Translation

April 25, 2019

Consolidated Financial Results for the Fiscal Year Ended 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
Contact: Katsunori Shimizu, General Manager of Accounting Division
Tel: +81-53-433-4111

Scheduled date for holding annual general meeting of shareholders: June 21, 2019
Scheduled date to commence dividend payments: June 24, 2019
Scheduled date to file annual securities report: June 21, 2019
Preparation of supplementary results briefing material on consolidated financial results: Yes
Holding of consolidated financial results presentation meeting: Yes

(Millions of yen with fractional amounts rounded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	181,264	0.1	8,599	(10.8)	9,010	(7.0)	5,452	10.3	4,662	55.1	5,044	29.5
March 31, 2018	181,158	15.3	9,644	(20.3)	9,687	(14.5)	4,945	(31.3)	3,006	(44.9)	3,896	(43.9)

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	314.59	—	6.1	5.8	4.7
March 31, 2018	202.85	–	4.1	6.3	5.3

Reference: Share of profit (loss) of investments accounted for using equity method
For the fiscal year ended March 31, 2019: – million yen
For the fiscal year ended March 31, 2018: – million yen

(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
March 31, 2019	153,873	88,027	77,852	50.6	5,253.74
March 31, 2018	154,606	85,156	74,494	48.2	5,027.13

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	17,346	(7,457)	(8,709)	26,224
March 31, 2018	14,804	(7,099)	(8,124)	25,246

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2018	–	31.00	–	31.00	62.00	919	30.6	1.2
March 31, 2019	–	36.00	–	36.00	72.00	1,067	22.9	1.4
Fiscal year ending March 31, 2020 (Forecast)								

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2019 to March 31, 2020)

(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, 2020	181,000	(0.1)	7,500	(12.8)	7,400	(17.9)	4,100	(24.8)	3,000	(35.6)	202.45

*** 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 March 31, 2019	14,820,000 shares
As of March 31, 2018	14,820,000 shares

b. Number of treasury shares at end of period

As of March 31, 2019	1,694 shares
As of March 31, 2018	1,584 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2019	14,818,369 shares
Fiscal year ended March 31, 2018	14,818,469 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* 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.

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	27,098	27,486
Trade and other receivables	39,500	40,975
Inventories	24,926	21,417
Other current assets	1,469	1,283
Total current assets	92,993	91,160
Non-current assets		
Property, plant and equipment	56,095	57,289
Intangible assets	1,047	1,073
Net defined benefit asset	827	705
Other non-current assets	945	1,142
Deferred tax assets	2,698	2,504
Total non-current assets	61,613	62,713
Total assets	154,606	153,873
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	42,377	45,515
Borrowings	14,191	9,723
Income taxes payable	2,293	826
Other current liabilities	3,192	3,321
Total current liabilities	62,053	59,385
Non-current liabilities		
Borrowings	3,322	2,288
Net defined benefit liability	2,773	2,869
Deferred tax liabilities	546	415
Other non-current liabilities	756	889
Total non-current liabilities	7,397	6,461
Total liabilities	69,450	65,846
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	72,990	76,479
Treasury shares	(2)	(3)
Other components of equity	(256)	(387)
Total equity attributable to owners of parent	74,494	77,852
Non-controlling interests	10,662	10,176
Total equity	85,156	88,027
Total liabilities and equity	154,606	153,873

(2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Revenue	181,158	181,264
Cost of sales	154,231	155,946
Gross profit	26,926	25,318
Selling, general and administrative expenses	17,310	16,625
Other income	418	431
Other expense	390	525
Operating profit	9,644	8,599
Finance income	363	717
Finance costs	320	306
Profit before tax	9,687	9,010
Income tax expense	4,741	3,558
Profit for the period	4,945	5,452
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	(12)	(181)
Net change in financial assets at fair value through other comprehensive income	(2)	(6)
Total items that will not be reclassified to profit or loss	(14)	(187)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,036)	(221)
Total items that may be reclassified to profit or loss	(1,036)	(221)
Total other comprehensive income, net of tax	(1,050)	(408)
Comprehensive income for the period	3,896	5,044
Profit attributable to:		
Owners of parent	3,006	4,662
Non-controlling interests	1,939	790
Profit for the period	4,945	5,452
Comprehensive income attributable to:		
Owners of parent	1,961	4,351
Non-controlling interests	1,935	694
Comprehensive income	3,896	5,044
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	202.85	314.59

(3) 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, 2017	1,754	486	70,891	(2)	—	15
Profit for the period	—	—	3,006	—	—	—
Other comprehensive income	—	—	—	—	(2)	(1)
Comprehensive income for the period	—	—	3,006	—	(2)	(1)
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(904)	—	—	—
Changes in ownership interests in subsidiaries	—	(478)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2)	—	2	—
Total transactions with owners	—	(478)	(906)	(0)	2	—
Balance as of March 31, 2018	1,754	8	72,990	(2)	—	14

	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, 2017	707	721	73,850	10,978	84,828
Profit for the period	—	—	3,006	1,939	4,945
Other comprehensive income	(1,041)	(1,045)	(1,045)	(5)	(1,050)
Comprehensive income for the period	(1,041)	(1,045)	1,961	1,935	3,896
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(904)	(1,549)	(2,453)
Changes in ownership interests in subsidiaries	64	64	(413)	(702)	(1,115)
Transfer from other components of equity to retained earnings	—	2	—	—	—
Total transactions with owners	64	67	(1,318)	(2,251)	(3,568)
Balance as of March 31, 2018	(270)	(256)	74,494	10,662	85,156

(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, 2018	1,754	8	72,990	(2)	—	14
Profit for the period	—	—	4,662	—	—	—
Other comprehensive income	—	—	—	—	(181)	(3)
Comprehensive income for the period	—	—	4,662	—	(181)	(3)
Purchase and sales of treasury shares	—	—	—	(0)	—	—
Dividends paid	—	—	(993)	—	—	—
Transfer from other components of equity to retained earnings	—	—	(181)	—	181	—
Total transactions with owners	—	—	(1,174)	(0)	181	—
Balance as of March 31, 2019	1,754	8	76,479	(3)	—	11

	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, 2018	(270)	(256)	74,494	10,662	85,156
Profit for the period	—	—	4,662	790	5,452
Other comprehensive income	(127)	(311)	(311)	(97)	(408)
Comprehensive income for the period	(127)	(311)	4,351	694	5,044
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid	—	—	(993)	(1,179)	(2,172)
Transfer from other components of equity to retained earnings	—	181	—	—	—
Total transactions with owners	—	181	(993)	(1,179)	(2,173)
Balance as of March 31, 2019	(397)	(387)	77,852	10,176	88,027

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from (used in) operating activities		
Profit before tax	9,687	9,010
Depreciation and amortization	9,104	8,484
Finance costs (income)	(78)	(56)
Impairment loss	2,999	968
Decrease (increase) in trade and other receivables	(5,676)	(1,276)
Decrease (increase) in inventories	(2,444)	3,885
Increase (decrease) in trade and other payables	5,757	842
Increase (decrease) in net defined benefit liability	266	97
Other inflows (outflows) of cash	(578)	258
Subtotal	19,037	22,213
Interest received	364	360
Dividends received	1	1
Interest paid	(294)	(301)
Income taxes refund (paid)	(4,304)	(4,927)
Net cash flows from (used in) operating activities	14,804	17,346
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	372	597
Purchase of property, plant and equipment	(7,779)	(7,940)
Proceeds from sales of property, plant and equipment	418	180
Purchase of intangible assets	(110)	(301)
Payments for loans receivable	(4)	―
Proceeds from collection of loans receivable	4	6
Net cash flows from (used in) investing activities	(7,099)	(7,457)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(1,565)	(4,583)
Repayments of finance lease obligations	(306)	(407)
Proceeds from non-current borrowings	784	―
Repayments of non-current borrowings	(3,251)	(1,338)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,115)	―
Purchase of treasury shares	(0)	(0)
Dividends paid	(903)	(993)
Dividends paid to non-controlling interests	(1,767)	(1,387)
Net cash flows from (used in) financing activities	(8,124)	(8,709)
Effect of exchange rate changes on cash and cash equivalents	(183)	(201)
Net increase (decrease) in cash and cash equivalents	(603)	978
Cash and cash equivalents at beginning of period	25,849	25,246
Cash and cash equivalents at end of period	25,246	26,224