

May 11, 2023

GS Yuasa Corporation
Consolidated Earnings Report for the
Year ended March 31, 2023
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange Securities code: 6674
 URL: <https://www.gs-yuasa.com/en/>
 Representative: Osamu Murao, President and CEO
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Scheduled dates
 Ordinary general meeting of shareholders: June 29, 2023
 Dividend payout: June 30, 2023
 Filing of statutory financial report (*Yukashoken hokokusho*): June 29, 2023

Supplementary materials to fiscal year-end earnings report available: Yes
 Fiscal year-end earnings presentation held: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2023	517,735	19.8	31,500	39.0	24,213	(1.9)	13,925	64.5
Year ended March 31, 2022	432,133	11.8	22,664	(8.6)	24,684	(9.5)	8,468	(26.1)

Note: Comprehensive income: Year ended March 31, 2023: ¥25,590 million, 2.2%
 Year ended March 31, 2022: ¥25,047 million, (28.7)%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Year ended March 31, 2023	173.11	–	6.2	4.7	6.1
Year ended March 31, 2022	105.23	–	4.1	5.4	5.2

Reference: Share of profit or loss of entities accounted for using equity method:

Year ended March 31, 2023: ¥(2,832) million

Year ended March 31, 2022: ¥2,590 million

Operating profit before amortization of goodwill:

Year ended March 31, 2023: ¥32,074 million, 34.5%

Year ended March 31, 2022: ¥23,853 million, (11.9)%

The Company uses “operating profit before amortization of goodwill” as an important indicator for management.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2023	540,906	270,890	42.6	2,867.23
As of March 31, 2022	480,763	249,938	44.8	2,675.70

Reference: Total equity: As of March 31, 2023: ¥230,677 million
As of March 31, 2022: ¥215,233 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2023	28,330	(26,567)	8,826	36,027
Year ended March 31, 2022	12,879	(30,204)	5,203	25,845

2. Dividends

	Dividend per share					Total dividends paid (full year) million yen	Payout ratio (consolidated) %	Ratio of dividends to net assets (consolidated) %
	End-Q1 yen	End-Q2 yen	End-Q3 yen	Year-end yen	Total yen			
Year ended March 31, 2022	–	15.00	–	35.00	50.00	4,025	47.5	1.9
Year ended March 31, 2023	–	15.00	–	35.00	50.00	4,025	28.9	1.8
Year ending March 31, 2024 (forecast)	–	15.00	–	35.00	50.00		28.7	

3. Earnings Forecast for the Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30, 2023	260,000	10.5	8,000	(2.7)	6,000	(0.3)	1,500	(12.5)	18.65
Year ending March 31, 2024	580,000	12.0	33,000	4.8	27,000	11.5	14,000	0.5	174.03

***Notes**

- (1) Changes affecting the status of material subsidiaries (scope of consolidation): None
 (2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 1) Changes in accordance with revisions to accounting and other standards: Yes
 2) Changes other than 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatement: None
 (3) Number of shares issued (common stock)

	As of March 31, 2023	As of March 31, 2022
1) Number of shares issued (including treasury shares)	80,599,442	80,599,442
2) Number of treasury shares	146,539	159,410
	Year ended March 31, 2023	Year ended March 31, 2022
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	80,448,062	80,475,326

(Reference) Non-consolidated Financial Results
Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2023	5,814	0.2	4,744	(3.3)	6,761	0.7	5,950	0.7
Year ended March 31, 2022	5,802	(19.5)	4,907	(22.2)	6,714	(13.7)	5,909	(16.9)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2023	73.96	-
Year ended March 31, 2022	73.43	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2023	201,451	133,380	66.2	1,657.87
As of March 31, 2022	195,038	131,423	67.4	1,633.81

Reference: Total equity: As of March 31, 2023: ¥133,380 million
 As of March 31, 2022: ¥131,423 million

*Financial reports are not subject to audit procedures to be conducted by certified public accountants or an audit firm.

***Appropriate Use of Earnings Forecast and Other Important Information**

The above forecasts are based on the assumptions of management in light of information available as of the release date of this report. GS Yuasa Corporation makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment. For information related to the earnings forecast, please see “(1) Operating Results” in section “4. Qualitative Information on Operating Results, etc.” on page 5.

4. Qualitative Information on Operating Results, etc.

(1) Operating Results

1) Overview

In the global economy during the fiscal year under review, the stagnation of economic activity due to COVID-19 has eased, and normalization of economic activity has been progressing. Nonetheless, inflation continues due to increased energy costs arising out of the situation in Ukraine and other factors. The outlook continues to be uncertain, with various countries shifting from monetary easing policies to curb inflation and bank failures in the United States.

In this economic environment, the GS Yuasa Group's consolidated net sales for the fiscal year ended March 31, 2023 totaled ¥517,735 million, up ¥85,601 million or 19.8%, from the previous fiscal year. This increase in Group sales mainly reflects an increase in sales volume of lithium-ion batteries for hybrid vehicles and the effect of the consolidation of İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi (hereinafter "IGYA"), as well as the effect of yen depreciation on foreign exchange rate. In line with this, operating profit came to ¥31,500 million (operating profit before amortization of goodwill came to ¥32,074 million), up ¥8,835 million or 39.0% from the previous fiscal year. Ordinary profit came to ¥24,213 million, down ¥470 million or 1.9% from the previous fiscal year, due to deterioration in the share of profit from entities accounted for using the equity method and increased interest expenses. Profit attributable to owners of parent came to ¥13,925 million, up ¥5,457 million or 64.5% from the previous fiscal year, due mainly to the recording of non-current assets, gain on sale of investment securities, etc.

2) Business Segment Results

(Automotive Batteries)

Net sales in Japan for the fiscal year ended March 31, 2023 totaled ¥87,802 million, a year-on-year increase of ¥6,307 million or 7.7%, due to sales volume of batteries for new vehicles exceeding that of the previous fiscal year and progress in measures to revise sales prices for batteries for both new vehicles and replacement. Domestic automotive batteries segment profit (before goodwill amortization) came to ¥6,547 million, up ¥669 million or 11.4% from the previous fiscal year.

Overseas net sales totaled ¥247,329 million, a year-on-year increase of ¥60,586 million or 32.4%, due to consolidation of IGYA and the effect of yen depreciation on foreign exchange rates. Overseas segment profit (before goodwill amortization) came to ¥13,345 million, up ¥3,380 million or 33.9% from the previous fiscal year, thanks to increased net sales, despite the impact of higher costs including distribution costs.

As a result of the above factors, the automotive batteries segment's combined net sales in Japan and overseas totaled ¥335,131 million, a year-on-year increase of ¥66,893 million or 24.9%. Overall automotive batteries segment profit (before goodwill amortization) came to ¥19,892 million, up ¥4,049 million or 25.6% from the previous fiscal year.

(Industrial Batteries and Power Supplies)

Despite the impact of the completion of the delivery of lithium-ion batteries for large-scale wind power generation facilities in the previous fiscal year, as a result of the effort to revise sales prices, net sales in the industrial batteries and power supplies segment totaled ¥99,204 million, a year-on-year

decrease of ¥261 million or 0.3%. Segment profit came to ¥8,808 million, up ¥3,032 million or 52.5% from the previous fiscal year, due to changes in our sales mix.

(Automotive Lithium-ion Batteries)

Net sales in the automotive lithium-ion batteries segment totaled ¥65,355 million, a year-on-year increase of ¥17,717 million or 37.2%, due to the increase in sales of lithium-ion batteries for hybrid vehicles. Segment profit came to ¥1,986 million, up ¥331 million or 20.1% from the previous fiscal year.

(Other)

Net sales in the other segment totaled ¥18,043 million, a year-on-year increase of ¥1,251 million, or 7.5%, due to the increase in sales of lithium-ion batteries for aircrafts. Segment profit after adjustments for corporate expenses, etc. came to ¥1,387 million, up ¥807 million or 139.3% from the previous fiscal year.

(Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024)

In projections for the business environment in the next fiscal year, we expect the situation of uncertainty, particularly in the first half, to continue because of the continuing inflation. However, we perceive ongoing expansion for the business domains in which the Company is expanding business activities toward the realization of carbon neutrality. The next fiscal year will be the initial year for the Sixth Medium-term Management Plan, and in line with this, we aim to secure revenues through capturing growing demand for batteries for hybrid vehicles, increasing sales volume of lead-acid batteries for overseas markets, and promoting measures to revise sales prices and measures to cut costs in response to various cost rises.

Taking all this into account, for consolidated operating results for the fiscal year ending March 31, 2024, we expect to achieve net sales of ¥580,000 million, operating profit of ¥33,000 million, ordinary profit of ¥27,000 million, and profit attributable to owners of parent of ¥14,000 million.

(2) Financial Condition

Total assets amounted to ¥540,906 million, up ¥60,143 million from the end of the previous fiscal year, due to increases in inventories, trade receivables, and cash and deposits, and the new consolidation of IGYA.

Liabilities increased to ¥270,016 million, up ¥39,192 million from the end of the previous fiscal year, due to an increase in borrowings and the new consolidation of IGYA.

Net assets totaled ¥270,890 million, an increase of ¥20,951 million from the end of the previous fiscal year. This mainly reflects an increase due to the recording of profit attributable to owners of parent and an increase in the foreign currency translation adjustment due to forex rate fluctuations, which outweighed outflows from dividends paid.

(3) Cash Flows

Cash and cash equivalents as of March 31, 2023, amounted to ¥36,027 million, an increase of ¥10,182 million, or 39.4%, from the end of the previous fiscal year.

The main factors affecting cash flows are described below.

(Cash Flows from Operating Activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2023, amounted to ¥28,330 million, compared with net cash provided of ¥12,879 million in the previous fiscal year.

There were main contributions from profit before income taxes and depreciation, partially offset by increases in trade receivables and inventories, and the payment of income taxes.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥26,567 million, compared with net cash used of ¥30,204 million a year earlier. The main cash outflow from investments was the purchase of property, plant, and equipment.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥8,826 million, compared with net cash provided of ¥5,203 million in the previous fiscal year. The main cash outflow was dividends paid. An increase in borrowings was the main source of inflows.

(Trends in Cash Flow-Related Indices)

The following are trends in consolidated cash flow indices for the GS Yuasa Group.

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity ratio (%)	46.8	44.8	42.6
Equity ratio on a market-capitalization basis (%)	56.0	39.2	35.4
Ratio of interest-bearing liabilities to cash flow (years)	2.0	7.0	3.7
Interest coverage ratio	43.75	13.61	8.60

(Calculation methods)

Equity ratio: Total equity / Total assets

Equity ratio on a market-capitalization basis: Market capitalization / Total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

*All indices are calculated using consolidated financial data.

*Market capitalization is calculated by multiplying the fiscal year-end share price by the total number of outstanding shares (after deducting treasury shares).

*Calculations involving cash flow use cash flows from operating activities shown on the consolidated statements of cash flows. Interest-bearing liabilities include all liabilities recorded on the consolidated balance sheets for which interest is paid.

The amount of interest paid is the figure used in the consolidated statements of cash flows.

(4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

GS Yuasa considers the return of profits to shareholders to be a priority management issue. As a general policy, GS Yuasa decides the level of dividends based on a comprehensive analysis of consolidated earnings results, the financial condition, and the dividend payout ratio. Internal reserves are used to improve future earnings by maintaining and enhancing investments and competitiveness. Based on these initiatives, GS Yuasa aims to continue its growth into the future and secure long-term stable returns to shareholders.

For the year ended March 31, 2023, the Company achieved the initial profit target for profit attributable to owners of parent. Accordingly, the Company plans to pay an annual dividend per share of ¥50 (as ¥15 was provided as an interim dividend in the second quarter, ¥35 will be provided for the year-end dividend). The consolidated payout ratio will therefore be 28.9%.

For dividends for the year ending March 31, 2024, assuming that the forecast profits are achieved, the Company plans to pay an interim dividend per share of ¥15 and a year-end dividend per share of ¥35 to provide an annual dividend per share of ¥50.

5. Basic Policy on Selecting Accounting Standards

The GS Yuasa Group currently adopts Japanese accounting standards for its financial reporting in view of comparability between fiscal years on financial statements and comparability with other companies. Regarding the adoption of International Financial Reporting Standards, the Group will respond appropriately in consideration of circumstances in and outside Japan.

6. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
	Amount	Amount
Assets		
Current assets		
Cash and deposits	25,855	36,272
Notes and accounts receivable - trade, and contract assets	85,399	97,591
Electronically recorded monetary claims - operating	7,163	6,855
Merchandise and finished goods	54,986	60,127
Work in process	19,236	21,848
Raw materials and supplies	18,828	28,094
Other	15,249	15,722
Allowance for doubtful accounts	(418)	(387)
Total current assets	226,300	266,125
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	56,279	60,135
Machinery, equipment and vehicles, net	37,108	51,036
Land	23,335	28,390
Leased assets, net	284	222
Right-of-use assets, net	5,398	7,946
Construction in progress	15,315	10,985
Other, net	5,284	6,326
Total property, plant and equipment	143,007	165,043
Intangible assets		
Goodwill	-	1,233
Leased assets	825	673
Other	2,069	3,333
Total intangible assets	2,894	5,240
Investments and other assets		
Investment securities	66,319	63,254
Investments in capital	940	839
Long-term loans receivable	1,116	1,076
Retirement benefit asset	32,954	31,894
Deferred tax assets	2,338	2,077
Lease receivables	2,635	2,694
Other	2,538	2,977
Allowance for doubtful accounts	(322)	(344)
Total investments and other assets	108,520	104,470
Total non-current assets	254,423	274,754
Deferred assets		
Bond issuance costs	39	26
Total deferred assets	39	26
Total assets	480,763	540,906

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,174	51,691
Electronically recorded obligations - operating	19,861	25,327
Short-term borrowings	18,782	42,318
Commercial papers	2,000	-
Current portion of bonds payable	-	10,000
Accounts payable - other	12,041	14,225
Income taxes payable	2,857	4,081
Notes payable - facilities	274	192
Electronically recorded obligations - facilities	6,821	3,539
Provision for bonuses for directors (and other officers)	120	120
Other	22,444	23,816
Total current liabilities	129,376	175,312
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term borrowings	41,696	41,357
Lease liabilities	6,100	8,510
Deferred tax liabilities	19,910	20,474
Deferred tax liabilities for land revaluation	928	777
Provision for retirement benefits for directors (and other officers)	67	78
Retirement benefit liability	4,892	5,372
Other	7,852	8,133
Total non-current liabilities	101,447	94,704
Total liabilities	230,824	270,016
Net assets		
Shareholders' equity		
Share capital	33,021	33,021
Capital surplus	55,292	53,201
Retained earnings	93,661	103,503
Treasury shares	(351)	(321)
Total shareholders' equity	181,623	189,404
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,180	14,173
Deferred gains or losses on hedges	(794)	(450)
Revaluation reserve for land	2,137	1,794
Foreign currency translation adjustment	7,163	18,727
Remeasurements of defined benefit plans	8,922	7,026
Total accumulated other comprehensive income	33,609	41,272
Non-controlling interests	34,705	40,213
Total net assets	249,938	270,890
Total liabilities and net assets	480,763	540,906

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Net sales	432,133	517,735
Cost of sales	335,359	404,506
Gross profit	96,773	113,228
Selling, general and administrative expenses	74,108	81,728
Operating profit	22,664	31,500
Non-operating income		
Interest income	198	390
Dividend income	483	634
Share of profit of entities accounted for using equity method	2,590	–
Gain on net monetary position	–	585
Other	722	746
Total non-operating income	3,995	2,357
Non-operating expenses		
Interest expenses	946	3,295
Share of loss of entities accounted for using equity method	–	2,832
Foreign exchange losses	103	1,677
Equipment relocation expenses	227	–
Other	698	1,837
Total non-operating expenses	1,976	9,643
Ordinary profit	24,684	24,213
Extraordinary income		
Gain on sale of non-current assets	668	2,876
Gain on sale of investment securities	116	2,185
Insurance claim income	–	43
Gain on receipt of national subsidies	–	352
Gain on step acquisitions	–	1,010
Gain on liquidation of subsidiaries	–	473
Gain on bargain purchase	710	–
Gain on sale of investments in capital of subsidiaries	547	–
Gain on reversal of loss on liquidation of subsidiaries and associates	325	–
Other	5	–
Total extraordinary income	2,372	6,941

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Extraordinary losses		
Loss on retirement of non-current assets	715	576
Loss on sale of non-current assets	47	14
Loss on tax purpose reduction entry of non-current assets	–	384
Impairment losses	5,779	2,912
Loss on business liquidation of subsidiaries and associates	–	113
Loss on valuation of investment securities	28	–
Factory relocation expenses	1,239	–
Other	–	18
Total extraordinary losses	7,810	4,018
Profit before income taxes	19,246	27,137
Income taxes - current	5,583	7,571
Income taxes - deferred	1,066	1,027
Total income taxes	6,650	8,599
Profit	12,595	18,537
Profit attributable to non-controlling interests	4,127	4,611
Profit attributable to owners of parent	8,468	13,925

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
		(Millions of yen)
Profit	12,595	18,537
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,016)	(2,009)
Deferred gains or losses on hedges	22	3
Foreign currency translation adjustment	6,825	8,547
Remeasurements of defined benefit plans, net of tax	5,822	(1,901)
Share of other comprehensive income of entities accounted for using equity method	796	2,412
Total other comprehensive income	12,451	7,052
Comprehensive income	25,047	25,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,369	19,912
Comprehensive income attributable to non-controlling interests	5,678	5,678

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,021	55,301	95,869	(4,654)	179,537
Cumulative effects of changes in accounting policies			(643)		(643)
Restated balance	33,021	55,301	95,225	(4,654)	178,893
Changes during period					
Dividends of surplus			(5,241)		(5,241)
Profit attributable to owners of parent			8,468		8,468
Purchase of treasury shares				(503)	(503)
Disposal of treasury shares		0		6	6
Cancellation of treasury shares		(4,799)		4,799	–
Transfer from retained earnings to capital surplus		4,791	(4,791)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(8)	(1,564)	4,302	2,729
Balance at end of period	33,021	55,292	93,661	(351)	181,623

(Millions of yen)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17,171	(115)	2,137	417	3,098	22,708	32,324	234,570
Cumulative effects of changes in accounting policies						–		(643)
Restated balance	17,171	(115)	2,137	417	3,098	22,708	32,324	233,927
Changes during period								
Dividends of surplus								(5,241)
Profit attributable to owners of parent								8,468
Purchase of treasury shares								(503)
Disposal of treasury shares								6
Cancellation of treasury shares								–
Transfer from retained earnings to capital surplus								–
Net changes in items other than shareholders' equity	(990)	(678)		6,746	5,823	10,901	2,380	13,281
Total changes during period	(990)	(678)	–	6,746	5,823	10,901	2,380	16,011
Balance at end of period	16,180	(794)	2,137	7,163	8,922	33,609	34,705	249,938

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,021	55,292	93,661	(351)	181,623
Hyperinflation adjustment			(401)		(401)
Beginning balance reflecting hyperinflationary adjustments	33,021	55,292	93,259	(351)	181,222
Changes during period					
Dividends of surplus			(4,025)		(4,025)
Profit attributable to owners of parent			13,925		13,925
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		32	32
Transfer from retained earnings to capital surplus		0	(0)		–
Purchase of investments in capital of consolidated subsidiaries		(2,091)			(2,091)
Reversal of revaluation reserve for land			342		342
Net changes in items other than shareholders' equity					–
Total changes during period	–	(2,091)	10,243	30	8,182
Balance at end of period	33,021	53,201	103,503	(321)	189,404

(Millions of yen)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,180	(794)	2,137	7,163	8,922	33,609	34,705	249,938
Hyperinflation adjustment				2,019		2,019		1,617
Beginning balance reflecting hyperinflation adjustments	16,180	(794)	2,137	9,182	8,922	35,628	34,705	251,556
Changes during period								
Dividends of surplus								(4,025)
Profit attributable to owners of parent								13,925
Purchase of treasury shares								(2)
Disposal of treasury shares								32
Transfer from retained earnings to capital surplus								–
Purchase of investments in capital of consolidated subsidiaries								(2,091)
Reversal of revaluation reserve for land								342
Net changes in items other than shareholders' equity	(2,006)	343	(342)	9,544	(1,895)	5,643	5,507	11,151
Total changes during period	(2,006)	343	(342)	9,544	(1,895)	5,643	5,507	19,333
Balance at end of period	14,173	(450)	1,794	18,727	7,026	41,272	40,213	270,890

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	19,246	27,137
Depreciation	18,207	20,954
Impairment losses	5,779	2,912
Amortization of goodwill	659	308
Loss (gain) on valuation of investment securities	28	–
Loss (gain) on sale of investment securities	(116)	(2,185)
Gain on sale of investments in capital of subsidiaries	(547)	–
Loss (gain) on liquidation of subsidiaries	–	(473)
Increase (decrease) in allowance for doubtful accounts	40	(16)
Increase (decrease) in retirement benefit liability	(86)	(1,477)
Interest and dividend income	(681)	(1,024)
Interest expenses	946	3,295
Foreign exchange losses (gains)	(956)	433
Loss (gain) on sale of non-current assets	(621)	(2,862)
Loss on retirement of non-current assets	715	576
Gain on bargain purchase	(710)	–
Factory relocation expenses	1,239	–
Loss on tax purpose reduction entry of non-current assets	–	384
Gain on receipt of national subsidies	–	(352)
Share of loss (profit) of entities accounted for using equity method	(2,590)	2,832
Gain on net monetary position	–	(585)
Loss (gain) on step acquisitions	–	(1,010)
Decrease (increase) in trade receivables and contract assets	(5,579)	(5,378)
Increase (decrease) in contract liabilities	740	73
Decrease (increase) in inventories	(18,794)	(10,857)
Increase (decrease) in trade payables	7,597	2,934
Other, net	(2,658)	(139)
	Subtotal	35,478
Interest and dividends received	1,524	1,912
Interest paid	(946)	(3,295)
Factory relocation expenses paid	(237)	–
Income taxes paid	(9,318)	(5,764)
Net cash provided by (used in) operating activities	12,879	28,330

	(Millions of yen)	
	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,024)	(30,928)
Proceeds from sale of property, plant and equipment	706	4,050
Purchase of intangible assets	(143)	(623)
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	149	2,926
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,819)	(447)
Payments for investments in capital of subsidiaries and associates	–	(1,560)
Purchase of shares of subsidiaries and associates	(150)	–
Subsidies received	–	352
Loan advances	(480)	(5)
Proceeds from collection of loans receivable	185	77
Other, net	(624)	(405)
Net cash provided by (used in) investing activities	(30,204)	(26,567)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	10,657	13,516
Proceeds from long-term borrowings	12,365	10,774
Repayments of long-term borrowings	(7,481)	(3,857)
Purchase of treasury shares	(503)	(2)
Proceeds from disposal of treasury shares	6	32
Dividends paid	(5,241)	(4,025)
Dividends paid to non-controlling interests	(3,271)	(4,366)
Purchase of investments in capital of subsidiaries not resulting in change in scope of consolidation	–	(2,230)
Other, net	(1,328)	(1,014)
Net cash provided by (used in) financing activities	5,203	8,826
Effect of exchange rate change on cash and cash equivalents	2,159	692
Adjustment for hyperinflation	–	(1,099)
Net increase (decrease) in cash and cash equivalents	(9,962)	10,182
Cash and cash equivalents at beginning of period	35,807	25,845
Cash and cash equivalents at end of period	25,845	36,027

(5) Notes on the Consolidated Financial Statements

(Note on the going-concern assumption)

Not applicable

(Basis of preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: Fifty-three (53) companies

Names of major consolidated subsidiaries:

GS Yuasa International Ltd.

GS Yuasa Battery Ltd.

GS Yuasa Energy Co., Ltd.

GS Yuasa Technology Ltd.

IGYA was included in the scope of consolidation following the acquisition of additional shares in the company and making it a subsidiary.

In addition, YTTL International Holding Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation following its liquidation.

(2) Number of non-consolidated subsidiaries: Five (5) companies

The major non-consolidated subsidiary is GS Yuasa Chuo Sales Ltd.

(Reason for excluding from the consolidation)

These non-consolidated subsidiaries are small in scale and have no material impact on consolidated financial statements in terms of their total assets, net sales, profit/loss (amounts attributable to the equity) and retained earnings (amounts attributable to the equity), and are therefore excluded from the scope of consolidation.

2. Application of the equity method

(1) Non-consolidated subsidiaries and associates accounted for under the equity method: Twelve (12) companies

Major non-consolidated subsidiaries and associates accounted for under the equity method:

SEBANG GLOBAL BATTERY Co., Ltd.

PT. GS Battery

IGYA was removed from the scope of subsidiaries and associates accounted for under equity method following the acquisition of additional shares in the company and making it a subsidiary.

(2) Five (5) non-consolidated subsidiaries and five (5) associates are not accounted for under the equity method because they are insignificant in terms of their impact on the Company's profit/loss (amounts attributable to the equity) and retained earnings (amounts attributable to the equity), as well as in terms of their importance to the Group.

(3) For equity method-applied companies with fiscal year-end dates that differ from the consolidated fiscal year-end date, the financial statements that were closed at their fiscal year-end dates or provisionally closed at the consolidated fiscal year-end date were used for consolidation.

3. Fiscal year-end date of consolidated subsidiaries and related matters

The fiscal year-end date for Yuasa Battery (Thailand) Pub. Co., Ltd. is December 31.

Consolidated financial statements were prepared using the financial statements as of its fiscal year-end date instead of using its financial statements provisionally closed at the consolidated

fiscal year-end date. However, for important transactions that took place between the fiscal year-end date of the company and the consolidated year-end date, adjustments necessary for consolidation were performed.

4. Accounting policies

(1) Valuation standards and methods for principal assets

1) Securities

i. Subsidiaries' and associates' shares:

The moving-average cost method is used.

ii. Available-for-sale securities

Those other than shares, etc. with no market price:

Market value method

(The differences between market price and acquisition cost are incorporated into net assets in full. Costs of securities sold are computed with the moving-average cost method.)

Shares, etc. with no market price:

The moving-average cost method is used.

2) Derivatives

The market value method is used.

3) Inventories

Merchandise and finished goods, work in process, raw materials and supplies:

Periodic average method is mainly used (for the book value on the balance sheets, devaluation is applied based on reduction of profitability).

(2) Depreciation/amortization of principal non-current assets

1) Property, plant and equipment (except for leased assets)

The straight-line method is used.

Assets held by the Company or its domestic consolidated subsidiaries with acquisition price of ¥100 thousand or more and less than ¥200 thousand are depreciated using the straight-line method over three years.

The principal useful lives are as follows.

Buildings and structures: 5 to 50 years

Machinery, equipment and vehicles: 2 to 18 years

2) Intangible assets (except for leased assets)

The straight-line method is used.

3) Leased assets

(Finance leases for which ownership of the leased assets does not transfer to the lessees)

These assets are depreciated with the straight-line method assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

4) Right-of-use assets

The straight-line method is used based on the lease term.

(3) Amortization method for deferred assets

Bond issuance costs: Amortized with the straight-line method over the bond redemption period (5 and 10 years).

(4) Accounting standards for principal provisions and allowances

1) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiaries provide allowances for the amount not expected to be recovered from doubtful receivables based on the historical loan-loss ratio. For loans and receivables requiring special attention, an allowance is provided for the estimated uncollectible amounts after reviewing collectability of receivables individually.

Foreign consolidated subsidiaries provide allowances for doubtful accounts mainly estimated through analysis of individual receivables.

- 2) Provision for bonuses for directors (and other officers)
To prepare for the payment of bonuses to directors, a provision is recorded based on the amount expected to be paid.
- 3) Provision for retirement benefits for directors (and other officers)
To prepare for the payment of retirement benefits for directors and executive officers, the necessary amount at the end of the fiscal year is recorded in accordance with internal regulations of certain consolidated subsidiaries.
- (5) Accounting treatment for retirement benefits
To prepare for the payment of employee retirement benefits, retirement benefit liability is recorded in the amount calculated by subtracting the value of plan assets from the amount of retirement benefit obligations estimated on March 31, 2023.
 - 1) The method for attributing expected pension benefits to periods of employee service
For calculation of retirement benefit obligations, the benefit formula is applied to attribute expected pension benefits for the period up to the end of the fiscal year under review (March 31, 2023).
 - 2) Actuarial gains or losses and prior service cost
The amounts of retirement benefit plans of some subsidiaries with an established retirement benefits trust are recorded to expenses.
Prior service cost is amortized using mainly the straight-line method over a certain number of years (14 years), which is within the average remaining service periods of employees at the time when the service cost incurred.
Actuarial gains or losses are amortized from the fiscal year that starts after the accrual of the gains or losses using the straight-line method over a certain number of years (mainly 9 to 14 years) within the average remaining service periods of the employees who will receive the benefits.
Unrecognized actuarial gains or losses and unrecognized prior service cost are recorded in accumulated other comprehensive income of the net assets under the account "remeasurements of defined benefit plans" after being adjusted with tax effects.
- (6) Standards for recognition of revenues and expenses
The details of the main performance obligations related to revenues generated from contracts with customers of the Company and its consolidated subsidiaries and the normal timing for satisfying the performance obligations (normal timing for recognizing revenues), etc. are as follows.
Compensation for these performance obligations is received within approximately one year after they are fulfilled, and does not include any significant financial factors.
 - 1) Sale of goods and products
The main business of the Company and its consolidated subsidiaries is the manufacture and sale of batteries, power supplies, lighting equipment, and other battery and electrical equipment. We recognize revenue from the sale of such goods and products once our obligations have been fulfilled and control has been transferred to the customer. As a rule, this is the time at which the goods and products have been delivered or the time as specified in International Commercial Terms. The Company recognizes revenue at the time of shipment for domestic transactions when control over the product is transferred to customers in a normal period after the shipment, in line with paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition.
Sales contracts for batteries and other items include variable consideration because they are sold with discounts based on the sales volume. When selling with a discount, the transaction price is calculated by deducting the estimated amount of the discount, etc. from the consideration promised to the customer in the contract.
 - 2) Provision of services
The Company and its consolidated subsidiaries provide services such as work related to the installation of batteries and power supplies. With regard to such installation work, etc., the performance obligation is considered to have been satisfied once the service provision is completed, and revenue is recognized at that time.

Batteries, devices, equipment, etc. and contract work, etc. are usually sold together. For products where delivery and installation work are identified as separate performance obligations, transaction prices are allocated to each obligation according to the ratios of the observable prices such as the contract amount and the stand-alone selling price estimated by the sum of the estimated cost of the product plus an appropriate margin.

(7) Standards for translating principal assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency denominated claims and liabilities are translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date. Currency translation gains or losses are recorded on the statement of income as such. The assets and liabilities of foreign consolidated subsidiaries are also translated into Japanese yen at the spot rate prevailing on their balance sheet date, while their revenues and expenses are translated into Japanese yen at the average rate for the period. Any translation gains or losses are recorded in the net assets under the account "foreign currency translation adjustment" and "non-controlling interests."

However, revenues and expenses of subsidiaries in hyperinflationary economies are translated into Japanese yen at the spot rate prevailing on their balance sheet date, as hyperinflationary accounting will be applied.

(8) Method of significant hedge accounting

1) Hedge accounting

Deferred hedge accounting is adopted. Exchange forward contracts that meet specific conditions are converted at a preset rate, while interest rate swap contracts that meet specific conditions are handled with a specific accounting method.

2) Hedging instruments and hedged transactions

Hedging instruments: Interest rate swaps, exchange forward contracts, commodity swaps, and currency swaps

Hedged transactions: Interest on borrowings, foreign currency denominated claims and liabilities, and trade payables

3) Hedging policy

i. In accordance with internal rules and in order to reduce the risk of interest rate fluctuations, the Company utilizes interest rate swap hedging instruments in which the contract amounts, conditions for receiving and paying interests, and contract terms match those for the hedged transactions.

ii. The Company utilizes exchange forward contracts and currency swap contracts with an aim to reduce risks associated with future interest rate fluctuations against import/export transactions and foreign currency denominated debt that are conducted or incurred in the ordinary business process.

iii. The Company utilizes commodity swaps to reduce price fluctuation risks for lead, etc., the principal raw material for its business.

4) Method for evaluating effectiveness of hedges

The Company evaluates the effectiveness of hedges by comparing the accumulated change in market values of the hedging instrument and of the targeted hedged transaction over the period from the commencement of the hedge transaction to the time for evaluation. For interest rate swaps which adopt a specific accounting method, evaluation is omitted.

(9) Amortization method and period for goodwill

In principal, goodwill is amortized over five years on a pro-rata basis.

(10) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand, and short-term investments with maturities of three months or less at the date of acquisition and that represent a minor risk of fluctuation in value.

(11) Other important information on preparation of the Consolidated Financial Statements

1) Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

From the fiscal year ended March 31, 2023, the Company and some of its domestic consolidated subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system. In accordance with this, the accounting procedures and disclosure of corporate and local income taxes and tax effect accounting are based on the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021; hereinafter “Practical Solution No. 42”). Also, in accordance with paragraph 32 (1) of Practical Solution No. 42, the Company has assumed that there is no impact of the change in accounting policy due to the application of Practical Solution No. 42.

2) Accounting procedures in hyperinflationary economies

During the fiscal year ended March 31, 2023, since the cumulative three-year inflation rate in Turkey exceeded 100%, the GS Yuasa Group determined that its subsidiary in Turkey, whose functional currency is the Turkish lira, is operating in a hyperinflationary economy. Therefore, the GS Yuasa Group has made accounting adjustments to the financial statements of its Turkish subsidiary in accordance with the requirements set forth in IAS 29 “Financial Reporting in Hyperinflationary Economies.” IAS 29 requires that the financial statements of subsidiaries in a hyperinflationary economy be restated by applying the unit of measurement as of the end of the reporting period before inclusion in the consolidated financial statements. The Group uses conversion factors calculated from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TURKSTAT) for the purpose of adjusting the financial statements of its subsidiary in Turkey. For the subsidiary in Turkey, non-monetary items such as property, plant, and equipment presented at cost are adjusted using conversion factors based on the acquisition date or the reevaluation date. Monetary and non-monetary items presented at current cost are not adjusted, since they are considered to be presented in the unit of measurement as of the end of the reporting period. The effect of inflation on net monetary items is presented in non-operating income/loss in the consolidated statements of income. The financial statements of the Turkish subsidiary are translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date and reflected in the consolidated financial statements of the GS Yuasa Group.

In line with this, the cumulative effect of retrospective application of this accounting standard was a decrease of ¥401 million in the beginning balance of retained earnings and an increase of ¥2,019 million in the beginning balance of foreign currency translation adjustments for the fiscal year ended March 31, 2023.

(Changes in accounting policy)

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Implementation Guidance on Accounting Standard for Fair Value Measurement”) from the beginning of the fiscal year ended March 31, 2023, and in accordance with the transitional measures set forth in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy stipulated in Implementation Guidance on Accounting Standard for Fair Value Measurement shall be applied going forward.

The above standards have no material impact on the consolidated financial statements.

(Additional information)

(Accounting estimates connected to the spread of COVID-19 infections)

With respect to the assumptions underlying accounting estimates for the impact of COVID-19 infections on the GS Yuasa Group’s business in the financial statements for the fiscal year ended March 31, 2023, there are no material differences with the content stated in the (Additional information) section of the statutory financial report for the fiscal year ended March 31, 2022.

(Segment and other information)

Segment information

1. Overview of reportable segments

The Company’s reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to

enable the Company's board of directors to decide how to allocate resources and assess performance.

The GS Yuasa Group consists of segments based on business units, and the reportable segments comprised Automotive Batteries-Japan, Automotive Batteries-Overseas, Industrial Batteries and Power Supplies, and Automotive Lithium-ion Batteries.

The Automotive Batteries-Japan segment consists of the manufacturing and marketing of lead-acid storage batteries for automobiles. The Automotive Batteries-Overseas segment consists of the manufacturing and marketing of batteries overseas. The Industrial Batteries and Power Supplies segment consists of the manufacturing and marketing of industrial batteries and power supplies. The Automotive Lithium-ion Batteries segment consists of the manufacturing and marketing of lithium-ion batteries for automobiles.

2. Calculation of net sales, profit/loss, assets, and other amounts by reportable segment
Accounting methods applied in the reportable segments are largely in line with those presented under "Basis of preparation of consolidated financial statements."

Reportable segment profit is based on operating profit (before goodwill amortization).

Inter-segment sales and transfers are mainly based on market price and cost of goods manufactured.

3. Net sales, profit/loss, assets, and other amounts by reportable segment

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Other (note)	Total
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total		
	Japan	Overseas	Subtotal					
Net sales								
Revenues from external customers	81,494	186,743	268,237	99,465	47,637	415,341	16,791	432,133
Transactions with other segments	1,349	3,929	5,278	16,741	8,956	30,976	(30,976)	–
Total	82,844	190,672	273,516	116,206	56,594	446,318	(14,184)	432,133
Segment profit	5,878	9,965	15,843	5,775	1,654	23,273	579	23,853
Segment assets	61,202	186,413	247,616	72,920	62,938	383,474	97,288	480,763
Other items								
Depreciation/amortization	2,862	4,908	7,770	1,624	3,280	12,675	5,531	18,207
Investments in entities accounted for using equity method	1,286	34,003	35,290	456	–	35,746	3,630	39,377
Increase in property, plant and equipment, and intangible assets	3,796	5,279	9,076	1,347	10,972	21,395	7,180	28,575

- Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment profit adjustment.
2. Adjustments are as follows:
- (1) Adjustment for segment profit was ¥(857) million, which includes ¥37 million elimination of inter-segment transactions and ¥(894) million of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
 - (2) Adjustment for segment assets was ¥83,569 million, which includes ¥(117,095) million elimination of inter-segment claims and debts, and ¥200,664 million of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, assets allocated to administrative departments and some laboratory facilities.
 - (3) Adjustment for depreciation/amortization was ¥4,143 million consisting of depreciation and amortization charges for corporate assets.
 - (4) Adjustment for increase in property, plant and equipment, and intangible assets was ¥6,766 million consisting of the acquisition price of property, plant and equipment, and intangible assets classified as corporate assets.
3. The difference between the total segment profit in the table above and operating profit of ¥22,664 million on the consolidated statements of income represents amortization of goodwill and other intangible assets of ¥(1,188) million. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment						Other (note)	Total
	Automotive Batteries			Industrial Batteries and Automotive Lithium-ion Power Batteries Supplies		Total		
	Japan	Overseas	Subtotal					
Net sales								
Revenues from external customers	87,802	247,329	335,131	99,204	65,355	499,691	18,043	517,735
Transactions with other segments	1,271	4,412	5,684	15,931	2,842	24,458	(24,458)	–
Total	89,073	251,741	340,815	115,136	68,197	524,149	(6,414)	517,735
Segment profit	6,547	13,345	19,892	8,808	1,986	30,687	1,387	32,074
Segment assets	63,687	214,772	278,459	75,731	70,280	424,472	116,434	540,906
Other items								
Depreciation/amortization	2,646	6,725	9,372	1,750	4,103	15,226	5,728	20,954
Investments in entities accounted for using equity method	1,364	36,741	38,106	509	–	38,616	233	38,849
Increase in property, plant and equipment, and intangible assets	2,764	10,952	13,717	4,262	7,166	25,146	7,654	32,800

Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment profit adjustment.

2. Adjustments are as follows:

- (1) Adjustment for segment profit was ¥(1,229) million, which includes ¥(158) million elimination of inter-segment transactions and ¥(1,070) million of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
- (2) Adjustment for segment assets was ¥105,407 million, which includes ¥(106,179) million elimination of inter-segment claims and debts, and ¥211,587 million of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, assets allocated to administrative departments and some laboratory facilities.
- (3) Adjustment for depreciation/amortization was ¥4,396 million consisting of depreciation and amortization charges for corporate assets.
- (4) Adjustment for increase in property, plant and equipment, and intangible assets was ¥7,291 million consisting of the acquisition price of property, plant and equipment, and intangible assets classified as corporate assets.

3. The difference between the total segment profit in the table above and operating profit of ¥31,500 million on the consolidated statements of income represents amortization of goodwill and other intangible assets of ¥(574) million. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

4. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

For domestic consolidated subsidiaries, impairment losses were recognized as extraordinary losses for the fiscal year ended March 31, 2022 amounting to ¥104 million for the automotive batteries-Japan segment, ¥10 million for the industrial batteries and power supplies segment and ¥403 million for the other segment, associated with the Company's decision to withdraw from the Odawara Plant.

For overseas consolidated subsidiaries, an impairment loss of ¥4,943 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2022 in the automotive batteries-overseas segment to reflect diminished profitability of operations that utilize non-current assets. For domestic consolidated subsidiaries, an impairment loss of ¥318 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2022 in the other segment to reflect the notion that certain non-current assets under development are no longer deemed to have future commercial feasibility.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

For domestic consolidated subsidiaries, an impairment loss of ¥1,619 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2023 in the automotive lithium-ion batteries segment to reflect diminished profitability of operations that utilize non-current assets. For overseas consolidated subsidiaries, an impairment loss of ¥1,293 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2023 in the automotive lithium-ion batteries segment to reflect diminished profitability of operations that utilize non-current assets.

(Material gain on bargain purchase)

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

In the industrial batteries and power supplies segment, a material gain on bargain purchase was recognized through the acquisition of all shares of Sanken Densetsu Co., Ltd. (company name changed to GS Yuasa Infrastructure Systems Co., Ltd. on May 1, 2021) and said company's subsequent consolidation as a subsidiary. The amount of gain on bargain purchase recorded in the fiscal year ended March 31, 2022, due to this event was ¥710 million.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Not applicable

(Significant changes in the amount of goodwill)

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Not applicable

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

In the automotive batteries-overseas segment, IGYA was included in the scope of consolidation from the fiscal year ended March 31, 2023, due to the additional acquisition of its shares. As a result of this acquisition, the amount of goodwill increased by ¥1,280 million during the fiscal year ended March 31, 2023.

(Per share information)

Year ended March 31, 2022		Year ended March 31, 2023	
Net assets per share	¥2,675.70	Net assets per share	¥2,867.23
Basic earnings per share	¥105.23	Basic earnings per share	¥173.11

Notes: 1. Diluted earnings per share is not provided here, as there are no residual securities.

2. Bases for calculation of basic earnings per share are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	8,468	13,925
Amount not attributable to common stockholders (millions of yen)	–	–
Profit attributable to common stockholders of parent (millions of yen)	8,468	13,925
Average number of common stock shares during term (thousands of shares)	80,475	80,448

Note: The Company has introduced the Performance-Based Stock Compensation Plan for its directors (excluding outside directors) and set up the Officer Stock Grant Trust. The Company's own shares held by the trust are included in the number of treasury shares presented in the consolidated financial statements. In line with this, for the calculation of basic earnings per share, the number of the Company's own shares held by the trust was included in the number of treasury shares that is subtracted from the average number of common stock shares during the term. In addition, for the calculation of net assets per share, the number of the Company's own shares held by the trust was included in the number of treasury shares that is deducted from the total number of shares issued at the end of the period.

The average number of treasury shares during the term deducted in the calculation of basic earnings per share was 68,247 shares in the previous fiscal year and 58,723 shares in the current fiscal year. For the calculation of net assets per share, the number of treasury shares deducted at the end of the period was 67,200 shares in the previous fiscal year and 53,300 shares in the current fiscal year.

(Significant subsequent events)

(Basic agreement toward establishment of a joint venture company)

GS Yuasa International Ltd. (hereinafter "GS Yuasa"), which is a consolidated subsidiary of the Company, has reached a basic agreement with Honda Motor Co., Ltd. (hereinafter "Honda") toward collaboration for a high-capacity, high-output lithium-ion battery, and progress has been made in putting this collaboration into practice.

GS Yuasa passed its resolution on the establishment of the joint venture company of both parties at its meeting of the Board of Directors held on April 24, 2023, and concluded the joint venture basic agreement.

(1) Purpose of the establishment

The new company formed as a joint venture of the two companies aims to conduct research and development of lithium-ion batteries and battery production methods that will be highly competitive in a global scale while working to establish a supply chain for key raw materials and a highly-efficient battery production system in order to address the rapidly growing demand for batteries.

(2) Overview of the joint venture company

1) Company name	Honda GS Yuasa EV Battery R&D Co., Ltd
2) Head office	1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto, Japan
3) Title and name of the representative	Koichi Yamamoto, Representative Director and President
4) Capital and legal capital surplus at establishment	Capital: ¥2.0 billion Legal capital surplus: ¥2.0 billion
5) Description of business	Research and development of a high- capacity, high-output lithium-ion battery, primarily for EV use, and the required production methods To construct and manage an intellectual property portfolio comprising patents, etc. relating to the joint research and development Planning for products that utilize technologies resulting from the joint research and development, and planning for the required sales channels Designing of an efficient production operation including the supply chain for key raw materials etc.
6) Date of establishment	Dates for the establishment and commencement of business operations are scheduled to occur during 2023.
7) Ownership (%)	Honda 50%, GS Yuasa 50%

4. Production, Order Intake and Sale

(1) Production results

Production results by segment for the year ended March 31, 2023

(Millions of yen, unless otherwise stated)

Segment	Year ended March 31, 2023	Year-on-year change
	Amount	%
Automotive Batteries-Japan	71,607	105.7
Automotive Batteries-Overseas	181,032	126.8
Industrial Batteries and Power Supplies	65,456	90.4
Automotive Lithium-ion Batteries	67,908	130.6
Total reportable segments	386,004	115.2
Other	14,565	103.5
Total	400,570	114.8

Notes: 1. These amounts are based on the cost of production and before adjustment of inter-segment transfer.

2. Exclusive of consumption taxes.

(2) Order intake

Not applicable, because except for certain products such as large size batteries and large scale power supplies, the GS Yuasa Group manufactures products based mainly on a make-to-stock strategy.

(3) Sales results

Sales results by segment for the year ended March 31, 2023

(Millions of yen, unless otherwise stated)

Segment	Year ended March 31, 2023	Year-on-year change
	Amount	%
Automotive Batteries-Japan	87,802	107.7
Automotive Batteries-Overseas	247,329	132.4
Industrial Batteries and Power Supplies	99,204	99.7
Automotive Lithium-ion Batteries	65,355	137.2
Total reportable segments	499,691	120.3
Other	18,043	107.5
Total	517,735	119.8

Notes: 1. Inter-segment transactions are offset and eliminated.

2. Exclusive of consumption taxes.

5. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

	As of March 31, 2022 Amount	(Millions of yen) As of March 31, 2023 Amount
Assets		
Current assets		
Cash and deposits	765	12,770
Accounts receivable - trade	363	376
Short-term loans receivable from subsidiaries and associates	11,340	8,612
Accounts receivable - other	3,786	970
Other	12	29
Total current assets	16,269	22,761
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures, net	0	0
Total property, plant and equipment	0	0
Investments and other assets		
Investment securities	351	353
Shares of subsidiaries and associates	79,722	79,722
Long-term loans receivable from subsidiaries and associates	98,627	98,572
Deferred tax assets	10	13
Other	17	1
Total investments and other assets	178,729	178,663
Total non-current assets	178,729	178,663
Deferred assets		
Bond issuance costs	39	26
Total deferred assets	39	26
Total assets	195,038	201,451

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
	Amount	Amount
Liabilities		
Current liabilities		
Short-term borrowings	3,059	2,270
Commercial papers	2,000	–
Current portion of bonds payable	–	10,000
Current portion of long-term borrowings	700	7,512
Accounts payable - other	3,646	884
Accrued expenses	44	55
Income taxes payable	149	170
Provision for bonuses for directors (and other officers)	10	10
Other	41	17
Total current liabilities	9,653	20,919
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term borrowings	33,912	37,100
Long-term accounts payable - other	3	–
Other	46	51
Total non-current liabilities	53,961	47,151
Total liabilities	63,614	68,071
Net assets		
Shareholders' equity		
Share capital	33,021	33,021
Capital surplus		
Legal capital surplus	79,336	79,336
Other capital surplus	–	–
Total capital surplus	79,336	79,336
Retained earnings		
Other retained earnings		
Retained earnings brought forward	19,361	21,285
Total retained earnings	19,361	21,285
Treasury shares	(351)	(321)
Total shareholders' equity	131,367	133,322
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	56	57
Total valuation and translation adjustments	56	57
Total net assets	131,423	133,380
Total liabilities and net assets	195,038	201,451

(2) Non-consolidated Statement of Income

	Year ended March 31, 2022	(Millions of yen) Year ended March 31, 2023
	Amount	Amount
Operating revenue	5,802	5,814
General and administrative expenses	894	1,070
Operating profit	4,907	4,744
Non-operating income		
Interest and dividend income	2,121	2,381
Other	12	24
Total non-operating income	2,134	2,405
Non-operating expenses		
Interest expenses	144	229
Interest expenses on bonds	64	64
Other	118	95
Total non-operating expenses	326	388
Ordinary profit	6,714	6,761
Profit before income taxes	6,714	6,761
Income taxes - current	803	815
Income taxes - deferred	1	(4)
Total income taxes	804	811
Profit	5,909	5,950

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Retained earnings brought forward		
Balance at beginning of period	33,021	79,336	8	79,345	23,484	(4,654)	131,196	
Changes during period								
Dividends of surplus					(5,241)		(5,241)	
Profit					5,909		5,909	
Purchase of treasury shares						(503)	(503)	
Disposal of treasury shares			0	0		6	6	
Cancellation of treasury shares			(4,799)	(4,799)		4,799	-	
Transfer from retained earnings to capital surplus			4,791	4,791	(4,791)		-	
Net changes in items other than shareholders' equity							-	
Total changes during period	-	-	(8)	(8)	(4,122)	4,302	171	
Balance at end of period	33,021	79,336	-	79,336	19,361	(351)	131,367	

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	44	44	131,240
Changes during period			
Dividends of surplus			(5,241)
Profit			5,909
Purchase of treasury shares			(503)
Disposal of treasury shares			6
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Net changes in items other than shareholders' equity	11	11	11
Total changes during period	11	11	183
Balance at end of period	56	56	131,423

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Retained earnings brought forward		
Balance at beginning of period	33,021	79,336	–	79,336	19,361	(351)	131,367	
Changes during period								
Dividends of surplus					(4,025)		(4,025)	
Profit					5,950		5,950	
Purchase of treasury shares						(2)	(2)	
Disposal of treasury shares			(0)	(0)		32	32	
Transfer from retained earnings to capital surplus			0	0	(0)		–	
Net changes in items other than shareholders' equity							–	
Total changes during period	–	–	–	–	1,924	30	1,954	
Balance at end of period	33,021	79,336	–	79,336	21,285	(321)	133,322	

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	56	56	131,423
Changes during period			
Dividends of surplus			(4,025)
Profit			5,950
Purchase of treasury shares			(2)
Disposal of treasury shares			32
Transfer from retained earnings to capital surplus			–
Net changes in items other than shareholders' equity	1	1	1
Total changes during period	1	1	1,956
Balance at end of period	57	57	133,380

(4) Notes on the Non-consolidated Financial Statements

(Note on the going-concern assumption)

Not applicable

(Changes in accounting policy)

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Implementation Guidance on Accounting Standard for Fair Value Measurement”) from the beginning of the fiscal year ended March 31, 2023, and in accordance with the transitional measures set forth in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy stipulated in Implementation Guidance on Accounting Standard for Fair Value Measurement shall be applied going forward.

The above standards have no material impact on the financial statements in the current fiscal year.

6. Other

(1) Corporate Officer Changes (scheduled for June 29, 2023)

1. Change of President

Not applicable

2. Changes of Representative Directors

Not applicable

3. Other Officer Changes

1) Officer changing titled position

Masahiro Shibutani Executive Vice President (current: Senior Managing Director)

2) Candidate for new Audit & Supervisory Board Member

Masaya Nakagawa Audit & Supervisory Board Member (Full-time) (current:
Director, GS Yuasa International Ltd.)

3) Retiring Audit & Supervisory Board Member

Masayuki Murakami Audit & Supervisory Board Member (Full-time)

Reference

(1) Quarterly profit/loss

Fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	111,429	123,794	139,655	142,854	235,224	374,880	517,735
Operating profit	3,570	4,653	10,770	12,505	8,224	18,994	31,500
Ordinary profit	2,246	3,769	10,048	8,150	6,015	16,063	24,213
Profit attributable to owners of parent	612	1,100	6,135	6,076	1,713	7,849	13,925

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	95,458	99,666	118,022	118,986	195,124	313,146	432,133
Operating profit	3,210	2,016	8,675	8,761	5,226	13,902	22,664
Ordinary profit	4,268	2,301	9,507	8,607	6,569	16,076	24,684
Profit attributable to owners of parent	2,681	(473)	1,141	5,119	2,207	3,348	8,468

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	76,376	95,949	105,691	108,494	172,325	278,016	386,511
Operating profit	1,002	4,292	9,089	10,426	5,294	14,383	24,810
Ordinary profit	1,699	4,800	10,123	10,655	6,500	16,623	27,279
Profit attributable to owners of parent	(27)	149	5,546	5,787	121	5,667	11,455

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	90,082	100,331	102,662	102,476	190,414	293,077	395,553
Operating profit	2,040	5,508	6,872	7,254	7,549	14,421	21,676
Ordinary profit	2,873	5,551	7,499	7,185	8,424	15,924	23,109
Profit attributable to owners of parent	1,473	3,300	4,430	4,469	4,774	9,204	13,674

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	96,256	99,158	110,230	107,442	195,415	305,646	413,089
Operating profit	2,917	4,038	7,358	8,339	6,956	14,315	22,654
Ordinary profit	3,165	4,327	8,308	8,927	7,492	15,800	24,728
Profit attributable to owners of parent	1,430	2,023	6,636	3,433	3,454	10,090	13,524

Overview of Results for the Year ended March 31, 2023

(Millions of yen, unless otherwise stated)

	17th term	18th term	19th term	Year-on-year change (b) – (a)	Year-on-year change (%)	20th term
	Year ended March 31, 2021	Year ended March 31, 2022 (a)	Year ended March 31, 2023 (b)			Year ending March 31, 2024 (forecast)
Net sales	386,511	432,133	517,735	85,601	19.8	580,000
Automotive Batteries-Japan	83,639	81,494	87,802	6,307	7.7	94,000
Automotive Batteries-Overseas	165,296	186,743	247,329	60,586	32.4	252,000
Industrial Batteries and Power Supplies	84,037	99,465	99,204	(261)	(0.3)	111,000
Automotive Lithium-ion Batteries	35,950	47,637	65,355	17,717	37.2	103,000
Other	17,587	16,791	18,043	1,251	7.5	20,000
Operating profit	24,810	22,664	31,500	8,835	39.0	33,000
Operating profit before amortization of goodwill	27,069	23,853	32,074	8,221	34.5	34,000
Automotive Batteries-Japan	8,669	5,878	6,547	669	11.4	5,500
Automotive Batteries-Overseas	12,225	9,965	13,345	3,380	33.9	15,000
Industrial Batteries and Power Supplies	6,890	5,775	8,808	3,032	52.5	9,000
Automotive Lithium-ion Batteries	(852)	1,654	1,986	331	20.1	4,000
Other	136	579	1,387	807	139.3	500
Ordinary profit	27,279	24,684	24,213	(470)	(1.9)	27,000
Profit attributable to owners of parent	11,455	8,468	13,925	5,457	64.5	14,000
Profit attributable to owners of parent before amortization of goodwill	13,538	9,498	14,435	4,937	52.0	15,000
Profit per share (yen)	141.91	105.23	173.11	67.88	64.5	174.03
Annual dividend per share (yen)	50.00	50.00	50.00	–	–	50.00
Acquisition of treasury shares (planned for the following fiscal year)	–	–	–	–	–	–
Total return ratio (profit before amortization of goodwill) (%)	29.8	42.4	27.9	(14.5)	–	–
Capital investment	23,159	29,909	32,800	2,891	9.7	51,000
Depreciation/amortization	16,210	16,775	20,954	4,179	24.9	21,000
Research and development expenses	11,201	12,383	12,622	239	1.9	14,000
Cash flows from operating activities	35,817	12,879	28,330	15,451	–	–
Cash flows from investing activities	(19,327)	(30,204)	(26,567)	3,636	–	–
Cash flows from financing activities	(7,018)	5,203	8,826	3,623	–	–
Cash and cash equivalents at end of period	35,807	25,845	36,027	10,182	39.4	–

	17th term	18th term	19th term	Year-on-year change (b) – (a)	Year-on-year change (%)	20th term
	Year ended March 31, 2021	Year ended March 31, 2022 (a)	Year ended March 31, 2023 (b)			Year ending March 31, 2024 (forecast)
Total assets	431,913	480,763	540,906	60,143	12.5	–
Net assets	234,570	249,938	270,890	20,951	8.4	–
Total debt	65,420	82,478	103,675	21,196	25.7	–
Equity ratio (%)	46.8	44.8	42.6	(2.2)	–	–
Return on equity (%) (Profit attributable to owners of parent before amortization of goodwill)	7.2	4.6	6.5	1.9	–	–
Net assets per share (yen)	2,509.08	2,675.70	2,867.23	191.53	7.2	–
Overseas sales ratio (%)	46.9	47.4	52.7	5.3	–	–
Number of employees, end of period (persons)	13,305	13,571	14,317	746	5.5	–
Number of consolidated subsidiaries	54	52	53	1	–	–
Japan	22	22	22	–	–	–
Overseas	32	30	31	1	–	–