Translation

October 30, 2019

Consolidated Financial Results for the First Six 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
Representative: Katsuhiro Kurokawa, President & Representative Director
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Scheduled date to file quarterly securities report: November 14, 2019
Scheduled date to commence dividend payments: December 5, 2019
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes

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

1. Consolidated financial results for first six months of the fiscal year ending March 31, 2020 (from April 1, 2019 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2019	87,607	(3.1)	4,589	0.9	4,344	(15.9)	2,368	(3.5)	1,776	2.3	169	(93.1)
September 30, 2018	90,430	7.1	4,549	6.0	5,162	10.0	2,454	(28.7)	1,737	(31.1)	2,454	(44.6)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2019	119.87	—
September 30, 2018	117.20	—

(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
September 30, 2019	156,495	87,456	77,144	49.3	5,206.02
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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	36.00	—	36.00	72.00
Fiscal year ending March 31, 2020	—	36.00			
Fiscal year ending March 31, 2020 (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, 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	%	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

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 September 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 September 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)

Six months ended September 30, 2019	14,818,306 shares
Six months ended September 30, 2018	14,818,390 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 September 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	27,486	20,442
Trade and other receivables	40,975	49,628
Inventories	21,417	21,342
Other current assets	1,283	1,637
Total current assets	91,160	93,049
Non-current assets		
Property, plant and equipment	57,289	57,680
Intangible assets	1,073	1,021
Net defined benefit asset	705	688
Deferred tax assets	2,504	2,771
Other non-current assets	1,142	1,284
Total non-current assets	62,713	63,446
Total assets	153,873	156,495
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	45,515	51,038
Borrowings	9,723	7,181
Income taxes payable	826	949
Other current liabilities	3,321	3,561
Total current liabilities	59,385	62,728
Non-current liabilities		
Borrowings	2,288	1,814
Net defined benefit liability	2,869	2,791
Deferred tax liabilities	415	403
Other non-current liabilities	889	1,302
Total non-current liabilities	6,461	6,310
Total liabilities	65,846	69,039
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	76,479	77,722
Treasury shares	(3)	(3)
Other components of equity	(387)	(2,337)
Total equity attributable to owners of parent	77,852	77,144
Non-controlling interests	10,176	10,312
Total equity	88,027	87,456
Total liabilities and equity	153,873	156,495

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Revenue	90,430	87,607
Cost of sales	77,793	74,863
Gross profit	12,637	12,744
Selling, general and administrative expenses	8,234	8,277
Other income	258	167
Other expense	111	45
Operating profit	4,549	4,589
Finance income	741	166
Finance costs	127	410
Profit before tax	5,162	4,344
Income tax expense	2,709	1,976
Profit for the period	2,454	2,368
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)	(0)
Total items that will not be reclassified to profit or loss	(1)	(0)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1	(2,199)
Total items that may be reclassified to profit or loss	1	(2,199)
Total other comprehensive income, net of tax	0	(2,199)
Comprehensive income for the period	2,454	169
Profit attributable to:		
Owners of parent	1,737	1,776
Non-controlling interests	717	592
Profit for the period	2,454	2,368
Total comprehensive income attributable to:		
Owners of parent	1,835	(174)
Non-controlling interests	619	343
Comprehensive income	2,454	169
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	117.20	119.87

(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			1,737		
Other comprehensive income					(0)
Comprehensive income for the period	—	—	1,737	—	(0)
Purchase and sales of treasury shares				(0)	
Dividends paid			(459)		
Total transactions with owners	—	—	(459)	(0)	—
Balance as of September 30, 2018	1,754	8	74,268	(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		—	1,737	717	2,454
Other comprehensive income	98	98	98	(98)	0
Comprehensive income for the period	98	98	1,835	619	2,454
Purchase and sales of treasury shares		—	(0)		(0)
Dividends paid		—	(459)	(279)	(738)
Total transactions with owners	—	—	(459)	(279)	(738)
Balance as of September 30, 2018	(172)	(158)	75,869	11,002	86,871

(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			1,776		
Other comprehensive income			—		(0)
Comprehensive income for the period	—	—	1,776	—	(0)
Dividends paid			(533)		
Total transactions with owners	—	—	(533)	—	—
Balance as of September 30, 2019	1,754	8	77,722	(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		—	1,776	592	2,368
Other comprehensive income	(1,950)	(1,950)	(1,950)	(249)	(2,199)
Comprehensive income for the period	(1,950)	(1,950)	(174)	343	169
Dividends paid		—	(533)	(207)	(741)
Total transactions with owners	—	—	(533)	(207)	(741)
Balance as of September 30, 2019	(2,347)	(2,337)	77,144	10,312	87,456

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from (used in) operating activities		
Profit before tax	5,162	4,344
Depreciation and amortization	4,231	4,154
Finance costs (income)	(27)	3
Decrease (increase) in trade and other receivables	(2,209)	(10,112)
Decrease (increase) in inventories	3,994	(683)
Increase (decrease) in trade and other payables	(193)	9,248
Increase (decrease) in net defined benefit liability	(23)	(68)
Other inflows (outflows) of cash	703	(211)
Subtotal	11,639	6,675
Interest received	155	167
Dividends received	1	1
Interest paid	(129)	(169)
Income taxes refund (paid)	(3,272)	(2,110)
Net cash flows from (used in) operating activities	8,395	4,564
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	732	(28)
Purchase of property, plant and equipment	(3,093)	(5,986)
Proceeds from sales of property, plant and equipment	183	107
Purchase of intangible assets	(88)	(94)
Proceeds from collection of loans receivable	3	1
Net cash flows from (used in) investing activities	(2,263)	(6,000)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(6,165)	(2,058)
Repayments of lease obligations	(195)	(339)
Repayments of non-current borrowings	(757)	(566)
Purchase of treasury shares	(0)	—
Dividends paid	(459)	(533)
Dividends paid to non-controlling interests	(1,387)	(1,059)
Net cash flows from (used in) financing activities	(8,964)	(4,553)
Effect of exchange rate changes on cash and cash equivalents	(216)	(1,077)
Net increase (decrease) in cash and cash equivalents	(3,048)	(7,066)
Cash and cash equivalents at beginning of period	25,246	26,224
Cash and cash equivalents at end of period	22,198	19,158