

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 24, 2020
 Scheduled date to file Securities Report: June 24, 2020
 Scheduled date to commence dividend payments: June 4, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	491,348	(0.5)	11,871	(5.2)	12,804	(4.7)	8,950	(1.0)
Year ended March 31, 2019	493,627	6.9	12,517	9.8	13,437	10.6	9,038	9.4

	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, 2020	403.55	400.52	11.4	5.3	2.4
Year ended March 31, 2019	408.27	404.02	12.2	5.6	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, 2020	237,071	81,028	34.0	3,635.18
As of March 31, 2019	247,747	77,118	30.9	3,464.20

(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, 2020	12,970	(2,843)	(3,509)	43,246
Year ended March 31, 2019	4,387	(873)	(3,182)	36,626

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, 2019	—	60.00	—	80.00	140.00	3,109	34.3	4.2
Year ended March 31, 2020	—	70.00	—	80.00	150.00	3,341	37.2	4.2
Year ending March 31, 2021 (Forecast)	—	—	—	—	—	—	—	—

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
(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, 2020	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 March 31, 2020	960,531 shares	As of March 31, 2019	1,029,287 shares
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Average number of shares during the period

Year ended March 31, 2020	22,180,402 shares	Year ended March 31, 2019	22,138,920 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	36,870	43,780
Notes and accounts receivable - trade	132,715	116,621
Electronically recorded monetary claims - operating	17,805	18,287
Inventories	16,596	16,190
Other	3,987	2,641
Allowance for doubtful accounts	(89)	(59)
Total current assets	207,885	197,460
Non-current assets		
Property, plant and equipment		
Fixed assets for rent	1,091	1,194
Accumulated depreciation	(843)	(874)
Fixed assets for rent, net	248	320
Buildings and structures	7,461	7,938
Accumulated depreciation	(4,898)	(5,090)
Buildings and structures, net	2,562	2,847
Machinery and equipment	1,090	613
Accumulated depreciation	(698)	(488)
Machinery and equipment, net	391	125
Tools, furniture and fixtures	2,163	2,435
Accumulated depreciation	(1,563)	(1,879)
Tools, furniture and fixtures, net	599	555
Land	9,075	9,433
Leased assets	436	236
Accumulated depreciation	(273)	(134)
Leased assets, net	162	101
Construction in progress	10	218
Total property, plant and equipment	13,051	13,601
Intangible assets		
Goodwill	1,372	2,907
Other	2,872	2,285
Total intangible assets	4,245	5,192
Investments and other assets		
Investment securities	11,296	9,335
Long term a money claim	1,549	1,364
Deferred tax assets	114	188
Retirement benefit asset	6,436	6,718
Other	3,740	3,703
Allowance for doubtful accounts	(573)	(494)
Total investments and other assets	22,565	20,816
Total non-current assets	39,861	39,610
Total assets	247,747	237,071

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	129,554	114,952
Electronically recorded obligations - operating	19,093	18,555
Short-term borrowings	3,048	3,489
Lease obligations	142	68
Income taxes payable	2,583	2,506
Provision for bonuses	2,415	2,469
Provision for bonuses for directors (and other officers)	89	86
Other	7,867	7,766
Total current liabilities	164,794	149,894
Non-current liabilities		
Long-term borrowings	—	801
Lease obligations	131	135
Deferred tax liabilities	2,304	1,337
Provision for retirement benefits for directors (and other officers)	99	132
Provision for share-based remuneration	49	107
Provision for share-based remuneration for directors (and other officers)	41	80
Retirement benefit liability	638	705
Other	2,568	2,847
Total non-current liabilities	5,834	6,148
Total liabilities	170,628	156,042
Net assets		
Shareholders' equity		
Share capital	20,644	20,644
Total capital surpluses	6,785	6,804
Retained earnings	44,654	50,269
Treasury shares	(1,454)	(1,362)
Total shareholders' equity	70,630	76,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,715	2,515
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(127)	(110)
Remeasurements of defined benefit plans	2,432	1,921
Total accumulated other comprehensive income	6,020	4,327
Share acquisition rights	396	299
Non-controlling interests	71	45
Total net assets	77,118	81,028
Total liabilities and net assets	247,747	237,071

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	493,627	491,348
Cost of sales	445,924	444,268
Gross profit	47,702	47,080
Selling, general and administrative expenses	35,184	35,208
Operating profit	12,517	11,871
Non-operating income		
Interest income	1,389	1,420
Dividend income	247	262
Other	367	367
Total non-operating income	2,004	2,050
Non-operating expenses		
Interest expenses	1,056	1,032
Other	28	84
Total non-operating expenses	1,084	1,117
Ordinary profit	13,437	12,804
Extraordinary income		
Gain on sales of non-current assets	—	44
Gain on sales of investment securities	13	530
Total extraordinary income	13	575
Extraordinary losses		
Loss on sales of non-current assets	—	4
Loss on retirement of non-current assets	2	12
Impairment loss	—	32
Amortization of leasehold interests in land	—	14
Loss on sales of investment securities	—	0
Loss on valuation of investments in capital	2	0
Logistics restructuring cost	—	56
Loss on disaster	32	12
Total extraordinary losses	36	132
Profit before income taxes	13,414	13,247
Income taxes - current	4,333	4,556
Income taxes - deferred	35	(233)
Total income taxes	4,368	4,323
Profit	9,045	8,923
Profit (loss) attributable to non-controlling interests	7	(26)
Profit attributable to owners of parent	9,038	8,950

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	9,045	8,923
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,074)	(1,201)
Deferred gains or losses on hedges	23	1
Foreign currency translation adjustment	(117)	19
Remeasurements of defined benefit plans, net of tax	(17)	(510)
Total other comprehensive income	(1,186)	(1,691)
Comprehensive income	7,859	7,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,852	7,257
Comprehensive income attributable to non-controlling interests	6	(24)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,644	6,765	38,257	(1,209)	64,458
Changes during period					
Change in 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 in items other than shareholders' equity					
Total changes during period	—	19	6,397	(245)	6,172
Balance at end of 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 period	4,790	(24)	(13)	2,449	7,202	497	18	72,177
Changes during period								
Change in 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 in items other than shareholders' equity	(1,074)	23	(113)	(17)	(1,182)	(101)	52	(1,231)
Total changes during period	(1,074)	23	(113)	(17)	(1,182)	(101)	52	4,941
Balance at end of period	3,715	(0)	(127)	2,432	6,020	396	71	77,118

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,644	6,785	44,654	(1,454)	70,630
Changes during period					
Dividends of surplus			(3,336)		(3,336)
Profit attributable to owners of parent			8,950		8,950
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		19		95	115
Net changes in items other than shareholders' equity					
Total changes during period	—	19	5,614	92	5,726
Balance at end of period	20,644	6,804	50,269	(1,362)	76,356

	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 period	3,715	(0)	(127)	2,432	6,020	396	71	77,118
Changes during period								
Dividends of surplus								(3,336)
Profit attributable to owners of parent								8,950
Purchase of treasury shares								(3)
Disposal of treasury shares								115
Net changes in items other than shareholders' equity	(1,200)	1	16	(510)	(1,693)	(96)	(26)	(1,816)
Total changes during period	(1,200)	1	16	(510)	(1,693)	(96)	(26)	3,909
Balance at end of period	2,515	0	(110)	1,921	4,327	299	45	81,028

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	13,414	13,247
Depreciation	2,166	1,539
Amortization of goodwill	329	355
Loss (gain) on sales of non-current assets	—	(40)
Loss on retirement of non-current assets	2	12
Impairment loss	—	32
Amortization of leasehold interests in land	—	14
Loss (gain) on sales of investment securities	(13)	(530)
Loss on valuation of investments in capital	2	0
Logistics restructuring cost	—	56
Loss on disaster	32	12
Decrease (increase) in retirement benefit asset	(981)	(281)
Increase (decrease) in retirement benefit liability	(3)	6
Increase (decrease) in allowance for doubtful accounts	(98)	(108)
Increase (decrease) in provision for bonuses	223	27
Increase (decrease) in provision for bonuses for directors (and other officers)	9	(3)
Increase (decrease) in provision for share-based remuneration	49	58
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	41	38
Interest and dividend income	(1,636)	(1,683)
Interest expenses	1,056	1,032
Decrease (increase) in trade receivables	(10,162)	17,409
Decrease (increase) in inventories	(3,098)	730
Increase (decrease) in trade payables	6,322	(15,843)
Decrease (increase) in long term a money claim	144	184
Other, net	(418)	716
Subtotal	7,381	16,985
Interest and dividends received	1,633	1,689
Interest paid	(1,067)	(1,020)
Income taxes paid	(3,559)	(4,683)
Net cash provided by (used in) operating activities	4,387	12,970

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Payments into time deposits	(402)	(356)
Proceeds from withdrawal of time deposits	379	441
Purchase of property, plant and equipment	(324)	(1,807)
Proceeds from sales of property, plant and equipment	16	904
Purchase of intangible assets	(434)	(326)
Purchase of investment securities	(69)	(73)
Proceeds from sales of investment securities	26	854
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,489)
Collection of loans receivable	2	58
Other, net	(68)	(48)
Net cash provided by (used in) investing activities	(873)	(2,843)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(87)	(14)
Repayments of long-term borrowings	—	(58)
Repayments of lease obligations	(105)	(96)
Purchase of treasury shares	(326)	(3)
Proceeds from sales of treasury shares	—	0
Dividends paid	(2,660)	(3,336)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(3,182)	(3,509)
Effect of exchange rate change on cash and cash equivalents	(86)	3
Net increase (decrease) in cash and cash equivalents	246	6,620
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	36,626	43,246