

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2017
(Based on Japanese GAAP)**

May 12, 2017

Company name: YUASA TRADING CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 8074 URL <http://www.yuasa.co.jp>
 Representative: Representative Director, President & CEO Hiroyuki Tamura
 Inquiries: General Manager Finance Dept. Takeshi Maeda TEL (03)6369-1366
 Scheduled date of ordinary general meeting of shareholders: June 23, 2017
 Scheduled date to file Securities Report: June 23, 2017
 Scheduled date to commence dividend payments: June 2, 2017
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	446,335	1.0	10,923	5.5	11,704	6.0	7,777	8.2
Year ended March 31, 2016	442,042	0.1	10,357	5.5	11,039	6.6	7,190	(4.1)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	352.45	347.38	12.9	5.6	2.4
Year ended March 31, 2016	326.27	321.56	13.2	5.4	2.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	216,984	64,844	29.6	2,910.02
As of March 31, 2016	202,891	57,307	28.0	2,573.88

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2017	11,908	(3,652)	(5,501)	33,239
Year ended March 31, 2016	9,114	(589)	(8,982)	30,436

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2016	—	30.00	—	70.00	100.00	2,203	30.6	4.0
Year ended March 31, 2017	—	45.00	—	50.00	95.00	2,097	27.0	3.4
Year ending March 31, 2018 (Forecast)	—	50.00	—	50.00	100.00		27.5	

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	215,000	5.8	3,870	8.3	4,240	7.3	2,840	5.0	128.64
Full year	465,000	4.2	11,330	3.7	12,000	2.5	8,040	3.4	364.18

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2017	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 March 31, 2017	1,079,034 shares	As of March 31, 2016	1,116,217 shares
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Average number of shares during the period

Year ended March 31, 2017	22,067,989 shares	Year ended March 31, 2016	22,039,321 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	30,660	33,454
Notes and accounts receivable - trade	112,419	114,287
Electronically recorded monetary claims - operating	8,051	10,447
Inventories	13,728	13,448
Deferred tax assets	1,082	1,045
Other	3,403	3,355
Allowance for doubtful accounts	(275)	(61)
Total current assets	169,070	175,977
Non-current assets		
Property, plant and equipment		
Fixed assets for rent	1,048	1,043
Accumulated depreciation	(879)	(854)
Fixed assets for rent, net	169	189
Buildings and structures	6,687	7,403
Accumulated depreciation	(4,150)	(4,598)
Buildings and structures, net	2,537	2,804
Machinery and equipment	994	1,077
Accumulated depreciation	(493)	(561)
Machinery and equipment, net	500	516
Tools, furniture and fixtures	1,866	2,572
Accumulated depreciation	(1,538)	(1,744)
Tools, furniture and fixtures, net	328	828
Land	8,436	9,159
Leased assets	999	644
Accumulated depreciation	(393)	(276)
Leased assets, net	606	367
Construction in progress	–	12
Total property, plant and equipment	12,577	13,878
Intangible assets		
Goodwill	9	2,034
Other	4,677	4,551
Total intangible assets	4,686	6,586
Investments and other assets		
Investment securities	8,544	10,739
Long term a money claim	1,592	1,669
Net defined benefit asset	3,092	4,893
Other	3,755	3,850
Allowance for doubtful accounts	(426)	(610)
Total investments and other assets	16,557	20,542
Total non-current assets	33,821	41,007
Total assets	202,891	216,984

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,095	114,318
Electronically recorded obligations - operating	3,585	16,535
Short-term loans payable	4,919	3,117
Lease obligations	467	263
Income taxes payable	2,480	2,419
Provision for bonuses	1,785	2,001
Provision for directors' bonuses	83	82
Provision for loss on business of subsidiaries and associates	–	90
Other	5,599	7,205
Total current liabilities	141,016	146,034
Non-current liabilities		
Long-term loans payable	53	–
Lease obligations	159	151
Deferred tax liabilities	1,568	2,841
Provision for directors' retirement benefits	33	86
Net defined benefit liability	457	615
Other	2,293	2,411
Total non-current liabilities	4,567	6,105
Total liabilities	145,583	152,140
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Total capital surpluses	6,778	6,775
Retained earnings	26,945	32,207
Treasury shares	(1,327)	(1,284)
Total shareholders' equity	53,040	58,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,862	3,335
Deferred gains or losses on hedges	5	(8)
Foreign currency translation adjustment	105	(70)
Remeasurements of defined benefit plans	1,713	2,645
Total accumulated other comprehensive income	3,686	5,902
Subscription rights to shares	468	499
Non-controlling interests	111	100
Total net assets	57,307	64,844
Total liabilities and net assets	202,891	216,984

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	442,042	446,335
Cost of sales	401,502	403,680
Gross profit	40,539	42,655
Selling, general and administrative expenses	30,181	31,731
Operating profit	10,357	10,923
Non-operating income		
Interest income	1,290	1,268
Dividend income	198	206
Other	332	476
Total non-operating income	1,822	1,951
Non-operating expenses		
Interest expenses	989	935
Other	151	234
Total non-operating expenses	1,141	1,170
Ordinary profit	11,039	11,704
Extraordinary income		
Gain on sales of non-current assets	14	2
Gain on sales of investment securities	–	9
Gain on liquidation of subsidiaries and associates	97	–
Gain on extinguishment of tie-in shares	–	136
Gain on bargain purchase	–	103
Total extraordinary income	112	253
Extraordinary losses		
Loss on sales of non-current assets	6	–
Loss on retirement of non-current assets	176	7
Loss on sales of shares of subsidiaries and associates	56	–
Loss on business of subsidiaries and associates	–	186
Provision for loss on business of subsidiaries and associates	–	90
Recall-related loss	84	–
Logistics restructuring cost	68	–
Loss on disaster	–	11
Loss dissolution of employees pension fund	–	10
Other	3	–
Total extraordinary losses	396	305
Profit before income taxes	10,754	11,652
Income taxes - current	3,591	3,665
Income taxes - deferred	(38)	199
Total income taxes	3,552	3,864
Profit	7,201	7,788
Profit attributable to non-controlling interests	11	10
Profit attributable to owners of parent	7,190	7,777

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	7,201	7,788
Other comprehensive income		
Valuation difference on available-for-sale securities	(730)	1,475
Deferred gains or losses on hedges	(2)	(14)
Foreign currency translation adjustment	(167)	(181)
Remeasurements of defined benefit plans, net of tax	115	932
Total other comprehensive income	(785)	2,212
Comprehensive income	6,416	10,000
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,407	9,987
Comprehensive income attributable to non-controlling interests	9	12

Consolidated statements of changes in equity

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,644	6,777	21,626	(1,363)	47,685
Changes of items during period					
Dividends of surplus			(1,871)		(1,871)
Profit attributable to owners of parent			7,190		7,190
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		41	41
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	5,319	36	5,355
Balance at end of current period	20,644	6,778	26,945	(1,327)	53,040

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	2,591	8	273	1,597	4,470	421	107	52,684
Changes of items during period								
Dividends of surplus								(1,871)
Profit attributable to owners of parent								7,190
Purchase of treasury shares								(5)
Disposal of treasury shares								41
Net changes of items other than shareholders' equity	(728)	(2)	(167)	115	(783)	47	4	(732)
Total changes of items during period	(728)	(2)	(167)	115	(783)	47	4	4,623
Balance at end of current period	1,862	5	105	1,713	3,686	468	111	57,307

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,644	6,778	26,945	(1,327)	53,040
Changes of items during period					
Change of scope of consolidation			20		20
Dividends of surplus			(2,536)		(2,536)
Profit attributable to owners of parent			7,777		7,777
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		45	46
Change in ownership interest of parent due to transactions with non-controlling interests		(3)			(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(2)	5,261	42	5,301
Balance at end of current period	20,644	6,775	32,207	(1,284)	58,341

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,862	5	105	1,713	3,686	468	111	57,307
Changes of items during period								
Change of scope of consolidation								20
Dividends of surplus								(2,536)
Profit attributable to owners of parent								7,777
Purchase of treasury shares								(3)
Disposal of treasury shares								46
Change in ownership interest of parent due to transactions with non-controlling interests								(3)
Net changes of items other than shareholders' equity	1,473	(14)	(176)	932	2,215	31	(11)	2,235
Total changes of items during period	1,473	(14)	(176)	932	2,215	31	(11)	7,536
Balance at end of current period	3,335	(8)	(70)	2,645	5,902	499	100	64,844

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	10,754	11,652
Depreciation	1,714	1,605
Amortization of goodwill	5	218
Gain on bargain purchase	–	(103)
Loss (gain) on extinguishment of tie-in shares	–	(136)
Loss (gain) on sales of non-current assets	(7)	(2)
Loss on retirement of non-current assets	176	7
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 on business of subsidiaries and associates	–	186
Loss dissolution of employees pension fund	–	10
Decrease (increase) in net defined benefit asset	(428)	(1,801)
Increase (decrease) in net defined benefit liability	51	3
Increase (decrease) in allowance for doubtful accounts	(99)	(75)
Increase (decrease) in provision for bonuses	279	112
Increase (decrease) in provision for directors' bonuses	6	(0)
Increase (decrease) in provision for loss on business of subsidiaries and associates	–	90
Interest and dividend income	(1,489)	(1,475)
Interest expenses	989	935
Foreign exchange losses (gains)	1	1
Decrease (increase) in notes and accounts receivable - trade	431	(2,440)
Decrease (increase) in inventories	(812)	989
Increase (decrease) in notes and accounts payable - trade	781	3,496
Decrease (increase) in long term a money claim	252	(43)
Other, net	(83)	1,874
Subtotal	12,481	15,093
Interest and dividend income received	1,489	1,476
Interest expenses paid	(992)	(936)
Income taxes paid	(3,864)	(3,725)
Net cash provided by (used in) operating activities	9,114	11,908

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from investing activities		
Payments into time deposits	(468)	(401)
Proceeds from withdrawal of time deposits	466	481
Purchase of property, plant and equipment	(304)	(537)
Proceeds from sales of property, plant and equipment	151	22
Purchase of intangible assets	(611)	(867)
Purchase of investment securities	(124)	(235)
Proceeds from sales of investment securities	0	316
Purchase of shares of subsidiaries and associates	(1)	(108)
Proceeds from sales of shares of subsidiaries and associates	105	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,527)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	173
Collection of loans receivable	39	8
Other, net	157	22
Net cash provided by (used in) investing activities	(589)	(3,652)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,028)	(925)
Repayments of long-term loans payable	(1,906)	(1,881)
Repayments of lease obligations	(160)	(127)
Purchase of treasury shares	(5)	(3)
Proceeds from sales of treasury shares	–	0
Cash dividends paid	(1,871)	(2,536)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(21)
Other, net	(9)	(6)
Net cash provided by (used in) financing activities	(8,982)	(5,501)
Effect of exchange rate change on cash and cash equivalents	(137)	(134)
Net increase (decrease) in cash and cash equivalents	(594)	2,618
Cash and cash equivalents at beginning of period	31,031	30,436
Increase in cash and cash equivalents from newly consolidated subsidiary	–	120
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	63
Cash and cash equivalents at end of period	30,436	33,239