	(1,577)
Repayments of finance lease obligations	(44)	(7)
Proceeds from non-current borrowings	864	—
Repayments of non-current borrowings	(786)	(908)
Dividends paid	(410)	(440)
Dividends paid to non-controlling interests	(271)	(627)
Net cash flows from (used in) financing activities	(974)	(3,558)
Effect of exchange rate changes on cash and cash equivalents	(1,457)	167
Net increase (decrease) in cash and cash equivalents	(2,633)	(1,502)
Cash and cash equivalents at beginning of period	21,342	25,849
Cash and cash equivalents at end of period	18,709	24,347