

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2017
(Based on Japanese GAAP)**

November 2, 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 to file Quarterly Securities Report: November 7, 2017
 Scheduled date to commence dividend payments: December 1, 2017
 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, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2017	213,686	5.2	4,551	27.3	4,964	25.7	3,489	29.1
Six months ended September 30, 2016	203,192	(2.9)	3,575	(18.4)	3,949	(16.7)	2,703	(17.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	157.72	155.78
Six months ended September 30, 2016	122.56	120.89

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	214,113	67,945	31.5
As of March 31, 2017	216,984	64,844	29.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	45.00	–	50.00	95.00
Year ending March 31, 2018	–	50.00			
Year ending March 31, 2018 (Forecast)			–	50.00	100.00

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
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 six months ended September 30, 2017
(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: No
- 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, 2017	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 September 30, 2017	1,012,284 shares	As of March 31, 2017	1,079,034 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, 2017	22,126,914 shares	Six months ended September 30, 2016	22,058,675 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	33,454	32,913
Notes and accounts receivable - trade	114,287	107,979
Electronically recorded monetary claims - operating	10,447	11,739
Inventories	13,448	14,981
Other	4,400	4,794
Allowance for doubtful accounts	(61)	(79)
Total current assets	175,977	172,329
Non-current assets		
Property, plant and equipment	13,878	13,625
Intangible assets		
Goodwill	2,034	1,868
Other	4,551	4,267
Total intangible assets	6,586	6,136
Investments and other assets		
Net defined benefit asset	4,893	4,954
Other	16,259	17,655
Allowance for doubtful accounts	(610)	(587)
Total investments and other assets	20,542	22,022
Total non-current assets	41,007	41,784
Total assets	216,984	214,113

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	114,318	110,771
Electronically recorded obligations - operating	16,535	14,670
Short-term loans payable	3,117	3,146
Income taxes payable	2,419	1,218
Provision for bonuses	2,001	1,978
Provision for directors' bonuses	82	–
Other	7,559	7,785
Total current liabilities	146,034	139,570
Non-current liabilities		
Net defined benefit liability	615	642
Other	5,490	5,954
Total non-current liabilities	6,105	6,596
Total liabilities	152,140	146,167
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Capital surplus	6,775	6,765
Retained earnings	32,207	34,593
Treasury shares	(1,284)	(1,206)
Total shareholders' equity	58,341	60,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,335	4,307
Deferred gains or losses on hedges	(8)	2
Foreign currency translation adjustment	(70)	(91)
Remeasurements of defined benefit plans	2,645	2,414
Total accumulated other comprehensive income	5,902	6,633
Subscription rights to shares	499	497
Non-controlling interests	100	18
Total net assets	64,844	67,945
Total liabilities and net assets	216,984	214,113

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, 2016	Six months ended September 30, 2017
Net sales	203,192	213,686
Cost of sales	183,861	193,298
Gross profit	19,330	20,387
Selling, general and administrative expenses	15,755	15,836
Operating profit	3,575	4,551
Non-operating income		
Interest income	634	647
Dividend income	122	123
Other	227	173
Total non-operating income	985	943
Non-operating expenses		
Interest expenses	454	476
Other	156	53
Total non-operating expenses	610	530
Ordinary profit	3,949	4,964
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	9	–
Gain on extinguishment of tie-in shares	136	27
Total extraordinary income	147	28
Extraordinary losses		
Loss on retirement of non-current assets	3	2
Loss on disaster	11	–
Total extraordinary losses	14	2
Profit before income taxes	4,082	4,990
Income taxes	1,375	1,498
Profit	2,706	3,492
Profit attributable to non-controlling interests	3	2
Profit attributable to owners of parent	2,703	3,489

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	2,706	3,492
Other comprehensive income		
Valuation difference on available-for-sale securities	175	973
Deferred gains or losses on hedges	(2)	11
Foreign currency translation adjustment	(518)	(20)
Remeasurements of defined benefit plans, net of tax	(109)	(231)
Total other comprehensive income	(455)	732
Comprehensive income	2,251	4,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,247	4,221
Comprehensive income attributable to non-controlling interests	3	3

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	4,082	4,990
Depreciation	777	943
Amortization of goodwill	52	166
Loss (gain) on sales of non-current assets	(0)	(1)
Loss on retirement of non-current assets	3	2
Loss (gain) on sales of investment securities	(9)	–
Loss (gain) on extinguishment of tie-in shares	(136)	(27)
Decrease (increase) in net defined benefit asset	(74)	(61)
Increase (decrease) in net defined benefit liability	15	27
Increase (decrease) in allowance for doubtful accounts	84	(5)
Increase (decrease) in provision for bonuses	53	(26)
Increase (decrease) in provision for directors' bonuses	(83)	(82)
Interest and dividend income	(757)	(770)
Interest expenses	454	476
Foreign exchange losses (gains)	1	(0)
Decrease (increase) in notes and accounts receivable - trade	14,546	4,979
Decrease (increase) in inventories	(239)	(1,571)
Increase (decrease) in notes and accounts payable - trade	(10,966)	(5,406)
Decrease (increase) in long term a money claim	(195)	(84)
Other, net	(259)	(358)
Subtotal	7,346	3,190
Interest and dividend income received	757	770
Interest expenses paid	(456)	(468)
Income taxes paid	(1,993)	(2,080)
Net cash provided by (used in) operating activities	5,653	1,413
Cash flows from investing activities		
Payments into time deposits	(204)	(183)
Proceeds from withdrawal of time deposits	230	221
Purchase of property, plant and equipment	(277)	(642)
Proceeds from sales of property, plant and equipment	12	2
Purchase of intangible assets	(604)	(198)
Purchase of investment securities	(205)	(32)
Proceeds from sales of investment securities	316	2
Purchase of shares of subsidiaries and associates	(106)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,447)	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	62
Collection of loans receivable	0	0
Other, net	32	62
Net cash provided by (used in) investing activities	(3,252)	(704)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2	29
Repayments of long-term loans payable	(945)	–
Repayments of lease obligations	(63)	(58)
Purchase of treasury shares	(0)	(2)
Proceeds from sales of treasury shares	0	–
Cash dividends paid	(1,542)	(1,103)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(101)
Other, net	(6)	(6)
Net cash provided by (used in) financing activities	(2,556)	(1,242)
Effect of exchange rate change on cash and cash equivalents	(372)	(35)
Net increase (decrease) in cash and cash equivalents	(528)	(569)
Cash and cash equivalents at beginning of period	30,436	33,239
Increase in cash and cash equivalents from newly consolidated subsidiary	111	–
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	63	70
Cash and cash equivalents at end of period	30,082	32,740