

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



## Consolidated Financial Results for the Year Ended March 31, 2019 [Japanese GAAP]

May 17, 2019

Company name: CHIYODA UTE CO., LTD.  
 Stock exchange listing: Tokyo  
 Code number: 5387  
 URL: <http://www.chiyoda-ute.co.jp>  
 Representative: Haruhisa Hirata, President & CEO  
 Contact: Takashi Oida, Director and Head of Administration Unit  
 Phone: 059-364-5215  
 Scheduled date of Annual General Meeting of Shareholders: June 27, 2019  
 Scheduled date of commencing dividend payments: June 28, 2019  
 Scheduled date of filing annual securities report: June 27, 2019  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2019	30,146	(4.7)	(300)	-	(84)	-	(90)	-
March 31, 2018	31,616	2.4	66	(88.6)	204	(64.6)	239	(44.3)

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥ (274) million [ -%]  
 Fiscal year ended March 31, 2018: ¥ 366 million [ (27.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2019	Yen (5.22)	Yen -	% (0.7)	% (0.2)	% (1.0)
March 31, 2018	13.87	-	1.9	0.6	0.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: ¥ 13 million  
 Fiscal year ended March 31, 2018: ¥ (1) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2019	Million yen 35,425	Million yen 12,540	% 35.4	Yen 726.55
March 31, 2018	35,875	12,900	35.9	747.58

(Reference) Equity: As of March 31, 2019: ¥ 12,533 million  
 As of March 31, 2018: ¥ 12,896 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2019	Million yen 1,028	Million yen (250)	Million yen (179)	Million yen 2,920
March 31, 2018	2,416	(1,164)	(667)	2,322

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2018	-	0.00	-	5.00	5.00	86	36.1	0.7
March 31, 2019	-	0.00	-	3.00	3.00	51	-	0.4
Fiscal year ending								
March 31, 2020 (Forecast)	-	0.00	-	5.00	5.00		43.1	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	31,000	2.8	250	-	300	-	200	-	11.59

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2019: 17,670,000 shares

March 31, 2018: 17,670,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2019: 418,768 shares

March 31, 2018: 418,768 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2019: 17,251,232 shares

Fiscal Year ended March 31, 2018: 17,251,328 shares

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2018	As of March 31,2019
<b>Assets</b>		
Current assets		
Cash and deposits	2,506,453	2,960,684
Notes and accounts receivable - trade	5,574,167	5,368,804
Merchandise and finished goods	1,213,316	1,444,206
Work in process	147,967	116,214
Raw materials and supplies	1,557,158	1,529,444
Other	305,268	278,581
Allowance for doubtful accounts	(138,652)	(144,710)
Total current assets	11,165,679	11,553,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,405,300	13,466,611
Accumulated depreciation	(8,259,677)	(8,571,798)
Buildings and structures, net	5,145,623	4,894,813
Machinery, equipment and vehicles	25,844,154	26,288,609
Accumulated depreciation	(21,921,349)	(22,740,201)
Machinery, equipment and vehicles, net	3,922,805	3,548,407
Land	11,433,843	11,434,287
Leased assets	1,536,751	1,583,603
Accumulated depreciation	(559,022)	(664,647)
Leased assets, net	977,729	918,956
Construction in progress	49,840	161,772
Other	638,852	644,648
Accumulated depreciation	(529,108)	(550,298)
Other, net	109,743	94,350
Total property, plant and equipment	21,639,585	21,052,586
Intangible assets	217,604	171,305
Investments and other assets		
Investment securities	1,671,583	1,318,223
Long-term loans receivable	54,746	35,981
Deferred tax assets	77,817	148,580
Other	1,039,942	1,138,580
Allowance for doubtful accounts	(24,862)	(26,209)
Total investments and other assets	2,819,228	2,615,155
Total non-current assets	24,676,418	23,839,047
Deferred assets		
Bond issuance cost	33,162	33,650
Total deferred assets	33,162	33,650
Total assets	35,875,259	35,425,924

(Thousand yen)

	As of March 31,2018	As of March 31,2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,944,345	4,833,725
Short-term loans payable	3,179,526	2,984,332
Current portion of long-term loans payable	1,315,112	1,959,489
Current portion of bonds	1,330,400	330,400
Accounts payable - other	1,700,133	1,761,736
Income taxes payable	121,995	67,443
Accrued consumption taxes	84,572	103,301
Provision for bonuses	301,675	278,530
Other	787,892	675,007
Total current liabilities	13,765,652	12,993,966
Non-current liabilities		
Bonds payable	1,596,800	2,216,400
Long-term loans payable	4,615,945	4,724,357
Lease obligations	727,204	665,723
Deferred tax liabilities	8,968	7,630
Provision for retirement benefits for directors (and other officers)	192,706	207,446
Provision for loss on subsidiaries and affiliates	7,000	7,000
Retirement benefit liability	1,373,070	1,340,857
Asset retirement obligations	135,450	135,450
Negative goodwill	5,027	3,713
Other	546,820	583,250
Total non-current liabilities	9,208,993	9,891,828
Total liabilities	22,974,645	22,885,795
Net assets		
Shareholders' equity		
Capital stock	4,674,750	4,674,750
Capital surplus	5,473,962	5,473,962
Retained earnings	2,804,718	2,628,430
Treasury shares	(196,284)	(196,284)
Total shareholders' equity	12,757,146	12,580,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	444,217	233,873
Remeasurements of defined benefit plans	(304,761)	(280,901)
Total accumulated other comprehensive income	139,455	(47,028)
Non-controlling interests	4,011	6,300
Total net assets	12,900,614	12,540,129
Total liabilities and net assets	35,875,259	35,425,924

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Net sales	31,616,514	30,146,255
Cost of sales	20,433,735	19,337,643
Gross profit	11,182,778	10,808,612
Selling, general and administrative expenses	11,115,898	11,109,174
Operating profit (loss)	66,880	(300,562)
Non-operating income		
Interest income	3,658	3,831
Dividend income	41,599	43,701
Rent income	161,750	165,267
Compensation income	-	73,800
Share of profit of entities accounted for using equity method	-	13,803
Other	179,012	159,855
Total non-operating income	386,020	460,260
Non-operating expenses		
Interest expenses	109,605	97,629
Rent expenses	47,457	56,233
Share of loss of entities accounted for using equity method	1,822	-
Other	89,639	89,938
Total non-operating expenses	248,525	243,801
Ordinary profit (loss)	204,375	(84,104)
Extraordinary income		
Gain on sales of non-current assets	363,210	8,139
Gain on sales of investment securities	73,890	82,533
Total extraordinary income	437,101	90,673
Extraordinary losses		
Loss on retirement of non-current assets	1,568	3,675
Impairment loss	265,678	-
Loss on valuation of investment securities	1,100	-
Total extraordinary losses	268,347	3,675
Profit before income taxes	373,130	2,893
Income taxes - current	143,761	73,019
Income taxes - deferred	(5,472)	17,617
Total income taxes	138,288	90,637
Profit (loss)	234,841	(87,743)
Profit (loss) attributable to non-controlling interests	(4,365)	2,288
Profit (loss) attributable to owners of parent	239,206	(90,032)

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Profit (loss)	234,841	(87,743)
Other comprehensive income		
Valuation difference on available-for-sale securities	97,652	(210,343)
Remeasurements of defined benefit plans, net of tax	34,006	23,859
Total other comprehensive income	131,659	(186,484)
Comprehensive income	366,500	(274,228)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	370,865	(276,516)
Comprehensive income attributable to non-controlling interests	(4,365)	2,288

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2018

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,674,750	5,475,135	2,651,769	(196,193)	12,605,460
Changes of items during period					
Dividends of surplus			(86,257)		(86,257)
Profit attributable to owners of parent			239,206		239,206
Purchase of treasury shares				(91)	(91)
Purchase of share of consolidated subsidiaries treasury stock		(1,172)			(1,172)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,172)	152,949	(91)	151,685
Balance at end of current period	4,674,750	5,473,962	2,804,718	(196,284)	12,757,146

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	346,564	(338,768)	7,796	23,044	12,636,301
Changes of items during period					
Dividends of surplus					(86,257)
Profit attributable to owners of parent					239,206
Purchase of treasury shares					(91)
Purchase of share of consolidated subsidiaries treasury stock				(14,667)	(15,840)
Net changes of items other than shareholders' equity	97,652	34,006	131,659	(4,365)	127,294
Total changes of items during period	97,652	34,006	131,659	(19,032)	264,312
Balance at end of current period	444,217	(304,761)	139,455	4,011	12,900,614

For the fiscal year ended March 31,2019

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,674,750	5,473,962	2,804,718	(196,284)	12,757,146
Changes of items during period					
Dividends of surplus			(86,256)		(86,256)
Profit attributable to owners of parent			(90,032)		(90,032)
Purchase of treasury shares				-	-
Purchase of share of consolidated subsidiaries treasury stock					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(176,288)	-	(176,288)
Balance at end of current period	4,674,750	5,473,962	2,628,430	(196,284)	12,580,858

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	444,217	(304,761)	139,455	4,011	12,900,614
Changes of items during period					
Dividends of surplus					(86,256)
Profit attributable to owners of parent					(90,032)
Purchase of treasury shares					-
Purchase of share of consolidated subsidiaries treasury stock				-	-
Net changes of items other than shareholders' equity	(210,343)	23,859	(186,484)	2,288	(184,196)
Total changes of items during period	(210,343)	23,859	(186,484)	2,288	(360,484)
Balance at end of current period	233,873	(280,901)	(47,028)	6,300	12,540,129

## Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	373,130	2,893
Depreciation	1,601,288	1,409,181
Amortization of negative goodwill	(1,314)	(1,314)
Amortization of bond issuance cost	7,866	9,966
Increase (decrease) in allowance for doubtful accounts	4,280	7,405
Increase (decrease) in provision for bonuses	943	(23,144)
Increase (decrease) in retirement benefit liability	91,064	(8,354)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,468	14,740
Interest and dividend income	(45,257)	(47,533)
Interest expenses	109,605	97,629
Share of loss (profit) of entities accounted for using equity method	1,822	(13,803)
Loss (gain) on sales and retirement of non-current assets	(361,642)	(4,464)
Impairment loss	265,678	-
Loss (gain) on sales and valuation of investment securities	(72,790)	(82,533)
Decrease (increase) in notes and accounts receivable - trade	(336,323)	204,015
Decrease (increase) in inventories	(179,370)	(186,422)
Increase (decrease) in notes and accounts payable - trade	827,388	(110,619)
Increase (decrease) in accrued consumption taxes	(77,882)	18,729
Decrease (increase) in other assets	(74,942)	(94,550)
Increase (decrease) in other liabilities	428,502	51,452
Subtotal	2,576,515	1,243,272
Interest and dividend income received	44,778	46,582
Interest expenses paid	(106,655)	(97,486)
Income taxes (paid) refund	(97,922)	(164,348)
Net cash provided by (used in) operating activities	2,416,715	1,028,019
<b>Cash flows from investing activities</b>		
Payments into time deposits	(40,131)	(31,910)
Proceeds from withdrawal of time deposits	41,122	176,091
Purchase of property, plant and equipment	(2,018,893)	(640,945)
Proceeds from sales of property, plant and equipment	468,700	9,510
Purchase of investment securities	(88,785)	(14,728)
Proceeds from sales of investment securities	109,575	164,363
Proceeds from cancellation of insurance funds	344,238	4,327
Payments of loans receivable	(77,736)	(113,135)
Collection of loans receivable	103,248	209,022
Other, net	(5,495)	(12,810)
Net cash provided by (used in) investing activities	(1,164,157)	(250,215)

(Thousand yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(736,379)	(195,193)
Proceeds from long-term loans payable	1,120,000	2,150,000
Repayments of long-term loans payable	(1,638,852)	(1,397,211)
Proceeds from issuance of bonds	1,178,510	989,545
Redemption of bonds	(195,200)	(1,380,400)
Purchase of treasury shares	(91)	-
Purchase of treasury shares of subsidiaries	(15,840)	-
Cash dividends paid	(86,077)	(86,227)
Repayments of lease obligations	(293,528)	(259,904)
Net cash provided by (used in) financing activities	(667,457)	(179,390)
Net increase (decrease) in cash and cash equivalents	585,100	598,412
Cash and cash equivalents at beginning of period	1,737,141	2,322,242
Cash and cash equivalents at end of period	2,322,242	2,920,654