

Consolidated Financial Results for the First Nine 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: February 14, 2020
 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, 2020 (from April 1, 2019 to December 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2019	130,288	(4.8)	4,182	(40.8)	4,137	(44.8)	1,433	(65.0)	1,103	(63.9)	713	(77.6)
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)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2019	74.47	—
December 31, 2018	206.26	—

(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, 2019	152,418	87,466	77,236	50.7	5,212.23
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	—	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	%	
Fiscal year ending March 31, 2020	173,000	(4.6)	6,200	(27.9)	5,900	(34.5)	2,900	(46.8)	2,200	(52.8)	Yen 148.47

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** 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, 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 December 31, 2019	1,747 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)

Nine months ended December 31, 2019	14,818,299 shares
Nine months ended December 31, 2018	14,818,387 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 December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	27,486	26,220
Trade and other receivables	40,975	39,520
Inventories	21,417	20,683
Other current assets	1,283	1,482
Total current assets	91,160	87,906
Non-current assets		
Property, plant and equipment	57,289	58,841
Intangible assets	1,073	988
Net defined benefit asset	705	705
Deferred tax assets	2,504	2,732
Other non-current assets	1,142	1,246
Total non-current assets	62,713	64,512
Total assets	153,873	152,418
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	45,515	45,203
Borrowings	9,723	8,687
Income taxes payable	826	838
Other current liabilities	3,321	2,548
Total current liabilities	59,385	57,276
Non-current liabilities		
Borrowings	2,288	1,698
Net defined benefit liability	2,869	2,807
Provisions	—	1,391
Deferred tax liabilities	415	450
Other non-current liabilities	889	1,330
Total non-current liabilities	6,461	7,676
Total liabilities	65,846	64,952
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	76,479	76,515
Treasury shares	(3)	(3)
Other components of equity	(387)	(1,039)
Total equity attributable to owners of parent	77,852	77,236
Non-controlling interests	10,176	10,230
Total equity	88,027	87,466
Total liabilities and equity	153,873	152,418

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Revenue	136,908	130,288
Cost of sales	117,379	113,330
Gross profit	19,529	16,958
Selling, general and administrative expenses	12,541	12,945
Other income	378	276
Other expense	301	106
Operating profit	7,065	4,182
Finance income	624	257
Finance costs	199	302
Profit before tax	7,490	4,137
Income tax expense	3,395	2,704
Profit for the period	4,094	1,433
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	(5)	1
Total items that will not be reclassified to profit or loss	(5)	1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(902)	(721)
Total items that may be reclassified to profit or loss	(902)	(721)
Total other comprehensive income, net of tax	(907)	(720)
Comprehensive income for the period	3,187	713
Profit attributable to:		
Owners of parent	3,057	1,103
Non-controlling interests	1,038	329
Profit for the period	4,094	1,433
Total comprehensive income attributable to:		
Owners of parent	2,349	452
Non-controlling interests	838	261
Comprehensive income	3,187	713
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	206.26	74.47

(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			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 1, 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

(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			1,103		
Other comprehensive income					0
Comprehensive income for the period	—	—	1,103	—	0
Purchase and sales of treasury shares	—	—	—	(0)	—
Dividends paid			(1,067)		
Total transactions with owners	—	—	(1,067)	(0)	—
Balance as of December 31, 2019	1,754	8	76,515	(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		—	1,103	329	1,433
Other comprehensive income	(652)	(652)	(652)	(68)	(720)
Comprehensive income for the period	(652)	(652)	452	261	713
Purchase and sales of treasury shares	—	—	(0)	—	(0)
Dividends paid		—	(1,067)	(207)	(1,274)
Total transactions with owners	—	—	(1,067)	(207)	(1,274)
Balance as of December 31, 2019	(1,050)	(1,039)	77,236	10,230	87,466

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from (used in) operating activities		
Profit before tax	7,490	4,137
Depreciation and amortization	6,324	6,157
Finance costs (income)	(40)	(43)
Decrease (increase) in trade and other receivables	(671)	964
Decrease (increase) in inventories	4,216	428
Increase (decrease) in trade and other payables	(949)	2,517
Increase (decrease) in provisions	—	1,357
Increase (decrease) in net defined benefit liability	(52)	(68)
Other inflows (outflows) of cash	(60)	(1,055)
Subtotal	16,258	14,394
Interest received	239	257
Dividends received	1	1
Interest paid	(199)	(213)
Income taxes refund (paid)	(4,050)	(2,836)
Net cash flows from (used in) operating activities	12,249	11,603
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	829	177
Purchase of property, plant and equipment	(5,111)	(8,699)
Proceeds from sales of property, plant and equipment	172	437
Purchase of intangible assets	(222)	(135)
Proceeds from collection of loans receivable	6	2
Net cash flows from (used in) investing activities	(4,325)	(8,218)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(5,905)	(651)
Repayments of lease obligations	(283)	(436)
Repayments of non-current borrowings	(1,051)	(776)
Purchase of treasury shares	(0)	(0)
Dividends paid	(990)	(1,065)
Dividends paid to non-controlling interests	(1,387)	(1,059)
Net cash flows from (used in) financing activities	(9,617)	(3,987)
Effect of exchange rate changes on cash and cash equivalents	(502)	(494)
Net increase (decrease) in cash and cash equivalents	(2,195)	(1,096)
Cash and cash equivalents at beginning of period	25,246	26,224
Cash and cash equivalents at end of period	23,051	25,128