

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 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 of ordinary general meeting of shareholders: June 21, 2019
 Scheduled date to file Securities Report: June 21, 2019
 Scheduled date to commence dividend payments: June 3, 2019
 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, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	493,627	6.9	12,517	9.8	13,437	10.6	9,038	9.4
Year ended March 31, 2018	461,749	3.5	11,402	4.4	12,149	3.8	8,261	6.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	408.27	404.02	12.2	5.6	2.5
Year ended March 31, 2018	373.22	368.44	12.2	5.4	2.5

(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, 2019	247,747	77,118	30.9	3,464.20
As of March 31, 2018	235,022	72,177	30.5	3,236.29

(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, 2019	4,387	(873)	(3,182)	36,626
Year ended March 31, 2018	6,645	(1,355)	(2,418)	36,203

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, 2018	—	50.00	—	60.00	110.00	2,435	29.5	3.6
Year ended March 31, 2019	—	60.00	—	80.00	140.00	3,109	34.3	4.2
Year ending March 31, 2020 (Forecast)	—	70.00	—	80.00	150.00		33.2	

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
Six months ending September 30, 2019	237,800	5.1	6,020	14.9	6,520	14.1	4,350	15.4	196.60
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 year ended March 31, 2019

(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: No

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, 2019	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 March 31, 2019	1,029,287 shares	As of March 31, 2018	1,012,877 shares
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Average number of shares during the period

Year ended March 31, 2019	22,138,920 shares	Year ended March 31, 2018	22,135,077 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	36,428	36,870
Notes and accounts receivable - trade	126,930	132,715
Electronically recorded monetary claims - operating	13,414	17,805
Inventories	13,392	16,596
Other	2,857	3,987
Allowance for doubtful accounts	(105)	(89)
Total current assets	192,917	207,885
Non-current assets		
Property, plant and equipment		
Fixed assets for rent	1,094	1,091
Accumulated depreciation	(869)	(843)
Fixed assets for rent, net	225	248
Buildings and structures	7,438	7,461
Accumulated depreciation	(4,721)	(4,898)
Buildings and structures, net	2,717	2,562
Machinery and equipment	1,088	1,090
Accumulated depreciation	(636)	(698)
Machinery and equipment, net	451	391
Tools, furniture and fixtures	2,552	2,163
Accumulated depreciation	(1,836)	(1,563)
Tools, furniture and fixtures, net	716	599
Land	9,073	9,075
Leased assets	497	436
Accumulated depreciation	(280)	(273)
Leased assets, net	217	162
Construction in progress	0	10
Total property, plant and equipment	13,401	13,051
Intangible assets		
Goodwill	1,702	1,372
Other	3,886	2,872
Total intangible assets	5,588	4,245
Investments and other assets		
Investment securities	12,783	11,296
Long term a money claim	1,693	1,549
Deferred tax assets	85	114
Retirement benefit asset	5,454	6,436
Other	3,751	3,740
Allowance for doubtful accounts	(655)	(573)
Total investments and other assets	23,114	22,565
Total non-current assets	42,104	39,861
Total assets	235,022	247,747

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,987	129,554
Electronically recorded obligations - operating	19,228	19,093
Short-term loans payable	3,138	3,048
Lease obligations	171	142
Income taxes payable	1,793	2,583
Provision for bonuses	2,192	2,415
Provision for bonuses for directors (and other officers)	80	89
Other	7,106	7,867
Total current liabilities	156,697	164,794
Non-current liabilities		
Lease obligations	175	131
Deferred tax liabilities	2,707	2,304
Provision for retirement benefits for directors (and other officers)	92	99
Provision for stocks payment	–	49
Provision for management incentive plan	–	41
Retirement benefit liability	644	638
Other	2,526	2,568
Total non-current liabilities	6,146	5,834
Total liabilities	162,844	170,628
Net assets		
Shareholders' equity		
Capital stock	20,644	20,644
Total capital surpluses	6,765	6,785
Retained earnings	38,257	44,654
Treasury shares	(1,209)	(1,454)
Total shareholders' equity	64,458	70,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,790	3,715
Deferred gains or losses on hedges	(24)	(0)
Foreign currency translation adjustment	(13)	(127)
Remeasurements of defined benefit plans	2,449	2,432
Total accumulated other comprehensive income	7,202	6,020
Share acquisition rights	497	396
Non-controlling interests	18	71
Total net assets	72,177	77,118
Total liabilities and net assets	235,022	247,747

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	461,749	493,627
Cost of sales	417,880	445,924
Gross profit	43,868	47,702
Selling, general and administrative expenses	32,465	35,184
Operating profit	11,402	12,517
Non-operating income		
Interest income	1,304	1,389
Dividend income	220	247
Other	322	367
Total non-operating income	1,847	2,004
Non-operating expenses		
Interest expenses	966	1,056
Other	133	28
Total non-operating expenses	1,100	1,084
Ordinary profit	12,149	13,437
Extraordinary income		
Gain on sales of non-current assets	2	–
Gain on sales of investment securities	30	13
Gain on extinguishment of tie-in shares	27	–
Total extraordinary income	59	13
Extraordinary losses		
Loss on retirement of non-current assets	18	2
Impairment loss	47	–
Loss on valuation of investments in capital	–	2
Loss on disaster	–	32
Total extraordinary losses	66	36
Profit before income taxes	12,142	13,414
Income taxes - current	3,556	4,333
Income taxes - deferred	321	35
Total income taxes	3,878	4,368
Profit	8,264	9,045
Profit attributable to non-controlling interests	3	7
Profit attributable to owners of parent	8,261	9,038

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	8,264	9,045
Other comprehensive income		
Valuation difference on available-for-sale securities	1,455	(1,074)
Deferred gains or losses on hedges	(15)	23
Foreign currency translation adjustment	57	(117)
Remeasurements of defined benefit plans, net of tax	(195)	(17)
Total other comprehensive income	1,301	(1,186)
Comprehensive income	9,566	7,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,562	7,852
Comprehensive income attributable to non-controlling interests	4	6

Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,644	6,775	32,207	(1,284)	58,341
Changes of items during period					
Dividends of surplus			(2,211)		(2,211)
Profit attributable to owners of parent			8,261		8,261
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		11		80	91
Change in ownership interest of parent due to transactions with non-controlling interests		(20)			(20)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(9)	6,050	75	6,116
Balance at end of current period	20,644	6,765	38,257	(1,209)	64,458

	Accumulated other comprehensive income					Share acquisition rights	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	3,335	(8)	(70)	2,645	5,902	499	100	64,844
Changes of items during period								
Dividends of surplus								(2,211)
Profit attributable to owners of parent								8,261
Purchase of treasury shares								(4)
Disposal of treasury shares								91
Change in ownership interest of parent due to transactions with non-controlling interests								(20)
Net changes of items other than shareholders' equity	1,454	(15)	57	(195)	1,300	(1)	(82)	1,217
Total changes of items during period	1,454	(15)	57	(195)	1,300	(1)	(82)	7,333
Balance at end of current period	4,790	(24)	(13)	2,449	7,202	497	18	72,177

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,644	6,765	38,257	(1,209)	64,458
Changes of items during period					
Change of scope of consolidation			19		19
Dividends of surplus			(2,660)		(2,660)
Profit attributable to owners of parent			9,038		9,038
Purchase of treasury shares				(326)	(326)
Disposal of treasury shares		19		81	101
Net changes of items other than shareholders' equity					
Total changes of items during period	–	19	6,397	(245)	6,172
Balance at end of current period	20,644	6,785	44,654	(1,454)	70,630

	Accumulated other comprehensive income					Share acquisition rights	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	4,790	(24)	(13)	2,449	7,202	497	18	72,177
Changes of items during period								
Change of scope of consolidation								19
Dividends of surplus								(2,660)
Profit attributable to owners of parent								9,038
Purchase of treasury shares								(326)
Disposal of treasury shares								101
Net changes of items other than shareholders' equity	(1,074)	23	(113)	(17)	(1,182)	(101)	52	(1,231)
Total changes of items during period	(1,074)	23	(113)	(17)	(1,182)	(101)	52	4,941
Balance at end of current period	3,715	(0)	(127)	2,432	6,020	396	71	77,118

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	12,142	13,414
Depreciation	1,962	2,166
Amortization of goodwill	332	329
Loss (gain) on extinguishment of tie-in shares	(27)	–
Loss (gain) on sales of non-current assets	(2)	–
Loss on retirement of non-current assets	18	2
Impairment loss	47	–
Loss (gain) on sales of investment securities	(30)	(13)
Loss on valuation of investments in capital	–	2
Loss on disaster	–	32
Decrease (increase) in retirement benefit asset	(561)	(981)
Increase (decrease) in retirement benefit liability	29	(3)
Increase (decrease) in allowance for doubtful accounts	88	(98)
Increase (decrease) in provision for bonuses	186	223
Increase (decrease) in provision for bonuses for directors (and other officers)	(2)	9
Increase (decrease) in provision for stocks payment	–	49
Increase (decrease) in provision for management incentive plan	–	41
Increase (decrease) in provision for loss on business of subsidiaries and associates	(90)	–
Interest and dividend income	(1,525)	(1,636)
Interest expenses	966	1,056
Decrease (increase) in notes and accounts receivable - trade	(15,569)	(10,162)
Decrease (increase) in inventories	31	(3,098)
Increase (decrease) in notes and accounts payable - trade	11,300	6,322
Decrease (increase) in long term a money claim	(24)	144
Other, net	711	(418)
Subtotal	9,986	7,381
Interest and dividend income received	1,522	1,633
Interest expenses paid	(958)	(1,067)
Income taxes paid	(3,905)	(3,559)
Net cash provided by (used in) operating activities	6,645	4,387

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Payments into time deposits	(430)	(402)
Proceeds from withdrawal of time deposits	418	379
Purchase of property, plant and equipment	(815)	(324)
Proceeds from sales of property, plant and equipment	21	16
Purchase of intangible assets	(686)	(434)
Purchase of investment securities	(63)	(69)
Proceeds from sales of investment securities	65	26
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	62	–
Collection of loans receivable	1	2
Other, net	71	(68)
Net cash provided by (used in) investing activities	(1,355)	(873)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	20	(87)
Repayments of lease obligations	(115)	(105)
Purchase of treasury shares	(4)	(326)
Cash dividends paid	(2,211)	(2,660)
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	(2,418)	(3,182)
Effect of exchange rate change on cash and cash equivalents	22	(86)
Net increase (decrease) in cash and cash equivalents	2,893	246
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	36,203	36,626