Translation

October 29, 2020

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2021 <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: Naoki Shiraishi, President & Representative Director
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Scheduled date to file quarterly securities report: November 13, 2020
Scheduled date to commence dividend payments: —
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: None

(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, 2021 (from April 1, 2020 to September 30, 2020)

(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, 2020	85,768	(2.1)	1,258	(72.6)	854	(80.3)	(1,200)	—	(1,541)	—	(1,131)	—
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)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	(103.97)	—
September 30, 2019	119.87	—

(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, 2020	169,011	82,119	72,690	43.0	4,905.43
March 31, 2020	147,515	84,357	74,777	50.7	5,046.30

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, 2020	—	36.00	—	36.00	72.00
Fiscal year ending March 31, 2021	—	0.00			
Fiscal year ending March 31, 2021 (Forecast)			—	36.00	36.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	173,000	5.9	3,000	(34.6)	2,200	(51.6)	(700)	—	(2,000)	—	(134.97)

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: None

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, 2020	14,820,000 shares
As of March 31, 2020	14,820,000 shares

b. Number of treasury shares at end of period

As of September 30, 2020	1,776 shares
As of March 31, 2020	1,776 shares

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

Six months ended September 30, 2020	14,818,224 shares
Six months ended September 30, 2019	14,818,306 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, 2020	As of September 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	23,866	21,521
Trade and other receivables	36,430	61,050
Inventories	22,319	22,046
Other current assets	2,577	2,309
Total current assets	85,192	106,925
Non-current assets		
Property, plant and equipment	56,686	57,184
Intangible assets	950	790
Net defined benefit asset	529	513
Deferred tax assets	2,690	2,516
Other non-current assets	1,467	1,083
Total non-current assets	62,323	62,087
Total assets	147,515	169,011
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	44,049	65,419
Borrowings	6,731	8,584
Income taxes payable	590	950
Provisions	—	1,107
Other current liabilities	3,700	3,937
Total current liabilities	55,070	79,997
Non-current liabilities		
Borrowings	2,256	2,068
Net defined benefit liability	2,540	2,518
Provisions	1,293	418
Deferred tax liabilities	479	387
Other non-current liabilities	1,519	1,505
Total non-current liabilities	8,088	6,895
Total liabilities	63,158	86,892
Equity		
Issued capital	1,754	1,754
Capital surplus	8	8
Retained earnings	76,480	74,407
Treasury shares	(3)	(3)
Other components of equity	(3,463)	(3,477)
Total equity attributable to owners of parent	74,777	72,690
Non-controlling interests	9,580	9,429
Total equity	84,357	82,119
Total liabilities and equity	147,515	169,011

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	87,607	85,768
Cost of sales	74,863	76,922
Gross profit	12,744	8,846
Selling, general and administrative expenses	8,277	7,707
Other income	167	165
Other expense	45	46
Operating profit	4,589	1,258
Finance income	166	152
Finance costs	410	556
Profit before tax	4,344	854
Income tax expense	1,976	2,053
Profit for the period	2,368	(1,200)
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	(0)	1
Total items that will not be reclassified to profit or loss	(0)	1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,199)	68
Total items that may be reclassified to profit or loss	(2,199)	68
Total other comprehensive income, net of tax	(2,199)	69
Comprehensive income for the period	169	(1,131)
Profit attributable to:		
Owners of parent	1,776	(1,541)
Non-controlling interests	592	341
Profit for the period	2,368	(1,200)
Total comprehensive income attributable to:		
Owners of parent	(174)	(1,554)
Non-controlling interests	343	423
Comprehensive income	169	(1,131)
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	119.87	(103.97)

(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, 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

(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, 2020	1,754	8	76,480	(3)	10
Profit for the period			(1,541)		
Other comprehensive income					1
Comprehensive income for the period	—	—	(1,541)	—	1
Dividends paid			(533)		
Transfer from other components of equity to retained earnings			1		(1)
Total transactions with owners	—	—	(532)	—	(1)
Balance as of September 30, 2020	1,754	8	74,407	(3)	10

	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, 2020	(3,472)	(3,463)	74,777	9,580	84,357
Profit for the period		—	(1,541)	341	(1,200)
Other comprehensive income	(15)	(13)	(13)	82	69
Comprehensive income for the period	(15)	(13)	(1,554)	423	(1,131)
Dividends paid		—	(533)	(574)	(1,107)
Transfer from other components of equity to retained earnings		(1)	—		—
Total transactions with owners	—	(1)	(533)	(574)	(1,107)
Balance as of September 30, 2020	(3,487)	(3,477)	72,690	9,429	82,119

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from (used in) operating activities		
Profit before tax	4,344	854
Depreciation and amortization	4,154	4,170
Finance costs (income)	3	(84)
Decrease (increase) in trade and other receivables	(10,112)	(24,611)
Decrease (increase) in inventories	(683)	185
Increase (decrease) in trade and other payables	9,248	20,720
Increase (decrease) in net defined benefit liability	(68)	(50)
Other inflows (outflows) of cash	(211)	720
Subtotal	6,675	1,905
Interest received	167	155
Dividends received	1	1
Interest paid	(169)	(58)
Income taxes refund (paid)	(2,110)	(1,668)
Net cash flows from (used in) operating activities	4,564	336
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(28)	(127)
Purchase of property, plant and equipment	(5,986)	(3,335)
Proceeds from sales of property, plant and equipment	107	47
Purchase of intangible assets	(94)	(10)
Proceeds from sale of investment securities	―	2
Proceeds from collection of loans receivable	1	―
Net cash flows from (used in) investing activities	(6,000)	(3,424)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(2,058)	2,224
Repayments of lease obligations	(339)	(250)
Repayments of non-current borrowings	(566)	(414)
Dividends paid	(533)	(533)
Dividends paid to non-controlling interests	(1,059)	(864)
Net cash flows from (used in) financing activities	(4,553)	163
Effect of exchange rate changes on cash and cash equivalents	(1,077)	455
Net increase (decrease) in cash and cash equivalents	(7,066)	(2,471)
Cash and cash equivalents at beginning of period	26,224	22,843
Cash and cash equivalents at end of period	19,158	20,372