

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 4, 2016

Company name: YUASA TRADING CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8074 URL: <http://www.yuasa.co.jp>  
 Representative: Representative Director, President & CEO Etsuro Sato  
 Inquiries: General Manager Finance Dept. Takeshi Maeda TEL (03)6369-1366  
 Scheduled date to file Quarterly Securities Report: November 8, 2016  
 Scheduled date to commence dividend payments: December 1, 2016  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	203,192	(2.9)	3,575	(18.4)	3,949	(16.7)	2,703	(17.7)
Six months ended September 30, 2015	209,278	2.2	4,383	9.1	4,743	10.3	3,283	28.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	122.56		120.89	
Six months ended September 30, 2015	148.99		146.93	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	192,805	58,116	29.8
As of March 31, 2016	202,891	57,307	28.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	30.00	–	70.00	100.00
Year ending March 31, 2017	–	45.00			
Year ending March 31, 2017 (Forecast)			–	50.00	95.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	447,000	1.1	10,500	1.4	11,300	2.4	7,500	4.3	340.30

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2016	23,155,882 shares	As of March 31, 2016	23,155,882 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	1,078,245 shares	As of March 31, 2016	1,116,217 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	22,058,675 shares	Six months ended September 30, 2015	22,038,598 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	30,660	30,260
Notes and accounts receivable - trade	120,470	106,965
Inventories	13,728	14,206
Other	4,486	5,202
Allowance for doubtful accounts	(275)	(117)
Total current assets	169,070	156,517
Non-current assets		
Property, plant and equipment	12,577	12,623
Intangible assets		
Goodwill	9	2,064
Other	4,677	4,732
Total intangible assets	4,686	6,796
Investments and other assets		
Net defined benefit asset	3,092	3,166
Other	13,891	14,412
Allowance for doubtful accounts	(426)	(711)
Total investments and other assets	16,557	16,867
Total non-current assets	33,821	36,287
Total assets	202,891	192,805

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	125,681	116,086
Short-term loans payable	4,919	3,992
Income taxes payable	2,480	1,454
Provision for bonuses	1,785	1,873
Provision for directors' bonuses	83	–
Other	6,067	6,492
Total current liabilities	141,016	129,899
Non-current liabilities		
Long-term loans payable	53	12
Net defined benefit liability	457	532
Other	4,056	4,244
Total non-current liabilities	4,567	4,789
Total liabilities	145,583	134,688
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,644	20,644
Capital surplus	6,778	6,778
Retained earnings	26,945	28,126
Treasury shares	(1,327)	(1,282)
Total shareholders' equity	53,040	54,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,862	2,037
Deferred gains or losses on hedges	5	2
Foreign currency translation adjustment	105	(407)
Remeasurements of defined benefit plans	1,713	1,603
Total accumulated other comprehensive income	3,686	3,236
Subscription rights to shares	468	504
Non-controlling interests	111	108
Total net assets	57,307	58,116
Total liabilities and net assets	202,891	192,805

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	209,278	203,192
Cost of sales	189,993	183,861
Gross profit	19,284	19,330
Selling, general and administrative expenses	14,901	15,755
Operating income	4,383	3,575
Non-operating income		
Interest income	642	634
Dividend income	122	122
Other	167	227
Total non-operating income	932	985
Non-operating expenses		
Interest expenses	498	454
Other	73	156
Total non-operating expenses	571	610
Ordinary income	4,743	3,949
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on sales of investment securities	–	9
Gain on liquidation of subsidiaries and associates	97	–
Gain on extinguishment of tie-in shares	–	136
Total extraordinary income	97	147
Extraordinary losses		
Loss on sales of non-current assets	4	–
Loss on retirement of non-current assets	–	3
Loss on sales of shares of subsidiaries and associates	56	–
Loss on disaster	–	11
Other	4	–
Total extraordinary losses	65	14
Profit before income taxes	4,775	4,082
Income taxes	1,487	1,375
Profit	3,288	2,706
Profit attributable to non-controlling interests	5	3
Profit attributable to owners of parent	3,283	2,703

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	3,288	2,706
Other comprehensive income		
Valuation difference on available-for-sale securities	(553)	175
Deferred gains or losses on hedges	(6)	(2)
Foreign currency translation adjustment	6	(518)
Remeasurements of defined benefit plans, net of tax	(55)	(109)
Total other comprehensive income	(608)	(455)
Comprehensive income	2,680	2,251
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,677	2,247
Comprehensive income attributable to non-controlling interests	3	3

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	4,775	4,082
Depreciation	885	777
Amortization of goodwill	3	52
Loss (gain) on sales of non-current assets	4	(0)
Loss on retirement of non-current assets	–	3
Loss (gain) on sales of investment securities	–	(9)
Loss (gain) on sales of shares of subsidiaries and associates	56	–
Loss (gain) on liquidation of subsidiaries and associates	(97)	–
Loss (gain) on extinguishment of tie-in shares	–	(136)
Other extraordinary losses	4	–
Increase (decrease) in net defined benefit asset	(60)	(74)
Increase (decrease) in net defined benefit liability	44	15
Increase (decrease) in allowance for doubtful accounts	(35)	84
Increase (decrease) in provision for bonuses	272	53
Increase (decrease) in provision for directors' bonuses	(76)	(83)
Interest and dividend income	(765)	(757)
Interest expenses	498	454
Foreign exchange losses (gains)	0	1
Decrease (increase) in notes and accounts receivable - trade	11,150	14,546
Decrease (increase) in inventories	(688)	(239)
Increase (decrease) in notes and accounts payable - trade	(10,455)	(10,966)
Decrease (increase) in long term a money claim	35	(195)
Other, net	(610)	(259)
Subtotal	4,941	7,346
Interest and dividend income received	763	757
Interest expenses paid	(499)	(456)
Income taxes paid	(2,501)	(1,993)
Net cash provided by (used in) operating activities	2,704	5,653
Cash flows from investing activities		
Payments into time deposits	(112)	(204)
Proceeds from withdrawal of time deposits	105	230
Purchase of property, plant and equipment	(78)	(277)
Proceeds from sales of property, plant and equipment	46	12
Purchase of intangible assets	(168)	(604)
Purchase of investment securities	(71)	(205)
Proceeds from sales of investment securities	0	316
Purchase of shares of subsidiaries and associates	(1)	(106)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,447)
Collection of loans receivable	10	0
Other, net	136	32
Net cash provided by (used in) investing activities	(134)	(3,252)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(640)	2
Repayments of long-term loans payable	(961)	(945)
Repayments of lease obligations	(80)	(63)
Purchase of treasury shares	(2)	(0)
Proceeds from sales of treasury shares	–	0
Cash dividends paid	(1,210)	(1,542)
Other, net	(5)	(6)
Net cash provided by (used in) financing activities	(2,901)	(2,556)
Effect of exchange rate change on cash and cash equivalents	2	(372)
Net increase (decrease) in cash and cash equivalents	(329)	(528)
Cash and cash equivalents at beginning of period	31,031	30,436
Increase in cash and cash equivalents from newly consolidated subsidiary	–	111
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	63
Cash and cash equivalents at end of period	30,701	30,082