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## Consolidated Financial Results for the Nine Months Ended December 31, 2019 [Japanese GAAP]

February 07, 2020

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 filing quarterly securities report: February 12, 2020  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (April 01, 2019 to December 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                             | % |
| Nine months ended December 31, 2019 | 21,928      | (2.5) | (353)            | - | (118)           | - | (128)                                   | - |
| December 31, 2018                   | 22,501      | (5.3) | (313)            | - | (211)           | - | (182)                                   | - |

(Note) Comprehensive income: Nine months ended December 31, 2019: ¥ (87) million [-%]  
 Nine months ended December 31, 2018: ¥ (304) million [-%]

|                                     | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
|                                     | Yen                      | Yen                        |
| Nine months ended December 31, 2019 | (7.44)                   | -                          |
| December 31, 2018                   | (10.55)                  | -                          |

#### (2) Consolidated Financial Position

|                         | Total assets | Net assets  | Capital adequacy ratio |
|-------------------------|--------------|-------------|------------------------|
|                         | Million yen  | Million yen | %                      |
| As of December 31, 2019 | 34,509       | 12,395      | 35.9                   |
| March 31, 2019          | 35,425       | 12,540      | 35.4                   |

(Reference) Equity: As of December 31, 2019: ¥ 12,388 million  
 As of March 31, 2019: ¥ 12,533 million

## 2. Dividends

|   | Annual dividends   |                    |                    |          |       |
|---|--------------------|--------------------|--------------------|----------|-------|
|   | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>quarter-end | Year-end | Total |
|   | Yen                | Yen                | Yen                | Yen      | Yen   |
| Fiscal year ended March 31, 2019                | -                  | 0.00               | -                  | 3.00     | 3.00  |
| Fiscal year ending March 31, 2020               | -                  | 0.00               | -                  |          |       |
| Fiscal year ending March 31, 2020<br>(Forecast) |                    |                    |                    | 5.00     | 5.00  |

(Note) Revision to the forecast for dividends announced most recently: No

## 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<br>owners of parent |   | Basic earnings per<br>share |
|-----------|-------------|-------|------------------|---|-----------------|---|--|---|-----------------------------|
|           | Million yen | %     | Million yen      | % | Million yen     | % | Million yen                                | % | Yen                         |
| Full year | 29,500      | (2.1) | (300)            | - | (30)            | - | (50)                                       | - | (2.90)                      |

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2019

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

December 31, 2019: 17,670,000 shares

March 31, 2019: 17,670,000 shares

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

December 31, 2019: 418,768 shares

March 31, 2019: 418,768 shares

3) Average number of shares during the period:

Nine months ended December 31, 2019: 17,251,232 shares

Nine months ended December 31, 2018: 17,251,232 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

|  | As of March 31,2019 | As of December 31,2019 |
|--|---------------------|------------------------|
| <b>Assets</b>                          |                     |                        |
| Current assets                         |                     |                        |
| Cash and deposits                      | 2,960,684           | 2,801,480              |
| Notes and accounts receivable - trade  | 5,368,804           | 5,163,703              |
| Merchandise and finished goods         | 1,444,206           | 1,404,018              |
| Work in process                        | 116,214             | 114,021                |
| Raw materials and supplies             | 1,529,444           | 1,574,014              |
| Other                                  | 278,581             | 336,717                |
| Allowance for doubtful accounts        | (144,710)           | (116,946)              |
| Total current assets                   | 11,553,226          | 11,277,008             |
| Non-current assets                     |                     |                        |
| Property, plant and equipment          |                     |                        |
| Buildings and structures, net          | 4,894,813           | 4,847,341              |
| Machinery, equipment and vehicles, net | 3,548,407           | 3,404,211              |
| Land                                   | 11,434,287          | 11,395,230             |
| Other, net                             | 1,175,079           | 955,389                |
| Total property, plant and equipment    | 21,052,586          | 20,602,173             |
| Intangible assets                      | 171,305             | 147,943                |
| Investments and other assets           |                     |                        |
| Investment securities                  | 1,318,223           | 1,233,645              |
| Other                                  | 1,323,142           | 1,265,282              |
| Allowance for doubtful accounts        | (26,209)            | (44,539)               |
| Total investments and other assets     | 2,615,155           | 2,454,387              |
| Total non-current assets               | 23,839,047          | 23,204,504             |
| Deferred assets                        | 33,650              | 28,058                 |
| Total assets                           | 35,425,924          | 34,509,572             |

(Thousand yen)

|  | As of March 31,2019 | As of December 31,2019 |
|--|---------------------|------------------------|
| <b>Liabilities</b>   |                     |                        |
| Current liabilities  |                     |                        |
| Notes and accounts payable - trade                                   | 4,833,725           | 4,639,004              |
| Short-term borrowings  | 4,943,821           | 4,687,230              |
| Income taxes payable   | 67,443              | 59,111                 |
| Provision for bonuses  | 278,530             | 139,099                |
| Other  | 2,870,445           | 2,909,907              |
| Total current liabilities  | 12,993,966          | 12,434,352             |
| Non-current liabilities  |                     |                        |
| Bonds payable  | 2,216,400           | 1,993,600              |
| Long-term borrowings   | 4,724,357           | 4,900,273              |
| Provision for retirement benefits for directors (and other officers) | 207,446             | 188,980                |
| Provision for loss on subsidiaries and affiliates                    | 7,000               | 7,000                  |
| Retirement benefit liability   | 1,340,857           | 1,303,028              |
| Asset retirement obligations   | 135,450             | 135,450                |
| Negative goodwill  | 3,713               | -                      |
| Other  | 1,256,604           | 1,151,097              |
| Total non-current liabilities  | 9,891,828           | 9,679,429              |
| Total liabilities  | 22,885,795          | 22,113,782             |
| <b>Net assets</b>  |                     |                        |
| Shareholders' equity   |                     |                        |
| Share capital  | 4,674,750           | 4,674,750              |
| Capital surplus  | 5,473,962           | 5,471,367              |
| Retained earnings  | 2,628,430           | 2,448,299              |
| Treasury shares  | (196,284)           | (196,284)              |
| Total shareholders' equity   | 12,580,858          | 12,398,133             |
| Accumulated other comprehensive income                               |                     |                        |
| Valuation difference on available-for-sale securities                | 233,873             | 244,617                |
| Remeasurements of defined benefit plans                              | (280,901)           | (254,440)              |
| Total accumulated other comprehensive income                         | (47,028)            | (9,823)                |
| Non-controlling interests  | 6,300               | 7,479                  |
| Total net assets   | 12,540,129          | 12,395,789             |
| <b>Total liabilities and net assets</b>                              | <b>35,425,924</b>   | <b>34,509,572</b>      |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

|   | For the nine months<br>ended December 31, 2018 | For the nine months<br>ended December 31, 2019 |
|---|--|--|
| Net sales   | 22,501,786                                     | 21,928,566                                     |
| Cost of sales   | 14,593,783                                     | 13,889,287                                     |
| Gross profit  | 7,908,002                                      | 8,039,278                                      |
| Selling, general and administrative expenses                  | 8,221,871                                      | 8,392,303                                      |
| Operating loss  | (313,868)                                      | (353,024)                                      |
| Non-operating income  |  |  |
| Interest income   | 2,929  | 2,356  |
| Dividend income   | 41,340   | 34,625   |
| Rental income   | 123,453  | 118,871  |
| Insurance claim income  | 39,263   | 116,336  |
| Share of profit of entities accounted for using equity method | -  | 35,242   |
| Other   | 81,917   | 91,414   |
| Total non-operating income                                    | 288,904  | 398,847  |
| Non-operating expenses  |  |  |
| Interest expenses   | 73,423   | 68,804   |
| Rental expenses   | 41,314   | 40,681   |
| Share of loss of entities accounted for using equity method   | 6,823  | -  |
| Other   | 65,433   | 54,796   |
| Total non-operating expenses                                  | 186,994  | 164,283  |
| Ordinary loss   | (211,958)                                      | (118,460)                                      |
| Extraordinary income  |  |  |
| Gain on sales of non-current assets                           | 8,139  | 2,284  |
| Gain on sales of investment securities                        | 23   | 24,063   |
| Gain on sales of shares of subsidiaries                       | -  | 17,399   |
| Total extraordinary income                                    | 8,163  | 43,747   |
| Extraordinary losses  |  |  |
| Loss on sales of non-current assets                           | -  | 700  |
| Loss on retirement of non-current assets                      | 2,790  | 824  |
| Loss on valuation of investment securities                    | -  | 800  |
| Total extraordinary losses                                    | 2,790  | 2,324  |
| Loss before income taxes                                      | (206,585)                                      | (77,038)                                       |
| Income taxes  | (23,938)                                       | 47,453   |
| Loss  | (182,647)                                      | (124,491)                                      |
| Profit (loss) attributable to non-controlling interests       | (565)  | 3,884  |
| Loss attributable to owners of parent                         | (182,081)                                      | (128,376)                                      |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousand yen)

|  | For the nine months<br>ended December 31,2018 | For the nine months<br>ended December 31,2019 |
|--|---|---|
| Loss   | (182,647)                                     | (124,491)                                     |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | (148,953)                                     | 10,743  |
| Remeasurements of defined benefit plans, net of tax            | 26,892  | 26,461  |
| Total other comprehensive income                               | (122,061)                                     | 37,205  |
| Comprehensive income   | (304,708)                                     | (87,286)                                      |
| Comprehensive income attributable to                           |   |   |
| Comprehensive income attributable to owners of parent          | (304,143)                                     | (91,171)                                      |
| Comprehensive income attributable to non-controlling interests | (565)   | 3,884   |