

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 1, 2019

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 6, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 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, 2019 (from April 1, 2019 to September 30, 2019)

(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, 2019	242,813	7.3	5,667	8.2	6,186	8.2	4,157	10.3
Six months ended September 30, 2018	226,319	5.9	5,238	15.1	5,715	15.1	3,769	8.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	187.56		186.15	
Six months ended September 30, 2018	170.15		168.33	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	231,486	78,921	33.9
As of March 31, 2019	247,747	77,118	30.9

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, 2019	–	60.00	–	80.00	140.00
Year ending March 31, 2020	–	70.00			
Year ending March 31, 2020 (Forecast)			–	80.00	150.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	500,000	1.3	14,000	11.8	15,000	11.6	10,000	10.6	451.94

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(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, 2019	23,155,882 shares	As of March 31, 2019	23,155,882 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	959,936 shares	As of March 31, 2019	1,029,287 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, 2019	22,165,288 shares	Six months ended September 30, 2018	22,154,105 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	36,870	36,029
Notes and accounts receivable - trade	132,715	119,051
Electronically recorded monetary claims - operating	17,805	18,072
Inventories	16,596	17,411
Other	3,987	3,097
Allowance for doubtful accounts	(89)	(70)
Total current assets	207,885	193,591
Non-current assets		
Property, plant and equipment	13,051	12,042
Intangible assets		
Goodwill	1,372	1,208
Other	2,872	2,450
Total intangible assets	4,245	3,658
Investments and other assets		
Retirement benefit asset	6,436	6,462
Other	16,701	16,250
Allowance for doubtful accounts	(573)	(519)
Total investments and other assets	22,565	22,193
Total non-current assets	39,861	37,894
Total assets	247,747	231,486

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	129,554	114,397
Electronically recorded obligations - operating	19,093	16,921
Short-term borrowings	3,048	3,034
Income taxes payable	2,583	1,697
Provision for bonuses	2,415	2,330
Provision for bonuses for directors (and other officers)	89	–
Other	8,009	8,304
Total current liabilities	164,794	146,684
Non-current liabilities		
Provision for share-based remuneration	49	78
Provision for share-based remuneration for directors (and other officers)	41	53
Retirement benefit liability	638	631
Other	5,103	5,115
Total non-current liabilities	5,834	5,879
Total liabilities	170,628	152,564
Net assets		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,785	6,804
Retained earnings	44,654	47,035
Treasury shares	(1,454)	(1,360)
Total shareholders' equity	70,630	73,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,715	3,515
Deferred gains or losses on hedges	(0)	(3)
Foreign currency translation adjustment	(127)	(183)
Remeasurements of defined benefit plans	2,432	2,108
Total accumulated other comprehensive income	6,020	5,437
Share acquisition rights	396	299
Non-controlling interests	71	60
Total net assets	77,118	78,921
Total liabilities and net assets	247,747	231,486

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, 2018	Six months ended September 30, 2019
Net sales	226,319	242,813
Cost of sales	204,140	219,734
Gross profit	22,178	23,078
Selling, general and administrative expenses	16,940	17,410
Operating profit	5,238	5,667
Non-operating income		
Interest income	674	717
Dividend income	142	155
Other	194	219
Total non-operating income	1,011	1,092
Non-operating expenses		
Interest expenses	520	527
Other	12	45
Total non-operating expenses	533	573
Ordinary profit	5,715	6,186
Extraordinary income		
Gain on sales of non-current assets	–	42
Gain on sales of investment securities	–	13
Total extraordinary income	–	56
Extraordinary losses		
Loss on sales of non-current assets	–	4
Loss on retirement of non-current assets	–	0
Amortization of leasehold interests in land	–	14
Logistics restructuring cost	–	23
Loss on disaster	30	5
Total extraordinary losses	30	47
Profit before income taxes	5,685	6,195
Income taxes	1,909	2,048
Profit	3,775	4,147
Profit (loss) attributable to non-controlling interests	6	(10)
Profit attributable to owners of parent	3,769	4,157

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	3,775	4,147
Other comprehensive income		
Valuation difference on available-for-sale securities	(175)	(200)
Deferred gains or losses on hedges	38	(2)
Foreign currency translation adjustment	(124)	(54)
Remeasurements of defined benefit plans, net of tax	(280)	(324)
Total other comprehensive income	(541)	(582)
Comprehensive income	3,234	3,564
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,229	3,573
Comprehensive income attributable to non-controlling interests	4	(9)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	5,685	6,195
Depreciation	1,065	856
Amortization of goodwill	164	164
Loss (gain) on sales of non-current assets	–	(38)
Loss on retirement of non-current assets	–	0
Amortization of leasehold interests in land	–	14
Loss (gain) on sales of investment securities	–	(13)
Logistics restructuring cost	–	23
Loss on disaster	30	5
Decrease (increase) in retirement benefit asset	(72)	(25)
Increase (decrease) in retirement benefit liability	6	(7)
Increase (decrease) in allowance for doubtful accounts	5	(72)
Increase (decrease) in provision for bonuses	(13)	(84)
Increase (decrease) in provision for bonuses for directors (and other officers)	(80)	(89)
Increase (decrease) in provision for share-based remuneration	16	29
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	14	11
Interest and dividend income	(816)	(872)
Interest expenses	520	527
Decrease (increase) in trade receivables	8,568	13,372
Decrease (increase) in inventories	(2,541)	(837)
Increase (decrease) in trade payables	(10,493)	(17,312)
Decrease (increase) in long term a money claim	43	159
Other, net	(267)	781
Subtotal	1,835	2,787
Interest and dividends received	814	871
Interest paid	(529)	(518)
Income taxes paid	(1,834)	(2,671)
Net cash provided by (used in) operating activities	286	469
Cash flows from investing activities		
Payments into time deposits	(215)	(242)
Proceeds from withdrawal of time deposits	194	182
Purchase of property, plant and equipment	(92)	(208)
Proceeds from sales of property, plant and equipment	–	896
Purchase of intangible assets	(225)	(146)
Purchase of investment securities	(35)	(38)
Proceeds from sales of investment securities	–	118
Other, net	3	(54)
Net cash provided by (used in) investing activities	(371)	509

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(74)	(14)
Repayments of lease obligations	(54)	(50)
Purchase of treasury shares	(324)	(1)
Proceeds from sales of treasury shares	–	0
Dividends paid	(1,328)	(1,776)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(1,783)	(1,844)
Effect of exchange rate change on cash and cash equivalents	(79)	(28)
Net increase (decrease) in cash and cash equivalents	(1,947)	(893)
Cash and cash equivalents at beginning of period	36,203	36,626
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	177	–
Cash and cash equivalents at end of period	34,433	35,732