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**GS Yuasa Corporation**  
**Consolidated Earnings Report for the Three Months ended June 30, 2012**  
**(Japanese GAAP)**

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

(1) Results of Operations

1). Overview

In the first quarter of the fiscal year ending March 31, 2013 (April 1, 2012 – June 30, 2012), the Japanese economy improved moderately on solid domestic demand driven mainly by reconstruction-related consumption. Overall, however, economic sentiment remained severe due to concerns over summer power supplies and other issues in Japan, the debt crisis and worsening economic environment in Europe, as well as slowing growth in China.

In this environment, the GS Yuasa Group's net sales in the first quarter were driven by rising domestic demand for new automobile batteries, higher sales of industrial batteries and power supplies to domestic datacenters and railway companies, and robust sales in Asia, particularly China. As a result, net sales in the period increased ¥2,551 million, or 4.2% versus the first quarter of the previous year, to ¥62,900 million.

In terms of profitability, operating income increased ¥614 million versus the first quarter of the previous year, or 75.6%, to ¥1,426 million due to increased sales and lower prices for lead, a key raw material. Ordinary income increased by ¥741 million year on year, or 62.5%, to ¥1,927 million, due mainly to increased equity in earnings of equity method affiliates. Net income increased by ¥930 million year on year, or 709.0%, to ¥1,062 million.

2). Business Segment Results

(Domestic Automotive Batteries)

Net sales in the domestic automotive batteries segment totaled ¥12,671 million for the first quarter ended June 30, 2012, a decline of ¥44 million, or 0.4%, compared with the first quarter of the previous fiscal year. Sales of mainstay lead-acid batteries increased, mainly for idle-stop (start and stop) vehicles and hybrid vehicles, while sales of automotive components were sluggish. Segment operating income increased ¥128 million, or 54.2%, year on year to ¥366 million, mainly as a result of lower lead prices.

(Domestic Industrial Batteries and Power Supplies)

Net sales in the domestic industrial batteries and power supplies segment for the three-month period totaled ¥13,945 million, an increase of ¥1,413 million, or 11.3%, compared with the first quarter of the previous fiscal year as a result of increased sales of industrial batteries for datacenters and railway vehicles. The segment's operating income totaled ¥481 million, a year-on-year increase of ¥143 million, or 42.4%.

(Overseas Operations)

Net sales in the overseas operations for the first quarter ended June 30, 2012 totaled ¥30,979 million, an increase of ¥956 million, or 3.2%, compared with the first quarter of the previous fiscal year as sales volumes increased for automotive and motorcycle batteries, mainly in China. Operating income totaled ¥1,688 million, a year-on-year increase of ¥602 million, or 55.5%, on the strength of the sales increase.

(Lithium-ion Batteries)

Net sales in the lithium-ion batteries segment for the three-month period totaled ¥3,143 million, an increase of ¥161 million, or 5.4%, compared with the first quarter of the previous fiscal year as growth in sales volumes slackened. The segment's operating loss totaled ¥1,054 million, a year-on-year decline of ¥219 million as a result of the front-loading of depreciation and other fixed expenses associated with capital investments made to increase production capacity.

(Other)

Net sales in the other segment for the first quarter ended June 30, 2012 totaled ¥2,160 million, an increase of ¥65 million, or 3.1%, compared with the first quarter of the previous fiscal year. The segment posted an operating loss of ¥56 million, a year-on-year decline of ¥41 million.

(2) Financial Condition

Total assets at the end of the first quarter (June 30, 2012) totaled ¥278,132 million, a decline of ¥293 million from the end of the previous fiscal year. While property, plant and equipment rose as a result of new capital investments to increase production of lithium-ion automotive batteries, the increase was outweighed by a decline in notes and accounts receivable.

Liabilities at the end of the first quarter totaled ¥142,530 million, an increase of ¥326 million from the end of the previous fiscal year, as higher debt outweighed a decline in notes and accounts payable.

Net assets at the end of the first quarter totaled ¥135,602 million, a decrease of ¥619 million from the end of the previous fiscal year as dividend payments outweighed the booking of net income and higher foreign currency translation adjustments.

(3) Consolidated Earnings Forecast

There is no change to the earnings forecast announced on May 9, 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 three months ended June 30, 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 three months ended June 30, 2012. The income tax adjustment is included in income taxes.

### (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

	(Millions of yen)	
	As of March 31, 2012	As of June 30, 2012
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,692	11,308
Notes and accounts receivable	59,747	52,171
Marketable securities	5,801	4,202
Merchandise and finished goods	24,511	26,571
Work in process	7,616	8,737
Raw materials and supplies	8,316	8,203
Deferred tax assets	2,428	2,512
Other	17,880	11,813
Allowance for doubtful receivables	(309)	(384)
<b>Total current assets</b>	<b>136,685</b>	<b>125,137</b>
<b>Fixed assets</b>		
Property, plant, and equipment		
Buildings and structures, net	36,230	36,545
Machinery and equipment, net	23,654	23,616
Land	18,392	18,805
Lease assets, net	9,218	9,037
Construction in progress	11,835	22,460
Other, net	2,171	2,180
<b>Total property, plant, and equipment</b>	<b>101,502</b>	<b>112,645</b>
Intangible assets		
Lease assets	707	795
Other	1,465	1,524
<b>Total intangible assets</b>	<b>2,172</b>	<b>2,320</b>
Investments and other assets		
Investment securities	29,477	29,453
Other	9,176	9,171
Allowance for doubtful receivables	(633)	(622)
<b>Total investments and other assets</b>	<b>38,019</b>	<b>38,003</b>
<b>Total fixed assets</b>	<b>141,694</b>	<b>152,969</b>
<b>Deferred assets</b>	<b>45</b>	<b>26</b>
<b>Total assets</b>	<b>278,426</b>	<b>278,132</b>

	(Millions of yen)	
	As of March 31, 2012	As of June 30, 2012
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	28,252	25,345
Short-term borrowings	26,081	28,240
Payables	14,583	13,902
Income taxes payable	2,245	1,089
Notes payable-facilities	4,782	5,797
Other	11,405	13,637
<b>Total current liabilities</b>	<b>87,351</b>	<b>88,012</b>
<b>Long-term liabilities</b>		
Long-term debt	30,042	30,240
Lease obligations	9,195	9,043
Liability for retirement benefits	7,558	7,380
Other	8,055	7,854
<b>Total long-term liabilities</b>	<b>54,852</b>	<b>54,518</b>
<b>Total liabilities</b>	<b>142,204</b>	<b>142,530</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	30,268
Less treasury stock, at cost	(312)	(313)
<b>Total shareholders' equity</b>	<b>120,105</b>	<b>117,856</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	5,365	4,300
Deferred gain (loss) on derivatives under hedge accounting	68	(55)
Land revaluation surplus	1,400	1,427
Foreign currency translation adjustments	(11,812)	(8,931)
<b>Total accumulated other comprehensive income</b>	<b>(4,978)</b>	<b>(3,259)</b>
<b>Minority interests</b>	<b>21,094</b>	<b>21,004</b>
<b>Total net assets</b>	<b>136,221</b>	<b>135,602</b>
<b>Total liabilities and net assets</b>	<b>278,426</b>	<b>278,132</b>

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

	(Millions of yen)	
	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Net sales</b>	60,348	62,900
Cost of sales	47,771	49,564
<b>Gross profit</b>	12,577	13,335
<b>Selling, general and administrative expenses</b>	11,765	11,909
<b>Operating income</b>	812	1,426
<b>Non-operating income</b>		
Interest income	21	25
Dividend income	169	179
Equity in earnings of equity method affiliates	692	867
Other	173	183
Total non-operating income	1,056	1,255
<b>Non-operating expenses</b>		
Interest expenses	348	337
Foreign exchange gain (loss)	72	218
Other	261	198
Total non-operating expenses	682	755
<b>Ordinary income</b>	1,186	1,927
<b>Extraordinary income</b>		
Gain on sales of fixed assets	6	32
Reversal of deposits	—	14
Other	5	10
Total extraordinary income	12	56
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	56	9
Loss on sales of fixed assets	7	1
Loss on revaluation of investment securities	32	26
Disaster losses	639	—
Special extra retirement payments	—	17
Other	190	4
Total extraordinary loss	926	58
<b>Income before income taxes and minority interests</b>	272	1,925
<b>Income taxes</b>	732	1,105
<b>Income (loss) before minority interests</b>	(460)	820
<b>Minority interests in net earnings (loss)</b>	(591)	(242)
<b>Net income</b>	131	1,062

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Income (loss) before minority interests</b>	(460)	820
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	(186)	(1,061)
Deferred gain (loss) on derivatives under hedge accounting	(3)	(123)
Foreign currency translation adjustments	586	2,219
Share of other comprehensive income of equity method affiliates	388	965
Total other comprehensive income	784	1,999
<b>Comprehensive income</b>	324	2,819
Components:		
Comprehensive income attributable to owners of the parent	818	2,754
Comprehensive income attributable to minority interests	(493)	65

(3) Note on the Going-concern Assumption

Not applicable

(4) Note on significant change in Shareholders' equity

Not applicable

(5) Segment Information

I. Three months ended June 30, 2011 (April 1 to June 30, 2011)

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	Total		
Net sales								
Sales to outside customers	12,365	12,001	29,472	2,893	56,731	3,617	60,348	
Inter-segment sales and transfers	351	530	551	89	1,522	(1,522)	—	
Total	12,716	12,531	30,023	2,982	58,254	2,094	60,348	
Segment income (loss)	237	338	1,085	(834)	826	(14)	812	

Note: "Others" comprises a) businesses that are not included in reportable segment such as lighting operation and b) segment income adjustment. Segment income adjustment was minus 510 million yen, which includes minus 244 million yen elimination of inter-segment transactions and minus 265 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. Three months ended June 30, 2012 (April 1 to June 30, 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	Total		
Net sales								
Sales to outside customers	12,302	13,435	30,600	3,135	59,473	3,427	62,900	
Inter-segment sales and transfers	369	509	379	7	1,266	(1,266)	—	
Total	12,671	13,945	30,979	3,143	60,740	2,160	62,900	
Segment income (loss)	366	481	1,688	(1,054)	1,482	(56)	1,426	

Note: "Others" comprises a) businesses that are not included in reportable segment such as lighting operation and b) segment income adjustment. Segment income adjustment was minus 582 million yen, which includes minus 321 million yen elimination of inter-segment transactions and minus 261 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)

	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	—	—	—	—	—	—
Operating income	1,426	—	—	—	—	—	—
Ordinary income	1,927	—	—	—	—	—	—
Net income	1,062	—	—	—	—	—	—

(Millions of yen)

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

	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

(Millions of yen)

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

	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

(Millions of yen)

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

	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

(Millions of yen)

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

	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

(Millions of yen)