Translation

January 31, 2019

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2019 <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: Katsuhiro Kurokawa, President & Representative Director
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Scheduled date to file quarterly securities report: February 14, 2019
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, 2019 (from April 01, 2018 to December 31, 2018)

(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	%
December 31, 2018	136,908	2.3	7,065	(16.9)	7,490	(15.5)	4,094	(32.5)	3,057	(32.3)	3,187	(58.5)
December 31, 2017	133,824	16.5	8,501	(5.1)	8,867	6.7	6,063	4.8	4,517	(0.8)	7,686	23.0

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2018	206.26	—
December 31, 2017	304.80	—

(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, 2018	147,728	87,071	75,851	51.3	5,118.68
March 31, 2018	154,606	85,156	74,494	48.2	5,027.13

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, 2018	—	31.00	—	31.00	62.00
Fiscal year ending March 31, 2019	—	36.00	—		
Fiscal year ending March 31, 2019 (Forecast)				36.00	72.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 01, 2018 to March 31, 2019)

(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, 2019	183,000	1.0	11,100	15.1	11,600	19.8	6,500	31.4	5,000	66.3	337.42

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, 2018	14,820,000 shares
As of March 31, 2018	14,820,000 shares

b. Number of treasury shares at end of period

As of December 31, 2018	1,617 shares
As of March 31, 2018	1,584 shares

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

Nine months ended December 31, 2018	14,818,387 shares
Nine months ended December 31, 2017	14,818,494 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, 2018	As of December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	27,098	24,082
Trade and other receivables	39,500	40,142
Inventories	24,926	20,945
Other current assets	1,469	1,354
Total current assets	92,993	86,524
Non-current assets		
Property, plant and equipment	56,095	55,692
Intangible assets	1,047	1,061
Net defined benefit asset	827	798
Other non-current assets	945	1,028
Deferred tax assets	2,698	2,624
Total non-current assets	61,613	61,204
Total assets	154,606	147,728
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	42,377	41,057
Borrowings	14,191	8,392
Income taxes payable	2,293	1,825
Other current liabilities	3,192	2,757
Total current liabilities	62,053	54,031
Non-current liabilities		
Borrowings	3,322	2,542
Net defined benefit liability	2,773	2,715
Deferred tax liabilities	546	467
Other non-current liabilities	756	902
Total non-current liabilities	7,397	6,626
Total liabilities	69,450	60,657
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	72,990	75,054
Treasury shares	(2)	(2)
Other components of equity	(256)	(963)
Total equity attributable to owners of parent	74,494	75,851
Non-controlling interests	10,662	11,221
Total equity	85,156	87,071
Total liabilities and equity	154,606	147,728

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Revenue	133,824	136,908
Cost of sales	112,630	117,379
Gross profit	21,195	19,529
Selling, general and administrative expenses	12,818	12,541
Other income	322	378
Other expense	197	301
Operating profit	8,501	7,065
Finance income	556	624
Finance costs	190	199
Profit before tax	8,867	7,490
Income tax expense	2,804	3,395
Profit for the period	6,063	4,094
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)	(5)
Total items that will not be reclassified to profit or loss	(1)	(5)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,624	(902)
Total items that may be reclassified to profit or loss	1,624	(902)
Total other comprehensive income, net of tax	1,622	(907)
Comprehensive income for the period	7,686	3,187
Profit attributable to:		
Owners of parent	4,517	3,057
Non-controlling interests	1,547	1,038
Profit for the period	6,063	4,094
Total comprehensive income attributable to:		
Owners of parent	5,898	2,349
Non-controlling interests	1,788	838
Comprehensive income	7,686	3,187
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	304.80	206.26

(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, 2017	1,754	486	70,891	(2)	15
Profit for the period			4,517		
Other comprehensive income					(1)
Comprehensive income for the period	—	—	4,517	—	(1)
Purchase and sales of treasury shares				(0)	
Dividends paid			(904)		
Changes in ownership interests in subsidiaries		(478)			
Total transactions with owners	—	(478)	(904)	(0)	—
Balance as of December 31, 2017	1,754	8	74,504	(2)	14

	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		—	4,517	1,547	6,063
Other comprehensive income	1,382	1,381	1,381	241	1,622
Comprehensive income for the period	1,382	1,381	5,898	1,788	7,686
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(904)	(369)	(1,273)
Changes in ownership interests in subsidiaries	64	64	(413)	(702)	(1,115)
Total transactions with owners	64	64	(1,317)	(1,071)	(2,388)
Balance as of December 31, 2017	2,153	2,167	78,431	11,695	90,126

(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 01, 2018	1,754	8	72,990	(2)	14
Profit for the period			3,057		
Other comprehensive income					(2)
Comprehensive income for the period	—	—	3,057	—	(2)
Purchase and sales of treasury shares				(0)	
Dividends paid			(993)		
Total transactions with owners	—	—	(993)	(0)	—
Balance as of December 31, 2018	1,754	8	75,054	(2)	11

	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 01, 2018	(270)	(256)	74,494	10,662	85,156
Profit for the period		—	3,057	1,038	4,094
Other comprehensive income	(705)	(707)	(707)	(200)	(907)
Comprehensive income for the period	(705)	(707)	2,349	838	3,187
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(993)	(279)	(1,272)
Total transactions with owners	—	—	(993)	(279)	(1,272)
Balance as of December 31, 2018	(975)	(963)	75,851	11,221	87,071

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from (used in) operating activities		
Profit before tax	8,867	7,490
Depreciation and amortization	6,822	6,324
Finance costs (income)	(73)	(40)
Decrease (increase) in trade and other receivables	1,812	(671)
Decrease (increase) in inventories	(1,147)	4,216
Increase (decrease) in trade and other payables	995	(949)
Increase (decrease) in net defined benefit liability	125	(52)
Other inflows (outflows) of cash	(1,307)	(60)
Subtotal	16,093	16,258
Interest received	264	239
Dividends received	1	1
Interest paid	(192)	(199)
Income taxes refund (paid)	(3,434)	(4,050)
Net cash flows from (used in) operating activities	12,732	12,249
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	73	829
Purchase of property, plant and equipment	(5,821)	(5,111)
Proceeds from sales of property, plant and equipment	362	172
Purchase of intangible assets	(93)	(222)
Payments for loans receivable	(4)	―
Proceeds from collection of loans receivable	3	6
Net cash flows from (used in) investing activities	(5,480)	(4,325)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	128	(5,905)
Repayments of finance lease obligations	(17)	(283)
Proceeds from non-current borrowings	784	―
Repayments of non-current borrowings	(2,341)	(1,051)
Purchase of treasury shares	(0)	(0)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,115)	―
Dividends paid	(902)	(990)
Dividends paid to non-controlling interests	(1,767)	(1,387)
Net cash flows from (used in) financing activities	(5,231)	(9,617)
Effect of exchange rate changes on cash and cash equivalents	703	(502)
Net increase (decrease) in cash and cash equivalents	2,725	(2,195)
Cash and cash equivalents at beginning of period	25,849	25,246
Cash and cash equivalents at end of period	28,573	23,051