



GS Yuasa Corporation  
1, Inobanba-cho, Nishinosho,  
Kisshoin, Minami-ku,  
Kyoto 601-8520, Japan  
<http://www.gs-yuasa.com/us/index.asp>

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**GS Yuasa Corporation**  
**Consolidated Earnings Report for the**  
**Nine Months ended December 31, 2012**  
**(Japanese GAAP)**

**1. Qualitative Information on Quarterly Financial Results**

**(1) Results of Operations**

**1). Overview**

In the first nine months of the fiscal year ending March 31, 2013 (April 1, 2012 – December 31, 2012), the business environment surrounding GS Yuasa remained severe. Despite robust domestic demand driven mainly by reconstruction projects, the Japanese economy lost momentum amid yen appreciation, deflation, and a decline in automobile sales as government incentives for the purchase of environmentally friendly vehicles were brought to a close in September. The global economy, meanwhile, also stalled due largely to the sovereign debt crisis and economic deterioration in Europe and a slowdown in China's economic growth.

In this environment, the GS Yuasa Group's net sales for the nine months ended December 31, 2012 totaled ¥195,878 million, a decrease of ¥9,375 million yen, or 4.6%, compared to the same period of the previous fiscal year. Although sales of new automobile batteries and power supply systems grew in Japan, sales declined in Southeast Asia and Europe and demand for electric vehicle lithium-ion batteries slumped.

In terms of profitability, operating income declined ¥2,464 million year on year, or 27.6%, to ¥6,463 million. While lead-acid batteries and other mainstay businesses performed well, the decline in electric vehicle lithium-ion batteries and the business's higher depreciation expenses dented profitability. Ordinary income declined by ¥1,842 million year on year, or 18.4%, to ¥8,159 million, despite increased equity in earnings of equity-method affiliates. Net income declined by ¥208 million year on year, or 3.6%, to ¥5,519 million, despite an improvement in the balance of extraordinary gains and losses.

The GS Yuasa Group is cooperating fully with authorities investigating into the causes of problems with the Boeing 787 jetliner in which lithium-ion batteries were installed that were manufactured within the Group.

**2). Business Segment Results**  
**(Domestic Automotive Batteries)**

Net sales in the domestic automotive batteries segment totaled ¥42,706 million for the first nine months ended December 31, 2012, a decline of ¥1,957 million, or 4.4%, compared with the same period of the previous fiscal year. Sales of mainstay lead-acid batteries increased, mainly for idle-stop vehicles and hybrid vehicles, while sales of automotive components were sluggish. Segment operating income increased ¥240 million, or 7.9%, year on year to ¥3,282 million, mainly as a result of lower materials costs accompanying price declines for lead, and the increase in lead-acid battery sales.

(Domestic Industrial Batteries and Power Supplies)

Net sales in the domestic industrial batteries and power supplies segment for the nine-month period totaled ¥49,105 million, a year-on-year increase of ¥1,676 million, or 3.5%. Sales of solar power generation equipment and industrial batteries for railway vehicles increased, while demand for small-scale chargers rebounded from the previous year, when it was impacted by the earthquake in Japan and flooding in Thailand. The segment's operating income totaled ¥5,080 million, a year-on-year increase of ¥695 million, or 15.9%

(Overseas Operations)

Net sales in overseas operations for the nine-month period totaled ¥90,029 million, a year-on-year decrease of ¥2,132 million, or 2.3%. While automotive battery sales volumes grew in China, there was a decline overall due to lower sales in Southeast Asia and Europe and the negative impact of yen appreciation. Operating income, however, totaled ¥5,280 million, a year-on-year increase of ¥1,299 million, or 32.7%, mainly as a result of lower prices for lead, a core material

(Lithium-ion Batteries)

Net sales in the lithium-ion batteries segment for the nine-month period totaled ¥6,658 million, a year-on-year decrease of ¥6,760 million, or 50.4%, mainly due to a decline in the sales of electric vehicle batteries. The segment's operating loss totaled ¥7,212 million, a year-on-year deterioration of ¥4,967 million as a result of the sales decline and higher depreciation expenses.

(Other)

Net sales in the other segment for the nine-month period totaled ¥7,379 million, a year-on-year decrease of ¥201 million, or 2.7%, due primarily to a decline in sales of facilities lighting equipment. The segment posted operating income of ¥31 million, a year-on-year improvement of ¥267 million, as a result of the improved profitability of specialty batteries

(2) Financial Condition

Total assets at the end of the third quarter (December 31, 2012) amounted to ¥280,345 million, an increase of ¥1,919 million from the end of the previous fiscal year due to an increase in property, plant and equipment resulting from new capital investments to increase production of lithium-ion automotive batteries.

Liabilities at the end of the third quarter totaled ¥144,133 million, an increase of ¥1,929 million from the end of the previous fiscal year, as an increase in borrowings outweighed a decline in accounts payable.

Net assets at the end of the third quarter totaled ¥136,211 million, a decrease of ¥9 million from the end of the previous fiscal year, as dividend payments and a decline in minority interests outweighed the booking of third-quarter net income and higher foreign currency translation adjustments.

(3) Consolidated Earnings Forecast

There is no change to the consolidated earnings forecast announced October 22, 2012

2. Other Information

(1) Changes Affecting the Status of Material Subsidiaries (Scope of Consolidation)

Not applicable.

(2) Use of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements

Regarding taxes, a reasonable estimate of the effective tax rate for the projected full-year pretax income for the current fiscal year, including the actual income figure for the nine months ended December 31, 2012, has been arrived at using the tax-effect accounting method. This estimated effective tax rate has been used to calculate taxes against income before taxes and minority interests for the nine months ended December 31, 2012.

### (3) Changes in Accounting Policy, Changes in Accounting Estimates, and Retrospective Restatement

#### *Change in depreciation method*

In response to Japan's recent corporate tax law amendments and effective from the first quarter of the fiscal year ending March 31, 2013, the method which GS Yuasa Corporation and its domestic consolidated subsidiaries use for depreciation of property, plant, and equipment acquired on or after April 1, 2012 will be adjusted to reflect the revised corporate tax code. The impact of this change is expected to be negligible.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	As of March 31, 2012 Amount	(Millions of yen) As of December 31, 2012 Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,692	10,684
Notes and accounts receivable	59,747	53,694
Marketable securities	5,801	-
Merchandise and finished goods	24,511	25,272
Work in process	7,616	10,605
Raw materials and supplies	8,316	8,425
Deferred tax assets	2,428	2,432
Other	17,880	9,446
Allowance for doubtful receivables	(309)	(316)
<b>Total current assets</b>	<b>136,685</b>	<b>120,245</b>
<b>Fixed assets</b>		
Property, plant, and equipment		
Buildings and structures, net	36,230	40,829
Machinery and equipment, net	23,654	23,902
Land	18,392	20,726
Lease assets, net	9,218	8,598
Construction in progress	11,835	22,723
Other, net	2,171	2,243
<b>Total property, plant, and equipment</b>	<b>101,502</b>	<b>119,023</b>
Intangible assets		
Lease assets	707	695
Other	1,465	1,452
<b>Total intangible assets</b>	<b>2,172</b>	<b>2,148</b>
Investments and other assets		
Investment securities	29,477	31,928
Other	9,176	7,579
Allowance for doubtful receivables	(633)	(598)
<b>Total investments and other assets</b>	<b>38,019</b>	<b>38,909</b>
<b>Total fixed assets</b>	<b>141,694</b>	<b>160,081</b>
<b>Deferred assets</b>	<b>45</b>	<b>18</b>
<b>Total assets</b>	<b>278,426</b>	<b>280,345</b>

	(Millions of yen)	
	As of March 31, 2012	As of December 31, 2012
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	28,252	22,005
Short-term borrowings	26,081	31,430
Commercial paper	-	5,000
Payables	14,583	11,247
Income taxes payable	2,245	1,890
Notes payable-facilities	4,782	9,341
Other	11,405	11,405
<b>Total current liabilities</b>	<b>87,351</b>	<b>92,322</b>
<b>Long-term liabilities</b>		
Long-term debt	30,042	28,592
Lease obligations	9,195	8,425
Liability for retirement benefits	7,558	6,909
Other	8,055	7,884
<b>Total long-term liabilities</b>	<b>54,852</b>	<b>51,811</b>
<b>Total liabilities</b>	<b>142,204</b>	<b>144,133</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	33,021	33,021
Capital surplus	54,880	54,880
Retained earnings	32,516	34,725
Less treasury stock, at cost	(312)	(315)
<b>Total shareholders' equity</b>	<b>120,105</b>	<b>122,312</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	5,365	5,689
Deferred gain (loss) on derivatives under hedge accounting	68	24
Land revaluation surplus	1,400	1,427
Foreign currency translation adjustments	(11,812)	(11,377)
<b>Total accumulated other comprehensive income</b>	<b>(4,978)</b>	<b>(4,235)</b>
<b>Minority interests</b>	<b>21,094</b>	<b>18,134</b>
<b>Total net assets</b>	<b>136,221</b>	<b>136,211</b>
<b>Total liabilities and net assets</b>	<b>278,426</b>	<b>280,345</b>

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

	(Millions of yen)	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
	Amount	Amount
<b>Net sales</b>	205,253	195,878
Cost of sales	159,988	152,486
<b>Gross profit</b>	45,265	43,391
<b>Selling, general and administrative expenses</b>	36,337	36,928
<b>Operating income</b>	8,927	6,463
<b>Non-operating income</b>		
Interest income	83	67
Dividend income	292	300
Equity in earnings of equity method affiliates	1,904	2,301
Other	787	663
Total non-operating income	3,068	3,333
<b>Non-operating expenses</b>		
Interest expenses	1,174	1,067
Foreign exchange loss	107	50
Other	711	520
Total non-operating expenses	1,993	1,637
<b>Ordinary income</b>	10,002	8,159
<b>Extraordinary income</b>		
Gain on sales of fixed assets	14	40
Gain on government subsidy	-	3,187
Other	11	27
Total extraordinary income	26	3,255
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	304	232
Loss on sales of fixed assets	7	5
Loss on reduction of fixed assets	-	3,187
Disaster losses	891	-
Other	322	202
Total extraordinary loss	1,526	3,627
<b>Income before income taxes and minority interests</b>	8,502	7,787
<b>Income taxes</b>	4,036	5,019
<b>Income (loss) before minority interests</b>	4,465	2,767
<b>Minority interests in net earnings (loss)</b>	(1,261)	(2,751)
<b>Net income</b>	5,727	5,519

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
	Amount	Amount
<b>Income (loss) before minority interests</b>	4,465	2,767
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	(948)	328
Deferred gain (loss) on derivatives under hedge accounting	(50)	(43)
Revaluation reserve for land	171	-
Foreign currency translation adjustments	(2,189)	239
Share of other comprehensive income of equity method affiliates	(1,316)	176
Total other comprehensive income	(4,333)	701
<b>Comprehensive income</b>	132	3,469
Components:		
Comprehensive income attributable to owners of the parent	1,709	6,234
Comprehensive income attributable to minority interests	(1,576)	(2,765)

**(3) Note on the Going-concern Assumption**

Not applicable

**(4) Note on significant change in Shareholders' equity**

Not applicable

**(5) Segment Information**I. Nine months ended December 31, 2011 (April 1 to December 31, 2011)

Sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment						Other (note)	Total
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total			
	Net sales							
Sales to outside customers	43,462	45,799	90,799	13,217	193,279	11,974	205,253	
Inter-segment sales and transfers	1,200	1,628	1,362	201	4,392	(4,392)	-	
<b>Total</b>	<b>44,663</b>	<b>47,428</b>	<b>92,162</b>	<b>13,418</b>	<b>197,672</b>	<b>7,581</b>	<b>205,253</b>	
Segment income (loss)	3,041	4,385	3,980	(2,244)	9,163	(235)	8,927	

Note: "Other" comprises a) businesses that are not included in reportable segment such as lighting operation and b) segment income adjustment. Segment income adjustment was minus 1,569 million yen, which includes minus 820 million yen elimination of inter-segment transactions and minus 748 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

II. Nine months ended December 31, 2012 (April 1 to December 31, 2012)

Sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment						Others (note)	Total
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total			
	Net sales							
Sales to outside customers	41,637	47,399	88,963	6,538	184,537	11,340	195,878	
Inter-segment sales and transfers	1,069	1,705	1,065	119	3,960	(3,960)	—	
<b>Total</b>	<b>42,706</b>	<b>49,105</b>	<b>90,029</b>	<b>6,658</b>	<b>188,498</b>	<b>7,379</b>	<b>195,878</b>	
Segment income (loss)	3,282	5,080	5,280	(7,212)	6,431	31	6,463	

Note: "Others" comprises a) businesses that are not included in reportable segments such as lighting operation and b) segment income adjustment. Segment income adjustment was minus 1,636 million yen, which includes minus 921 million yen elimination of inter-segment transactions and minus 715 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.



#### 4. Supplementary Information

##### (1) Quarterly income/loss

Fiscal year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(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	62,900	64,581	68,396	-	127,481	195,878	-
Operating income	1,426	2,630	2,405	-	4,057	6,463	-
Ordinary income	1,927	3,025	3,207	-	4,952	8,159	-
Net income	1,062	2,085	2,371	-	3,147	5,519	-

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(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	60,348	71,546	73,358	80,180	131,895	205,253	285,434
Operating income	812	3,985	4,129	7,103	4,797	8,927	16,030
Ordinary income	1,186	3,881	4,934	7,989	5,067	10,002	17,991
Net income	131	2,344	3,251	6,005	2,476	5,727	11,733

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(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	59,229	68,793	69,417	75,073	128,022	197,440	272,514
Operating income	2,241	3,872	5,841	5,633	6,114	11,955	17,589
Ordinary income	2,079	3,750	6,365	5,318	5,829	12,195	17,513
Net income	815	1,798	5,427	3,681	2,613	8,041	11,722

Fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(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	48,917	60,442	63,595	74,269	109,360	172,955	247,224
Operating income	(2,243)	2,156	4,235	7,373	(87)	4,148	11,521
Ordinary income	(2,293)	2,340	4,032	6,092	47	4,079	10,171
Net income	(2,412)	740	2,096	6,064	(1,672)	423	6,487

Fiscal year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(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	69,582	74,857	72,410	66,570	144,439	216,850	283,421
Operating income	2,301	4,228	3,526	4,219	6,530	10,057	14,276
Ordinary income	3,149	3,660	1,476	2,692	6,810	8,286	10,979
Net income	1,161	1,352	165	1,549	2,513	2,679	4,228