

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 12, 2016

Company name: YUASA TRADING CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 8074 URL <http://www.yuasa.co.jp>
 Representative: Representative Director, President & CEO Etsuro Sato
 Inquiries: General Manager Finance Dept. Takeshi Maeda TEL (03)6369-1366
 Scheduled date of ordinary general meeting of shareholders: June 24, 2016
 Scheduled date to file Securities Report: June 24, 2016
 Scheduled date to commence dividend payments: June 3, 2016
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	442,042	0.1	10,357	5.5	11,039	6.6	7,190	(4.1)
Year ended March 31, 2015	441,723	(0.1)	9,815	3.1	10,353	5.8	7,494	36.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	326.27	321.56	13.2	5.4	2.3
Year ended March 31, 2015	340.82	335.90	15.6	5.0	2.2

(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, 2016	202,891	57,307	28.0	2,573.88
As of March 31, 2015	204,897	52,684	25.5	2,369.99

(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, 2016	9,114	(589)	(8,982)	30,436
Year ended March 31, 2015	12,476	3,550	(11,810)	31,031

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, 2015	—	3.00	—	55.00	—	1,870	24.9	3.9
Year ended March 31, 2016	—	30.00	—	70.00	100.00	2,203	30.6	4.0
Year ending March 31, 2017 (Forecast)	—	45.00	—	50.00	95.00		27.9	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	215,000	2.7	4,400	0.4	4,800	1.2	3,310	0.8	150.18
Full year	447,000	1.1	10,500	1.4	11,300	2.4	7,500	4.3	340.30

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(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, 2016	23,155,882 shares	As of March 31, 2015	23,155,882 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	1,116,217 shares	As of March 31, 2015	1,149,173 shares
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Average number of shares during the period

Year ended March 31, 2016	22,039,321 shares	Year ended March 31, 2015	21,989,207 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	31,256	30,660
Notes and accounts receivable - trade	121,083	120,470
Inventories	12,964	13,728
Deferred tax assets	935	1,082
Other	3,250	3,403
Allowance for doubtful accounts	(234)	(275)
Total current assets	169,256	169,070
Non-current assets		
Property, plant and equipment		
Fixed assets for rent	1,103	1,048
Accumulated depreciation	(898)	(879)
Fixed assets for rent, net	204	169
Buildings and structures	6,696	6,687
Accumulated depreciation	(4,026)	(4,150)
Buildings and structures, net	2,670	2,537
Machinery and equipment	977	994
Accumulated depreciation	(418)	(493)
Machinery and equipment, net	559	500
Tools, furniture and fixtures	1,757	1,866
Accumulated depreciation	(1,414)	(1,538)
Tools, furniture and fixtures, net	342	328
Land	8,516	8,436
Leased assets	1,053	999
Accumulated depreciation	(301)	(393)
Leased assets, net	752	606
Construction in progress	5	–
Total property, plant and equipment	13,050	12,577
Intangible assets		
Goodwill	14	9
Other	5,121	4,677
Total intangible assets	5,135	4,686
Investments and other assets		
Investment securities	9,665	8,544
Long term a money claim	1,844	1,592
Net defined benefit asset	2,664	3,092
Other	3,848	3,755
Allowance for doubtful accounts	(567)	(426)
Total investments and other assets	17,455	16,557
Total non-current assets	35,641	33,821
Total assets	204,897	202,891

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	125,071	125,681
Short-term loans payable	10,892	4,919
Lease obligations	163	467
Income taxes payable	2,891	2,480
Provision for bonuses	1,506	1,785
Provision for directors' bonuses	76	83
Other	5,439	5,599
Total current liabilities	146,041	141,016
Non-current liabilities		
Long-term loans payable	1,043	53
Lease obligations	610	159
Deferred tax liabilities	1,879	1,568
Provision for directors' retirement benefits	35	33
Net defined benefit liability	407	457
Other	2,195	2,293
Total non-current liabilities	6,171	4,567
Total liabilities	152,212	145,583
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Total capital surpluses	6,777	6,778
Retained earnings	21,626	26,945
Treasury shares	(1,363)	(1,327)
Total shareholders' equity	47,685	53,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,591	1,862
Deferred gains or losses on hedges	8	5
Foreign currency translation adjustment	273	105
Remeasurements of defined benefit plans	1,597	1,713
Total accumulated other comprehensive income	4,470	3,686
Subscription rights to shares	421	468
Non-controlling interests	107	111
Total net assets	52,684	57,307
Total liabilities and net assets	204,897	202,891

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

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	441,723	442,042
Cost of sales	402,982	401,502
Gross profit	38,740	40,539
Selling, general and administrative expenses	28,925	30,181
Operating income	9,815	10,357
Non-operating income		
Interest income	1,270	1,290
Dividend income	163	198
Other	328	332
Total non-operating income	1,762	1,822
Non-operating expenses		
Interest expenses	1,062	989
Other	162	151
Total non-operating expenses	1,224	1,141
Ordinary income	10,353	11,039
Extraordinary income		
Gain on sales of non-current assets	2,540	14
Gain on sales of investment securities	81	–
Gain on liquidation of subsidiaries and associates	–	97
Total extraordinary income	2,622	112
Extraordinary losses		
Loss on sales of non-current assets	507	6
Loss on retirement of non-current assets	105	176
Loss on sales of shares of subsidiaries and associates	–	56
Loss on valuation of investments in capital	15	–
Head offices transfer cost	170	–
Recall-related loss	–	84
Logistics restructuring cost	–	68
Other	–	3
Total extraordinary losses	800	396
Profit before income taxes	12,174	10,754
Income taxes - current	3,308	3,591
Income taxes - deferred	1,428	(38)
Total income taxes	4,736	3,552
Profit	7,438	7,201
Profit (loss) attributable to non-controlling interests	(56)	11
Profit attributable to owners of parent	7,494	7,190

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	7,438	7,201
Other comprehensive income		
Valuation difference on available-for-sale securities	767	(730)
Deferred gains or losses on hedges	1	(2)
Foreign currency translation adjustment	415	(167)
Remeasurements of defined benefit plans, net of tax	956	115
Total other comprehensive income	2,142	(785)
Comprehensive income	9,580	6,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,634	6,407
Comprehensive income attributable to non-controlling interests	(54)	9

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(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	15,765	(1,471)	41,715
Cumulative effects of changes in accounting policies			(311)		(311)
Restated balance	20,644	6,777	15,453	(1,471)	41,404
Changes of items during period					
Dividends of surplus			(1,318)		(1,318)
Profit attributable to owners of parent			7,494		7,494
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(3)		113	110
Transfer of loss on disposal of treasury shares		3	(3)		–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	6,172	108	6,281
Balance at end of current period	20,644	6,777	21,626	(1,363)	47,685

	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	1,825	6	(142)	640	2,330	413	686	45,146
Cumulative effects of changes in accounting policies								(311)
Restated balance	1,825	6	(142)	640	2,330	413	686	44,834
Changes of items during period								
Dividends of surplus								(1,318)
Profit attributable to owners of parent								7,494
Purchase of treasury shares								(4)
Disposal of treasury shares								110
Transfer of loss on disposal of treasury shares								–
Net changes of items other than shareholders' equity	765	1	415	956	2,140	7	(578)	1,569
Total changes of items during period	765	1	415	956	2,140	7	(578)	7,850
Balance at end of current period	2,591	8	273	1,597	4,470	421	107	52,684

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

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	12,174	10,754
Depreciation	1,558	1,714
Amortization of goodwill	5	5
Loss (gain) on sales of non-current assets	(2,033)	(7)
Loss on retirement of non-current assets	105	176
Loss (gain) on sales of investment securities	(81)	–
Loss (gain) on sales of shares of subsidiaries and associates	–	56
Loss (gain) on liquidation of subsidiaries and associates	–	(97)
Loss on valuation of investments in capital	15	–
Head offices relocation expenses	170	–
Increase (decrease) in net defined benefit asset	(1,046)	(428)
Increase (decrease) in net defined benefit liability	25	51
Increase (decrease) in allowance for doubtful accounts	(388)	(99)
Increase (decrease) in provision for bonuses	108	279
Increase (decrease) in provision for directors' bonuses	8	6
Interest and dividend income	(1,434)	(1,489)
Interest expenses	1,062	989
Foreign exchange losses (gains)	(0)	1
Decrease (increase) in notes and accounts receivable - trade	803	431
Decrease (increase) in inventories	1,076	(812)
Increase (decrease) in notes and accounts payable - trade	(1,469)	781
Decrease (increase) in long term a money claim	514	252
Other, net	2,176	(83)
Subtotal	13,352	12,481
Interest and dividend income received	1,434	1,489
Interest expenses paid	(1,051)	(992)
Income taxes paid	(1,259)	(3,864)
Net cash provided by (used in) operating activities	12,476	9,114

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Payments into time deposits	(411)	(468)
Proceeds from withdrawal of time deposits	424	466
Purchase of property, plant and equipment	(605)	(304)
Proceeds from sales of property, plant and equipment	6,453	151
Purchase of intangible assets	(1,570)	(611)
Purchase of investment securities	(52)	(124)
Proceeds from sales of investment securities	145	0
Purchase of shares of subsidiaries and associates	(529)	(1)
Proceeds from sales of shares of subsidiaries and associates	–	105
Payments of loans receivable	(10)	–
Collection of loans receivable	2	39
Other, net	(295)	157
Net cash provided by (used in) investing activities	3,550	(589)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(8,436)	(5,028)
Repayments of long-term loans payable	(1,923)	(1,906)
Repayments of lease obligations	(213)	(160)
Purchase of treasury shares	(4)	(5)
Proceeds from sales of treasury shares	86	–
Cash dividends paid	(1,318)	(1,871)
Other, net	(0)	(9)
Net cash provided by (used in) financing activities	(11,810)	(8,982)
Effect of exchange rate change on cash and cash equivalents	345	(137)
Net increase (decrease) in cash and cash equivalents	4,560	(594)
Cash and cash equivalents at beginning of period	26,470	31,031
Cash and cash equivalents at end of period	31,031	30,436