

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2018
(Based on Japanese GAAP)**

May 11, 2018

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 22, 2018
 Scheduled date to file Securities Report: June 22, 2018
 Scheduled date to commence dividend payments: June 4, 2018
 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, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	461,749	3.5	11,402	4.4	12,149	3.8	8,261	6.2
Year ended March 31, 2017	446,335	1.0	10,923	5.5	11,704	6.0	7,777	8.2

	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, 2018	373.22	368.44	12.2	5.4	2.5
Year ended March 31, 2017	352.45	347.38	12.9	5.6	2.4

(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, 2018	236,141	72,177	30.3	3,236.29
As of March 31, 2017	216,984	64,844	29.6	2,910.02

(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, 2018	6,645	(1,355)	(2,418)	36,203
Year ended March 31, 2017	11,908	(3,652)	(5,501)	33,239

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, 2017	—	45.00	—	50.00	95.00	2,097	27.0	3.4
Year ended March 31, 2018	—	50.00	—	60.00	110.00	2,435	29.5	3.6
Year ending March 31, 2019 (Forecast)	—	60.00	—	70.00	130.00		31.4	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	222,000	3.9	4,800	5.5	5,210	4.9	3,540	1.4	159.87
Full year	480,000	4.0	12,750	11.8	13,500	11.1	9,180	11.1	414.58

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(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: No

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, 2018	23,155,882 shares	As of March 31, 2017	23,155,882 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	1,012,877 shares	As of March 31, 2017	1,079,034 shares
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Average number of shares during the period

Year ended March 31, 2018	22,135,077 shares	Year ended March 31, 2017	22,067,989 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	33,454	36,428
Notes and accounts receivable - trade	114,287	126,930
Electronically recorded monetary claims - operating	10,447	13,414
Inventories	13,448	13,392
Deferred tax assets	1,045	972
Other	3,355	2,857
Allowance for doubtful accounts	(61)	(105)
Total current assets	175,977	193,890
Non-current assets		
Property, plant and equipment		
Fixed assets for rent	1,043	1,094
Accumulated depreciation	(854)	(869)
Fixed assets for rent, net	189	225
Buildings and structures	7,403	7,438
Accumulated depreciation	(4,598)	(4,721)
Buildings and structures, net	2,804	2,717
Machinery and equipment	1,077	1,088
Accumulated depreciation	(561)	(636)
Machinery and equipment, net	516	451
Tools, furniture and fixtures	2,572	2,552
Accumulated depreciation	(1,744)	(1,836)
Tools, furniture and fixtures, net	828	716
Land	9,159	9,073
Leased assets	644	497
Accumulated depreciation	(276)	(280)
Leased assets, net	367	217
Construction in progress	12	0
Total property, plant and equipment	13,878	13,401
Intangible assets		
Goodwill	2,034	1,702
Other	4,551	3,886
Total intangible assets	6,586	5,588
Investments and other assets		
Investment securities	10,739	12,783
Long term a money claim	1,669	1,693
Net defined benefit asset	4,893	5,454
Deferred tax assets	–	232
Other	3,850	3,751
Allowance for doubtful accounts	(610)	(655)
Total investments and other assets	20,542	23,260
Total non-current assets	41,007	42,250
Total assets	216,984	236,141

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	114,318	122,987
Electronically recorded obligations - operating	16,535	19,228
Short-term loans payable	3,117	3,138
Lease obligations	263	171
Income taxes payable	2,419	1,793
Provision for bonuses	2,001	2,192
Provision for directors' bonuses	82	80
Provision for loss on business of subsidiaries and associates	90	–
Other	7,205	7,106
Total current liabilities	146,034	156,697
Non-current liabilities		
Lease obligations	151	175
Deferred tax liabilities	2,841	3,827
Provision for directors' retirement benefits	86	92
Net defined benefit liability	615	644
Other	2,411	2,526
Total non-current liabilities	6,105	7,266
Total liabilities	152,140	163,964
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Total capital surpluses	6,775	6,765
Retained earnings	32,207	38,257
Treasury shares	(1,284)	(1,209)
Total shareholders' equity	58,341	64,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,335	4,790
Deferred gains or losses on hedges	(8)	(24)
Foreign currency translation adjustment	(70)	(13)
Remeasurements of defined benefit plans	2,645	2,449
Total accumulated other comprehensive income	5,902	7,202
Share acquisition rights	499	497
Non-controlling interests	100	18
Total net assets	64,844	72,177
Total liabilities and net assets	216,984	236,141

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

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	446,335	461,749
Cost of sales	403,680	417,880
Gross profit	42,655	43,868
Selling, general and administrative expenses	31,731	32,465
Operating profit	10,923	11,402
Non-operating income		
Interest income	1,268	1,304
Dividend income	206	220
Other	476	322
Total non-operating income	1,951	1,847
Non-operating expenses		
Interest expenses	935	966
Other	234	133
Total non-operating expenses	1,170	1,100
Ordinary profit	11,704	12,149
Extraordinary income		
Gain on sales of non-current assets	2	2
Gain on sales of investment securities	9	30
Gain on extinguishment of tie-in shares	136	27
Gain on bargain purchase	103	–
Total extraordinary income	253	59
Extraordinary losses		
Loss on retirement of non-current assets	7	18
Impairment loss	–	47
Loss on business of subsidiaries and associates	186	–
Provision for loss on business of subsidiaries and associates	90	–
Loss on disaster	11	–
Loss dissolution of employees pension fund	10	–
Total extraordinary losses	305	66
Profit before income taxes	11,652	12,142
Income taxes - current	3,665	3,556
Income taxes - deferred	199	321
Total income taxes	3,864	3,878
Profit	7,788	8,264
Profit attributable to non-controlling interests	10	3
Profit attributable to owners of parent	7,777	8,261

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	7,788	8,264
Other comprehensive income		
Valuation difference on available-for-sale securities	1,475	1,455
Deferred gains or losses on hedges	(14)	(15)
Foreign currency translation adjustment	(181)	57
Remeasurements of defined benefit plans, net of tax	932	(195)
Total other comprehensive income	2,212	1,301
Comprehensive income	10,000	9,566
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,987	9,562
Comprehensive income attributable to non-controlling interests	12	4

Consolidated statements of changes in equity

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					Share acquisition rights	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

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,644	6,775	32,207	(1,284)	58,341
Changes of items during period					
Change of scope of consolidation					
Dividends of surplus			(2,211)		(2,211)
Profit attributable to owners of parent			8,261		8,261
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		11		80	91
Change in ownership interest of parent due to transactions with non-controlling interests		(20)			(20)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(9)	6,050	75	6,116
Balance at end of current period	20,644	6,765	38,257	(1,209)	64,458

	Accumulated other comprehensive income					Share acquisition rights	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	3,335	(8)	(70)	2,645	5,902	499	100	64,844
Changes of items during period								
Change of scope of consolidation								
Dividends of surplus								(2,211)
Profit attributable to owners of parent								8,261
Purchase of treasury shares								(4)
Disposal of treasury shares								91
Change in ownership interest of parent due to transactions with non-controlling interests								(20)
Net changes of items other than shareholders' equity	1,454	(15)	57	(195)	1,300	(1)	(82)	1,217
Total changes of items during period	1,454	(15)	57	(195)	1,300	(1)	(82)	7,333
Balance at end of current period	4,790	(24)	(13)	2,449	7,202	497	18	72,177

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	11,652	12,142
Depreciation	1,605	1,962
Amortization of goodwill	218	332
Gain on bargain purchase	(103)	–
Loss (gain) on extinguishment of tie-in shares	(136)	(27)
Loss (gain) on sales of non-current assets	(2)	(2)
Loss on retirement of non-current assets	7	18
Impairment loss	–	47
Loss (gain) on sales of investment securities	(9)	(30)
Loss on business of subsidiaries and associates	186	–
Loss dissolution of employees pension fund	10	–
Decrease (increase) in net defined benefit asset	(1,801)	(561)
Increase (decrease) in net defined benefit liability	3	29
Increase (decrease) in allowance for doubtful accounts	(75)	88
Increase (decrease) in provision for bonuses	112	186
Increase (decrease) in provision for directors' bonuses	(0)	(2)
Increase (decrease) in provision for loss on business of subsidiaries and associates	90	(90)
Interest and dividend income	(1,475)	(1,525)
Interest expenses	935	966
Decrease (increase) in notes and accounts receivable - trade	(2,440)	(15,569)
Decrease (increase) in inventories	989	31
Increase (decrease) in notes and accounts payable - trade	3,496	11,300
Decrease (increase) in long term a money claim	(43)	(24)
Other, net	1,875	711
Subtotal	15,093	9,986
Interest and dividend income received	1,476	1,522
Interest expenses paid	(936)	(958)
Income taxes paid	(3,725)	(3,905)
Net cash provided by (used in) operating activities	11,908	6,645

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from investing activities		
Payments into time deposits	(401)	(430)
Proceeds from withdrawal of time deposits	481	418
Purchase of property, plant and equipment	(537)	(815)
Proceeds from sales of property, plant and equipment	22	21
Purchase of intangible assets	(867)	(686)
Purchase of investment securities	(235)	(63)
Proceeds from sales of investment securities	316	65
Purchase of shares of subsidiaries and associates	(108)	–
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	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	62
Collection of loans receivable	8	1
Other, net	22	71
Net cash provided by (used in) investing activities	(3,652)	(1,355)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(925)	20
Repayments of long-term loans payable	(1,881)	–
Repayments of lease obligations	(127)	(115)
Purchase of treasury shares	(3)	(4)
Proceeds from sales of treasury shares	0	–
Cash dividends paid	(2,536)	(2,211)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(21)	(101)
Other, net	(6)	(6)
Net cash provided by (used in) financing activities	(5,501)	(2,418)
Effect of exchange rate change on cash and cash equivalents	(134)	22
Net increase (decrease) in cash and cash equivalents	2,618	2,893
Cash and cash equivalents at beginning of period	30,436	33,239
Increase in cash and cash equivalents from newly consolidated subsidiary	120	–
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	63	70
Cash and cash equivalents at end of period	33,239	36,203