

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2020 <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 9, 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, 2020 (from April 1, 2019 to June 30, 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2019	44,311	(4.6)	2,678	(12.4)	2,368	(33.3)	1,270	(31.5)	1,020	(30.4)	(176)	—
June 30, 2018	46,444	12.3	3,057	35.5	3,553	42.0	1,854	3.1	1,466	9.0	1,304	(28.1)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	68.83	—
June 30, 2018	98.91	—

(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, 2019	151,838	87,111	77,052	50.7	5,199.76
March 31, 2019	153,873	88,027	77,852	50.6	5,253.74

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2019	Yen —	Yen 36.00	Yen —	Yen 36.00	Yen 72.00
Fiscal year ending March 31, 2020	—				
Fiscal year ending March 31, 2020 (Forecast)		36.00	—	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, 2020 (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	%	
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)	Yen 202.45

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 June 30, 2019	14,820,000 shares
As of March 31, 2019	14,820,000 shares

- b. Number of treasury shares at end of period

As of June 30, 2019	1,694 shares
As of March 31, 2019	1,694 shares

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

Three months ended June 30, 2019	14,818,306 shares
Three months ended June 30, 2018	14,818,397 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, 2019	As of June 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	27,486	25,385
Trade and other receivables	40,975	41,415
Inventories	21,417	20,613
Other current assets	1,283	1,479
Total current assets	91,160	88,892
Non-current assets		
Property, plant and equipment	57,289	57,213
Intangible assets	1,073	1,046
Net defined benefit asset	705	698
Deferred tax assets	2,504	2,531
Other non-current assets	1,142	1,458
Total non-current assets	62,713	62,945
Total assets	153,873	151,838
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	45,515	45,109
Borrowings	9,723	9,224
Income taxes payable	826	896
Other current liabilities	3,321	2,909
Total current liabilities	59,385	58,138
Non-current liabilities		
Borrowings	2,288	2,052
Net defined benefit liability	2,869	2,815
Deferred tax liabilities	415	408
Other non-current liabilities	889	1,313
Total non-current liabilities	6,461	6,589
Total liabilities	65,846	64,727
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	76,479	76,965
Treasury shares	(3)	(3)
Other components of equity	(387)	(1,673)
Total equity attributable to owners of parent	77,852	77,052
Non-controlling interests	10,176	10,059
Total equity	88,027	87,111
Total liabilities and equity	153,873	151,838

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Revenue	46,444	44,311
Cost of sales	39,286	37,524
Gross profit	7,159	6,787
Selling, general and administrative expenses	4,243	4,203
Other income	189	118
Other expense	48	23
Operating profit	3,057	2,678
Finance income	562	113
Finance costs	66	423
Profit before tax	3,553	2,368
Income tax expense	1,699	1,098
Profit for the period	1,854	1,270
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	(2)	1
Total items that will not be reclassified to profit or loss	(2)	1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(548)	(1,447)
Total items that may be reclassified to profit or loss	(548)	(1,447)
Total other comprehensive income, net of tax	(550)	(1,446)
Comprehensive income for the period	1,304	(176)
Profit attributable to:		
Owners of parent	1,466	1,020
Non-controlling interests	389	250
Profit for the period	1,854	1,270
Total comprehensive income attributable to:		
Owners of parent	1,056	(266)
Non-controlling interests	248	91
Comprehensive income	1,304	(176)
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	98.91	68.83

(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, 2018	1,754	8	72,990	(2)	14
Profit for the period			1,466		
Other comprehensive income					(1)
Comprehensive income for the period	—	—	1,466	—	(1)
Purchase and sales of treasury shares	—	—	—	(0)	—
Dividends paid			(459)		
Total transactions with owners	—	—	(459)	(0)	—
Balance as of June 30, 2018	1,754	8	73,997	(2)	13

	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, 2018	(270)	(256)	74,494	10,662	85,156
Profit for the period		—	1,466	389	1,854
Other comprehensive income	(409)	(410)	(410)	(140)	(550)
Comprehensive income for the period	(409)	(410)	1,056	248	1,304
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid		—	(459)	(279)	(738)
Total transactions with owners	—	—	(459)	(279)	(738)
Balance as of June 30, 2018	(679)	(666)	75,091	10,631	85,722

(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, 2019	1,754	8	76,479	(3)	11
Profit for the period			1,020		
Other comprehensive income					0
Comprehensive income for the period	—	—	1,020	—	0
Dividends paid			(533)		
Total transactions with owners	—	—	(533)	—	—
Balance as of June 30, 2019	1,754	8	76,965	(3)	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 1, 2019	(397)	(387)	77,852	10,176	88,027
Profit for the period		—	1,020	250	1,270
Other comprehensive income	(1,287)	(1,286)	(1,286)	(159)	(1,446)
Comprehensive income for the period	(1,287)	(1,286)	(266)	91	(176)
Dividends paid		—	(533)	(207)	(741)
Total transactions with owners	—	—	(533)	(207)	(741)
Balance as of June 30, 2019	(1,684)	(1,673)	77,052	10,059	87,111

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from (used in) operating activities		
Profit before tax	3,553	2,368
Depreciation and amortization	2,120	2,150
Finance costs (income)	(22)	(33)
Decrease (increase) in trade and other receivables	(797)	(1,667)
Decrease (increase) in inventories	4,025	248
Increase (decrease) in trade and other payables	934	1,733
Increase (decrease) in net defined benefit liability	(3)	(49)
Other inflows (outflows) of cash	143	(599)
Subtotal	9,953	4,152
Interest received	90	114
Dividends received	1	1
Interest paid	(67)	(80)
Income taxes refund (paid)	(2,134)	(1,130)
Net cash flows from (used in) operating activities	7,843	3,057
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	683	(48)
Purchase of property, plant and equipment	(1,595)	(2,445)
Proceeds from sales of property, plant and equipment	13	84
Purchase of intangible assets	(70)	(46)
Proceeds from collection of loans receivable	0	1
Net cash flows from (used in) investing activities	(968)	(2,453)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(6,518)	(90)
Repayments of lease obligations	(85)	(190)
Repayments of non-current borrowings	(453)	(286)
Purchase of treasury shares	(0)	—
Dividends paid	(455)	(527)
Dividends paid to non-controlling interests	(1,387)	(869)
Net cash flows from (used in) financing activities	(8,899)	(1,962)
Effect of exchange rate changes on cash and cash equivalents	(254)	(789)
Net increase (decrease) in cash and cash equivalents	(2,278)	(2,148)
Cash and cash equivalents at beginning of period	25,246	26,224
Cash and cash equivalents at end of period	22,967	24,076