

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 4, 2020

Company name: YUASA TRADING CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 8074 URL <https://www.yuasa.co.jp>
 Representative: Representative Director, President & CEO Hiroyuki Tamura
 Inquiries: General Manager Finance Dept. Hideki Tani TEL (03)6369-1366
 Scheduled date to file Quarterly Securities Report: November 6, 2020
 Scheduled date to commence dividend payments: December 1, 2020
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	202,309	(16.7)	4,074	(28.1)	4,584	(25.9)	2,959	(28.8)
Six months ended September 30, 2019	242,813	7.3	5,667	8.2	6,186	8.2	4,157	10.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	133.36		132.44	
Six months ended September 30, 2019	187.56		186.15	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	214,375	82,798	38.5
As of March 31, 2020	237,071	81,028	34.0

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, 2020	–	70.00	–	80.00	150.00
Year ending March 31, 2021	–	30.00			
Year ending March 31, 2021 (Forecast)			–	70.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	450,000	(8.4)	9,250	(22.1)	10,000	(21.9)	6,700	(25.1)	301.69

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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, 2020	23,155,882 shares	As of March 31, 2020	23,155,882 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	1,052,663 shares	As of March 31, 2020	960,531 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, 2020	22,191,435 shares	Six months ended September 30, 2019	22,165,288 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	43,780	38,612
Notes and accounts receivable - trade	116,621	97,331
Electronically recorded monetary claims - operating	18,287	15,407
Inventories	16,190	17,385
Other	2,641	2,695
Allowance for doubtful accounts	(59)	(76)
Total current assets	197,460	171,355
Non-current assets		
Property, plant and equipment	13,601	13,704
Intangible assets		
Goodwill	2,907	2,581
Other	2,285	2,204
Total intangible assets	5,192	4,786
Investments and other assets		
Retirement benefit asset	6,718	6,777
Other	14,592	18,320
Allowance for doubtful accounts	(494)	(569)
Total investments and other assets	20,816	24,528
Total non-current assets	39,610	43,019
Total assets	237,071	214,375

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	114,952	90,155
Electronically recorded obligations - operating	18,555	21,450
Short-term borrowings	3,489	3,050
Income taxes payable	2,506	938
Provision for bonuses	2,469	1,975
Provision for bonuses for directors (and other officers)	86	–
Other	7,834	7,736
Total current liabilities	149,894	125,306
Non-current liabilities		
Long-term borrowings	801	–
Provision for share-based remuneration	107	107
Provision for share-based remuneration for directors (and other officers)	80	96
Retirement benefit liability	705	709
Other	4,453	5,356
Total non-current liabilities	6,148	6,269
Total liabilities	156,042	131,576
Net assets		
Shareholders' equity		
Share capital	20,644	20,644
Capital surplus	6,804	6,815
Retained earnings	50,269	51,447
Treasury shares	(1,362)	(1,681)
Total shareholders' equity	76,356	77,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,515	3,856
Deferred gains or losses on hedges	0	3
Foreign currency translation adjustment	(110)	(223)
Remeasurements of defined benefit plans	1,921	1,630
Total accumulated other comprehensive income	4,327	5,267
Share acquisition rights	299	272
Non-controlling interests	45	32
Total net assets	81,028	82,798
Total liabilities and net assets	237,071	214,375

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, 2019	Six months ended September 30, 2020
Net sales	242,813	202,309
Cost of sales	219,734	181,932
Gross profit	23,078	20,377
Selling, general and administrative expenses	17,410	16,302
Operating profit	5,667	4,074
Non-operating income		
Interest income	717	649
Dividend income	155	144
Other	219	260
Total non-operating income	1,092	1,054
Non-operating expenses		
Interest expenses	527	452
Other	45	92
Total non-operating expenses	573	544
Ordinary profit	6,186	4,584
Extraordinary income		
Gain on sales of non-current assets	42	0
Gain on sales of investment securities	13	16
Gain on extinguishment of tie-in shares	–	16
Total extraordinary income	56	33
Extraordinary losses		
Loss on sales of non-current assets	4	–
Loss on retirement of non-current assets	0	20
Amortization of leasehold interests in land	14	–
Logistics restructuring cost	23	–
Loss on disaster	5	10
Loss on COVID-19	–	78
Total extraordinary losses	47	109
Profit before income taxes	6,195	4,508
Income taxes	2,048	1,558
Profit	4,147	2,949
Loss attributable to non-controlling interests	(10)	(9)
Profit attributable to owners of parent	4,157	2,959

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	4,147	2,949
Other comprehensive income		
Valuation difference on available-for-sale securities	(200)	1,341
Deferred gains or losses on hedges	(2)	3
Foreign currency translation adjustment	(54)	(113)
Remeasurements of defined benefit plans, net of tax	(324)	(291)
Total other comprehensive income	(582)	939
Comprehensive income	3,564	3,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,573	3,899
Comprehensive income attributable to non-controlling interests	(9)	(10)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	6,195	4,508
Depreciation	856	602
Amortization of goodwill	164	325
Loss (gain) on extinguishment of tie-in shares	–	(16)
Loss (gain) on sales of non-current assets	(38)	(0)
Loss on retirement of non-current assets	0	20
Amortization of leasehold interests in land	14	–
Loss (gain) on sales of investment securities	(13)	(16)
Logistics restructuring cost	23	–
Loss on disaster	5	10
Loss on COVID-19	–	78
Decrease (increase) in retirement benefit asset	(25)	(59)
Increase (decrease) in retirement benefit liability	(7)	5
Increase (decrease) in allowance for doubtful accounts	(72)	93
Increase (decrease) in provision for bonuses	(84)	(493)
Increase (decrease) in provision for bonuses for directors (and other officers)	(89)	(86)
Increase (decrease) in provision for share-based remuneration	29	(0)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	11	15
Interest and dividend income	(872)	(793)
Interest expenses	527	452
Decrease (increase) in trade receivables	13,372	22,095
Decrease (increase) in inventories	(837)	(1,253)
Increase (decrease) in trade payables	(17,312)	(21,825)
Decrease (increase) in long term a money claim	159	(63)
Other, net	781	(353)
Subtotal	2,787	3,245
Interest and dividends received	871	794
Interest paid	(518)	(447)
Income taxes paid	(2,671)	(2,651)
Net cash provided by (used in) operating activities	469	941
Cash flows from investing activities		
Payments into time deposits	(242)	(12)
Proceeds from withdrawal of time deposits	182	412
Purchase of property, plant and equipment	(208)	(556)
Proceeds from sales of property, plant and equipment	896	0
Purchase of intangible assets	(146)	(241)
Purchase of investment securities	(38)	(1,864)
Proceeds from sales of investment securities	118	42
Other, net	(54)	(31)
Net cash provided by (used in) investing activities	509	(2,251)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(14)	17
Repayments of long-term borrowings	–	(1,256)
Repayments of lease obligations	(50)	(35)
Purchase of treasury shares	(1)	(347)
Proceeds from sales of treasury shares	0	–
Dividends paid	(1,776)	(1,781)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	(1,844)	(3,406)
Effect of exchange rate change on cash and cash equivalents	(28)	(68)
Net increase (decrease) in cash and cash equivalents	(893)	(4,784)
Cash and cash equivalents at beginning of period	36,626	43,246
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	13
Cash and cash equivalents at end of period	35,732	38,476