Translation

January 31, 2017

Consolidated Financial Results for the First Nine 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: https://www.yutakagiken.co.jp/en/index.html
Representative: Minoru Okamoto, President & Representative Director
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Scheduled date to file quarterly securities report: February 14, 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 nine months of the fiscal year ending March 31, 2017 (from April 1, 2016 to December 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2016	114,887	(4.9)	8,957	(9.9)	8,314	(9.9)	5,786	(8.5)	4,553	(8.1)	6,248	68.6
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)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2016	307.25	–
December 31, 2015	334.44	–

(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, 2016	151,278	85,499	73,787	48.8	4,979.35
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	–	30.00	–		
Fiscal year ending March 31, 2017 (Forecast)				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
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: 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 December 31, 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 December 31, 2016	1,479 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)

Nine months ended December 31, 2016	14,818,595 shares
Nine months ended December 31, 2015	14,818,690 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 December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	23,716	24,766
Trade and other receivables	32,354	32,989
Inventories	22,317	23,391
Other current assets	1,785	1,221
Subtotal	80,172	82,368
Assets held for sale	320	325
Total current assets	80,492	82,693
Non-current assets		
Property, plant and equipment	60,011	62,358
Intangible assets	1,459	1,548
Other non-current assets	1,401	1,107
Deferred tax assets	2,542	3,571
Total non-current assets	65,413	68,585
Total assets	145,905	151,278
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	35,830	33,752
Borrowings	13,826	16,942
Income taxes payable	909	1,334
Other current liabilities	2,623	3,121
Total current liabilities	53,189	55,149
Non-current liabilities		
Borrowings	7,490	5,010
Net defined benefit liability	3,034	3,205
Deferred tax liabilities	1,189	1,718
Other non-current liabilities	787	696
Total non-current liabilities	12,500	10,629
Total liabilities	65,689	65,778
Equity		
Issued capital	1,754	1,754
Capital surplus	566	486
Retained earnings	65,380	69,074
Treasury shares	(2)	(2)
Other components of equity	1,991	2,475
Total equity attributable to owners of parent	69,689	73,787
Non-controlling interests	10,527	11,713
Total equity	80,217	85,499
Total liabilities and equity	145,905	151,278

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Revenue	120,833	114,887
Cost of sales	98,936	94,244
Gross profit	21,897	20,643
Selling, general and administrative expenses	11,911	12,025
Other income	186	391
Other expense	235	51
Operating profit	9,936	8,957
Finance income	166	822
Finance costs	870	1,465
Profit before tax	9,232	8,314
Income tax expense	2,912	2,528
Profit for the period	6,320	5,786
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	4	6
Total items that will not be reclassified to profit or loss	4	6
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,619)	456
Total items that may be reclassified to profit or loss	(2,619)	456
Total other comprehensive income, net of tax	(2,615)	463
Comprehensive income for the period	3,705	6,248
Profit attributable to:		
Owners of parent	4,956	4,553
Non-controlling interests	1,364	1,233
Profit for the period	6,320	5,786
Comprehensive income attributable to:		
Owners of parent	2,707	5,038
Non-controlling interests	998	1,210
Comprehensive income	3,705	6,248
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	334.44	307.25

(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, 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
Purchase and sales of treasury shares	–	–	–	(0)	–
Dividends paid	–	–	(622)	–	–
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
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(622)	(110)	(733)
Total transactions with owners	–	–	(623)	(110)	(733)
Balance as of December 31, 2015	4,915	4,930	70,750	11,553	82,303

(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	–	–	4,553	–	–
Other comprehensive income	–	–	–	–	3
Comprehensive income for the period	–	–	4,553	–	3
Purchase and sales of treasury shares	–	–	–	(0)	–
Dividends paid	–	–	(859)	–	–
Changes in ownership interests in subsidiaries	–	(80)	–	–	–
Total transactions with owners	–	(80)	(859)	(0)	–
Balance as of December 31, 2016	1,754	486	69,074	(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, 2016	1,979	1,991	69,689	10,527	80,217
Profit for the period	–	–	4,553	1,233	5,786
Other comprehensive income	482	485	485	(22)	463
Comprehensive income for the period	482	485	5,038	1,210	6,248
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(859)	(130)	(990)
Changes in ownership interests in subsidiaries	(1)	(1)	(81)	105	24
Total transactions with owners	(1)	(1)	(940)	(25)	(965)
Balance as of December 31, 2016	2,459	2,475	73,787	11,713	85,499

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from (used in) operating activities		
Profit before tax	9,232	8,314
Depreciation and amortization	6,583	6,102
Increase (decrease) in net defined benefit liability	(61)	159
Interest and dividends received	(166)	(230)
Interest paid	281	201
Loss (profit) from sale of non-current assets	(8)	(44)
Loss on retirement of non-current assets	27	11
Extra retirement benefits	69	–
Decrease (increase) in trade and other receivables	(1,040)	(619)
Decrease (increase) in inventories	1,775	(767)
Increase (decrease) in trade and other payables	2,837	(1,398)
Other inflows (outflows) of cash	365	697
Subtotal	19,896	12,426
Interest received	162	225
Dividends received	1	1
Interest paid	(283)	(178)
Extra retirement benefits paid	(222)	(104)
Income taxes refund (paid)	(3,078)	(2,069)
Net cash flows from (used in) operating activities	16,477	10,302
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	241	(73)
Purchase of property, plant and equipment	(10,996)	(7,833)
Proceeds from sales of property, plant and equipment	710	404
Purchase of intangible assets	(424)	(265)
Proceeds from redemption of investment securities	–	20
Payments for loans receivable	(11)	(1)
Proceeds from collection of loans receivable	–	35
Net cash flows from (used in) investing activities	(10,480)	(7,712)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	1,088	1,819
Repayments of finance lease obligations	(52)	(225)
Proceeds from non-current borrowings	487	864
Repayments of non-current borrowings	(2,397)	(2,304)
Capital contribution from non-controlling interests	–	24
Purchase of treasury shares	(0)	(0)
Dividends paid	(622)	(859)
Dividends paid to non-controlling interests	(1,035)	(872)
Net cash flows from (used in) financing activities	(2,532)	(1,552)
Effect of exchange rate changes on cash and cash equivalents	(530)	(43)
Net increase (decrease) in cash and cash equivalents	2,933	994
Cash and cash equivalents at beginning of period	17,591	21,342
Cash and cash equivalents at end of period	20,525	22,335