

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 2, 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 to file Quarterly Securities Report: November 6, 2018
 Scheduled date to commence dividend payments: December 3, 2018
 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, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018	226,319	5.9	5,238	15.1	5,715	15.1	3,769	8.0
Six months ended September 30, 2017	213,686	5.2	4,551	27.3	4,964	25.7	3,489	29.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	170.15	168.33
Six months ended September 30, 2017	157.72	155.78

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	227,475	73,827	32.2
As of March 31, 2018	235,022	72,177	30.5

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, 2018	–	50.00	–	60.00	110.00
Year ending March 31, 2019	–	60.00			
Year ending March 31, 2019 (Forecast)			–	70.00	130.00

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
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 six months ended September 30, 2018
(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, 2018	23,155,882 shares	As of March 31, 2018	23,155,882 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	1,034,978 shares	As of March 31, 2018	1,012,877 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, 2018	22,154,105 shares	Six months ended September 30, 2017	22,126,914 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	36,428	34,675
Notes and accounts receivable - trade	126,930	115,999
Electronically recorded monetary claims - operating	13,414	15,806
Inventories	13,392	16,037
Other	2,857	4,094
Allowance for doubtful accounts	(105)	(103)
Total current assets	192,917	186,510
Non-current assets		
Property, plant and equipment	13,401	13,172
Intangible assets		
Goodwill	1,702	1,537
Other	3,886	3,395
Total intangible assets	5,588	4,933
Investments and other assets		
Net defined benefit asset	5,454	5,527
Other	18,314	17,994
Allowance for doubtful accounts	(655)	(662)
Total investments and other assets	23,114	22,859
Total non-current assets	42,104	40,965
Total assets	235,022	227,475

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,987	114,935
Electronically recorded obligations - operating	19,228	16,914
Short-term loans payable	3,138	3,061
Income taxes payable	1,793	1,648
Provision for bonuses	2,192	2,178
Provision for directors' bonuses	80	—
Other	7,277	8,698
Total current liabilities	156,697	147,436
Non-current liabilities		
Net defined benefit liability	644	648
Provision for stocks payment	—	16
Provision for management incentive plan	—	14
Other	5,502	5,532
Total non-current liabilities	6,146	6,212
Total liabilities	162,844	153,648
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Capital surplus	6,765	6,779
Retained earnings	38,257	40,718
Treasury shares	(1,209)	(1,460)
Total shareholders' equity	64,458	66,681
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,790	4,615
Deferred gains or losses on hedges	(24)	14
Foreign currency translation adjustment	(13)	(132)
Remeasurements of defined benefit plans	2,449	2,169
Total accumulated other comprehensive income	7,202	6,666
Share acquisition rights	497	410
Non-controlling interests	18	69
Total net assets	72,177	73,827
Total liabilities and net assets	235,022	227,475

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, 2017	Six months ended September 30, 2018
Net sales	213,686	226,319
Cost of sales	193,298	204,140
Gross profit	20,387	22,178
Selling, general and administrative expenses	15,836	16,940
Operating profit	4,551	5,238
Non-operating income		
Interest income	647	674
Dividend income	123	142
Other	173	194
Total non-operating income	943	1,011
Non-operating expenses		
Interest expenses	476	520
Other	53	12
Total non-operating expenses	530	533
Ordinary profit	4,964	5,715
Extraordinary income		
Gain on sales of non-current assets	1	–
Gain on extinguishment of tie-in shares	27	–
Total extraordinary income	28	–
Extraordinary losses		
Loss on retirement of non-current assets	2	–
Loss on disaster	–	30
Total extraordinary losses	2	30
Profit before income taxes	4,990	5,685
Income taxes	1,498	1,909
Profit	3,492	3,775
Profit attributable to non-controlling interests	2	6
Profit attributable to owners of parent	3,489	3,769

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	3,492	3,775
Other comprehensive income		
Valuation difference on available-for-sale securities	973	(175)
Deferred gains or losses on hedges	11	38
Foreign currency translation adjustment	(20)	(124)
Remeasurements of defined benefit plans, net of tax	(231)	(280)
Total other comprehensive income	732	(541)
Comprehensive income	4,225	3,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,221	3,229
Comprehensive income attributable to non-controlling interests	3	4

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	4,990	5,685
Depreciation	943	1,065
Amortization of goodwill	166	164
Loss (gain) on sales of non-current assets	(1)	–
Loss on retirement of non-current assets	2	–
Loss (gain) on extinguishment of tie-in shares	(27)	–
Loss on disaster	–	30
Decrease (increase) in net defined benefit asset	(61)	(72)
Increase (decrease) in net defined benefit liability	27	6
Increase (decrease) in allowance for doubtful accounts	(5)	5
Increase (decrease) in provision for bonuses	(26)	(13)
Increase (decrease) in provision for directors' bonuses	(82)	(80)
Increase (decrease) in provision for stocks payment	–	16
Increase (decrease) in provision for management incentive plan	–	14
Interest and dividend income	(770)	(816)
Interest expenses	476	520
Decrease (increase) in notes and accounts receivable - trade	4,979	8,568
Decrease (increase) in inventories	(1,571)	(2,541)
Increase (decrease) in notes and accounts payable - trade	(5,406)	(10,493)
Decrease (increase) in long term a money claim	(84)	43
Other, net	(358)	(267)
Subtotal	3,190	1,835
Interest and dividend income received	770	814
Interest expenses paid	(468)	(529)
Income taxes paid	(2,080)	(1,834)
Net cash provided by (used in) operating activities	1,413	286
Cash flows from investing activities		
Payments into time deposits	(183)	(215)
Proceeds from withdrawal of time deposits	221	194
Purchase of property, plant and equipment	(642)	(92)
Proceeds from sales of property, plant and equipment	2	–
Purchase of intangible assets	(198)	(225)
Purchase of investment securities	(32)	(35)
Proceeds from sales of investment securities	2	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	62	–
Other, net	63	3
Net cash provided by (used in) investing activities	(704)	(371)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	29	(74)
Repayments of lease obligations	(58)	(54)
Purchase of treasury shares	(2)	(324)
Cash dividends paid	(1,103)	(1,328)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(101)	–
Other, net	(6)	(0)
Net cash provided by (used in) financing activities	(1,242)	(1,783)
Effect of exchange rate change on cash and cash equivalents	(35)	(79)
Net increase (decrease) in cash and cash equivalents	(569)	(1,947)
Cash and cash equivalents at beginning of period	33,239	36,203
Increase in cash and cash equivalents from newly consolidated subsidiary	–	177
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	70	–
Cash and cash equivalents at end of period	32,740	34,433