

Six Months Ended September 30, 2024 (FY2024) Result Briefing



November 6, 2024
GS Yuasa Corporation

FY2024 Second Quarter Financial Results

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FY2024 Second Quarter Financial Results

Point of FY2024 Second Quarter Financial Results



FY2024 Second Quarter Financial Results (Apr. - Sep.)

| | FY2023 Apr. - Sep. | FY2024 Apr. - Sep. | Difference | YoY |
|--|-----------------------|--------------------------|------------------|---------|
| Net sales | 256.8 billion yen | 264.5 billion yen | +7.7 billion yen | +3.0 % |
| Operating income | 12.7 billion yen | 15.7 billion yen | +3.0 billion yen | +24.0 % |
| Operating income before amortization of goodwill | 12.9 billion yen | 16.1 billion yen | +3.2 billion yen | +24.1 % |
| Ordinary income | 12.0 billion yen | 14.5 billion yen | +2.5 billion yen | +20.7 % |
| Profit | 6.0 billion yen | 9.4 billion yen | +3.4 billion yen | +57.9 % |
| Profit before amortization of goodwill | 6.2 billion yen | 9.7 billion yen | +3.5 billion yen | +57.0 % |
| [Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting) | - | 17.1 billion yen | - | - |
| EPS (Basic earnings per share) | 74.06 yen | 93.81 yen | +19.75 yen | +26.7 % |

Performance Trends

- ▶ Factors for the increase in net sales and operating income;
 - Increase in sales volume of Automotive Batteries and increase in projects of emergency field and regular field in Industrial Batteries and Power Supplies
 - Revision of selling prices by segments
- ▶ Factors for the increase in ordinary income;
 - Increase in equity in earnings of affiliates and gain on net monetary assets, reduction in loss on sale of bonds
- ▶ Factors for the increase in profit;
 - Decrease in net income attributable to noncontrolling interests

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I would like to explain our business results for the second quarter of the fiscal year ending March 31, 2025.

Net sales were 264.5 billion yen, up 7.7 billion yen year-on-year, and operating income was 15.7 billion yen, up 3.0 billion yen year-on-year.

Operating income before amortization of goodwill was 16.1 billion yen, an increase of 3.2 billion yen from the previous year, and ordinary income was 14.5 billion yen, an increase of 2.5 billion yen year-on-year.

Net income attributable to owners of the parent was 9.4 billion yen, an increase of 3.4 billion yen year-on-year.

Net income attributable to owners of the parent before amortization of goodwill, etc., was 9.7 billion yen, an increase of 3.5 billion yen from the previous year.

Net sales and profits at each stage were significantly higher than in the previous year.

I would like to explain our business performance trends.

The factors that contributed to the increase in net sales and operating income were due to an increase in sales volume of automotive batteries, an increase in projects for emergency and regular use of industrial battery power supplies, and the effect of continuous review of selling prices in each segment.

The factors that contributed to the increase in ordinary income were an increase in equity in earnings of affiliates and gain on net monetary assets, and a decrease in loss on sales of bonds.

The increase in net income for the interim period was due to a decrease in net income attributable to noncontrolling interests.

1. Net Sales, Profits



| | FY2023 Apr. - Sep. | FY2024 Apr. - Sep. | | Charge | (YoY%) | (Billion yen) | | |
|---|---|-----------------------|------------------------|--------------|----------------|---------------------------------|-------------------------|------|
| | | | | | | [Reference] Forecast for FY2024 | | |
| | | | | | | 1H (Apr. - Sep.) | Full Year (Apr. - Mar.) | |
| Net sales | 256.8 | [Record] 264.5 | | +7.7 | (+3.0%) | 263.0 | 590.0 | |
| Gross profit | 55.1 | [Record] 60.0 | | +4.9 | | - | - | |
| Operating income (ratio) | 12.7 | 4.9% [Record] 15.7 | 5.9% | +3.0 | +1.0p (+24.0%) | 13.0 | 4.9% 44.0 | 7.5% |
| Operating income before amortization of goodwill (ratio) | 12.9 | 5.0% [Record] 16.1 | 6.1% | +3.2 | +1.1p | - | 44.5 | 7.5% |
| Non-operating income | 2.9 | [Record] 3.6 | | +0.7 | | - | - | |
| Non-operating loss | 3.6 | [Record] 4.8 | | +1.2 | | - | - | |
| Equity method investment gains and losses | 1.3 | [Record] 1.5 | | +0.2 | | - | - | |
| Ordinary income | 12.0 | 4.7% [Record] 14.5 | 5.5% | +2.5 | +0.8p (+20.7%) | 12.5 | 4.8% 44.0 | 7.5% |
| Extraordinary income | 0.5 | [Record] 0.1 | | -0.4 | | - | - | |
| Extraordinary loss | 0.8 | [Record] 0.2 | | -0.6 | | - | - | |
| Profit before income taxes | 11.7 | [Record] 14.3 | | +2.6 | | - | - | |
| Income taxes | 2.9 | [Record] 3.3 | | +0.4 | | - | - | |
| Profit attributable to non-controlling interests | 2.9 | [Record] 1.6 | | -1.3 | | - | - | |
| Profit (ratio) | 6.0 | 2.3% [Record] 9.4 | 3.6% | +3.4 | +1.3p (+57.9%) | 6.0 | 2.3% 26.0 | 4.4% |
| Profit before amortization of goodwill (ratio) | 6.2 | 2.4% [Record] 9.7 | 3.7% | +3.5 | +1.3p | - | 26.5 | 4.5% |
| [Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting) (ratio) | - | [Record] 17.1 | 6.5% | - | | - | 47.1 | 8.0% |
| EPS (Basic earnings per share) (¥/share) | ¥74.06 | [Record] ¥93.81 | | +¥19.75 | | ¥59.82 | ¥259.21 | |
| Cash Flow Statements | Depreciation (including intangible assets excluding goodwill) | 11.3 | [Record] 11.5 | +0.2 | | - | - | |
| | Amortization of goodwill | 0.1 | [Record] 0.2 | +0.1 | | - | - | |
| Market Information / Prerequisites | Domestic lead price quote | ¥368,400 /t | [Record] ¥385,900 /t | +¥17,500 /t | | ¥372,000 /t | ¥405,000 /t | |
| | LME | 2,144 US\$/t | [Record] 2,104 US\$/t | -40 US\$/t | | 2,200 US\$/t | 2,200 US\$/t | |
| | Exchange rate | ¥142.61 /US\$ | [Record] ¥152.45 /US\$ | +¥9.84 /US\$ | | ¥150.00 /US\$ | ¥155.00 /US\$ | |

Note: The amount of application of hyperinflationary accounting shown for reference is included in the FY2024 forecast for operating income as the same level as in FY2023.

I will explain the details of the business results for the second quarter of the fiscal year ending March 2025.

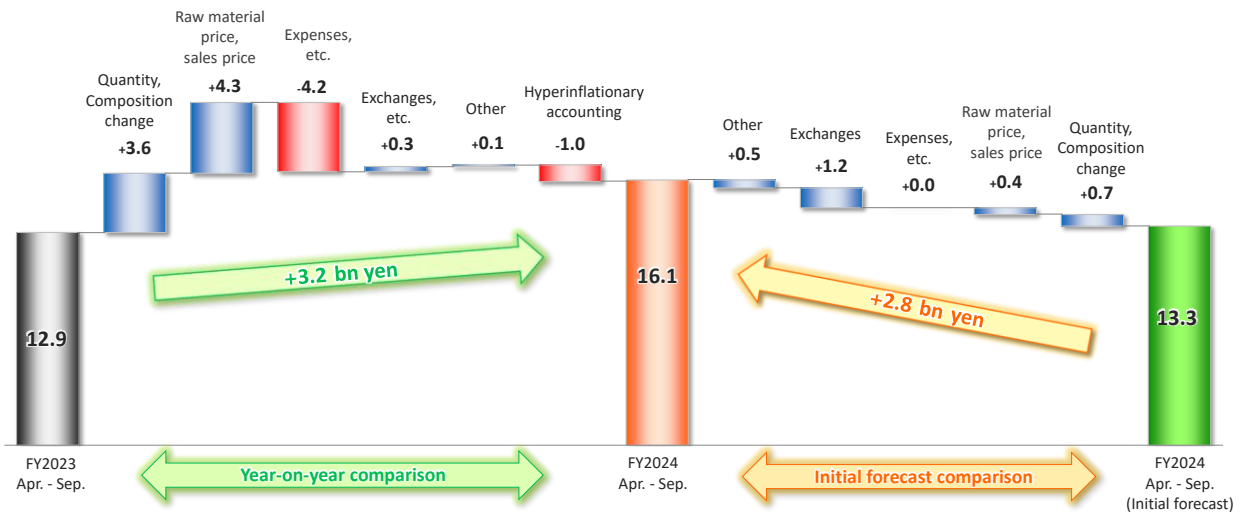
Both net sales and profits at all levels reached record highs.

Both net sales and profits at each stage of the business are significantly higher than our initial forecast.

1. Net Sales, Profits

Factors for Operating Income Change (Year-on-year / Initial forecast comparison)

(Billion yen)



Note : Operating income is operating income before amortization of goodwill.

I will explain the factors behind the increase or decrease in operating income compared to the previous year and to the initial forecast.

As for the factors behind the year-on-year increase and decrease in operating income, higher volume and favorable changes in product composition — primarily in automotive batteries and industrial battery power supplies — had a positive impact.

In the area of raw material prices and selling prices, there was a sharp rise in raw material prices mainly in the first quarter due to the yen's depreciation. In addition, we are continuously reviewing our selling prices, especially for automotive batteries and industrial battery power supplies.

Expenses and other costs were negative due to an increase in labor costs, logistics costs and other expenses resulting from an increase in the volume and inflation.

Regarding foreign exchange, although there was a positive effect mainly in the first quarter due to the impact of yen depreciation, the positive effect was reduced in the second quarter due to the significant depreciation of the Turkish lira.

As for the reasons for the increase or decrease compared with the initial forecast, the volume increase in automotive batteries and industrial battery power supplies and the effect of the revision of selling prices have been realized. The depreciation of the yen also had a positive impact.

1. Net Sales, Profits

Factors of increase/decrease in non-operating income/loss, extraordinary income/loss, income taxes, etc. (Year-on-year comparison)

| | FY2023 Apr. - Sep. | FY2024 Apr. - Sep. | (Billion yen) Change |
|---|-----------------------|-----------------------|-------------------------|
| Operating income | 12.7 | 15.7 | +3.0 |
| Non-operating income | 2.9 | 3.6 | +0.7 |
| Non-operation loss | 3.6 | 4.8 | +1.2 |
| Ordinary income | 12.0 | 14.5 | +2.5 |
| Extraordinary income | 0.5 | 0.1 | -0.4 |
| Extraordinary loss | 0.8 | 0.2 | -0.6 |
| Net income before income taxes | 11.7 | 14.3 | +2.6 |
| Income taxes | 2.9 | 3.3 | +0.4 |
| Profit attributable to non-controlling interests | 2.9 | 1.6 | -1.3 |
| Profit attributable to owners of parent | 6.0 | 9.4 | +3.4 |

Major factors (Amounts in parentheses are for FY2024 2Q)

- Increase in equity in earnings of affiliates +0.2 billion yen
(Equity in earnings of affiliates 1.5 billion yen)
- Increase due to application of hyperinflation accounting +0.3 billion yen
(Gain on net monetary assets 0.8 billion yen)
- Expansion of foreign exchange losses mainly due to the depreciation of the Turkish lira -1.4 billion yen
(Foreign exchange loss 1.4 billion yen)
- Reduction in loss on sale of bonds +0.8 billion yen
(Loss on sale of bonds 0.1 billion yen)

I will now explain non-operating income/loss.

Equity in earnings of affiliated companies increased by 0.2 billion yen year-on-year due to the impact of strong sales of equity method affiliates. Equity in earnings of affiliated companies was 1.3 billion yen in the previous year and 1.5 billion yen in the current year.

Foreign exchange loss was -1.4 billion yen, mainly due to the impact of increased foreign exchange losses from the depreciation of the Turkish lira.

Gain on net monetary assets amounted to +0.3 billion yen, compared to 0.5 billion yen in the previous period and 0.8 billion yen in the current period.

Net income attributable to noncontrolling interests decreased, but distribution of income to minority shareholders decreased due to the acquisition of Lithium Energy Japan as a wholly owned subsidiary at the end of FY2023 and the loss at the Turkey site.

2. Segment Results



| | | (Billion yen) | | | | | | | | | | | |
|--|---|-----------------------|---|-----------------------|---|-----------|--|--|---|-----------------------------------|---|--|---|
| | | FY2023 Apr. - Sep. | | FY2024 Apr. - Sep. | | Change | | [Reference] FY2024 Apr. - Sep. (before application of hyperinflationary accounting) | | [Reference] Forecast for FY2024 | | | |
| | | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: pp) | Net sales | Operating income (Op. income ratio: %) | Initial forecast (Apr. - Mar.) | | Revised forecast as of Nov. 2024 (Apr. - Mar.) | |
| Net sales | Operating income (Op. income ratio: %) | | | | | | | | | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) |
| Automotive Batteries | Japan | 41.1 | 2.2 (5.3) | 43.6 | 3.4 (7.7) | +2.5 | +1.2 (+2.4) | 43.6 | 3.4 (7.7) | 100.0 | 8.0 (8.0) | 100.0 | 8.5 (8.5) |
| | Overseas | 125.4 | 7.6 (6.1) | 127.5 | 9.4 (7.4) | +2.1 | +1.8 (+1.3) | 127.5 | 10.4 (8.2) | 259.0 | 16.5 (6.4) | 259.0 | 17.5 (6.8) |
| Industrial Batteries and Power Supplies | | 39.5 | 1.4 (3.5) | 46.2 | 3.9 (8.5) | +6.7 | +2.5 (+5.0) | 46.2 | 3.9 (8.5) | 120.0 | 13.0 (10.8) | 120.0 | 13.5 (11.3) |
| Automotive Lithium- ion Batteries | | 40.6 | 0.7 (1.8) | 36.3 | -1.8 (-4.8) | -4.3 | -2.5 (-6.6) | 36.3 | -1.8 (-4.8) | 90.0 | 4.0 (4.4) | 90.0 | 2.0 (2.2) |
| Specialized Batteries and Others | | 10.2 | 1.1 (10.3) | 10.9 | 1.2 (10.7) | +0.7 | +0.1 (+0.4) | 10.9 | 1.2 (10.7) | 21.0 | 3.0 (14.3) | 21.0 | 3.0 (14.3) |
| Total | | 256.8 | 12.9 (5.0) | 264.5 | 16.1 (6.1) | +7.7 | +3.2 (+1.1) | 264.5 | 17.1 (6.5) | 590.0 | 44.5 (7.5) | 590.0 | 44.5 (7.5) |

FY2024 2Q Result

- Regarding domestic automobile production, although the impact of the plant shutdown by car manufacturers is gradually recovering, the production volume decreased compared to the previous year.
- The performance of Automotive Lithium-ion Batteries is on an improving trend, despite the impact of falling lithium market prices.
- The LME price fell due to the impact of global economic trends mainly in China. Although the domestic lead price showed some signs of stabilizing due to the appreciation of the yen, it remained high compared to the previous year.
- Although the yen continued to appreciate due to factors such as the Bank of Japan raising interest rates, it remained weaker compared to the previous year.

<Market information / Prerequisites>

| | FY2023 (Apr. - Sep.) | FY2024 (Apr. - Sep.) | Change |
|--|-------------------------|-------------------------|--------|
| Domestic lead price quote (¥10,000/t) | 36.84 | 38.59 | +1.75 |
| LME (US\$/t) | 2,144 | 2,104 | -40 |
| Exchange rate (¥/US\$) | 142.61 | 152.45 | +9.84 |

Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

| [Reference] Forecast for FY2024 (Apr. - Mar.) | |
|--|-------------------------------------|
| Initial forecast | Revised forecast as of Nov. 2024 |
| 37.2 | 40.5 |
| 2,200 | 2,200 |
| 145.00 | 155.00 |

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I would like to explain our business performance by segment.

Automotive Batteries (Japan) increased in both sales and profit.

Net sales were 43.6 billion yen, up 2.5 billion yen from the previous year, and operating income was 3.4 billion yen, up 1.2 billion yen from the previous year.

Automotive Batteries (overseas) also posted increases in both sales and income.

Net sales were 127.5 billion yen, up 2.1 billion yen from the previous year, and operating income was 9.4 billion yen, up 1.8 billion yen from the previous year.

Industrial Batteries and Power Supplies has also increased in sales and profits.

Net sales were 46.2 billion yen, up 6.7 billion yen from the previous year, and operating income was 3.9 billion yen, up 2.5 billion yen from the previous year.

Sales and profits from Automotive Lithium-ion Batteries declined.

Net sales were 36.3 billion yen, down 4.3 billion yen from the previous year, and operating income was -1.8 billion yen, down 2.5 billion yen from the previous year.

Specialized Batteries and Others increased in both revenue and earnings.

Net sales were 10.9 billion yen, up 0.7 billion yen from the previous year, and operating income was 1.2 billion yen, up 0.1 billion yen from the previous year.

Regarding the business environment, automobile production has been affected by the shutdown of operations by car manufacturers due to certification irregularities, as well as typhoons and other factors, resulting in a decrease in volume.

Automotive Lithium-ion batteries are on an improving trend, despite the impact of a decline in the lithium market, mainly in the 1Q.

Regarding lead prices, LME prices are on a downward trend due to global economic trends, especially in China.

The domestic lead price has slightly settled down from its high level due to the rapid appreciation of the yen.

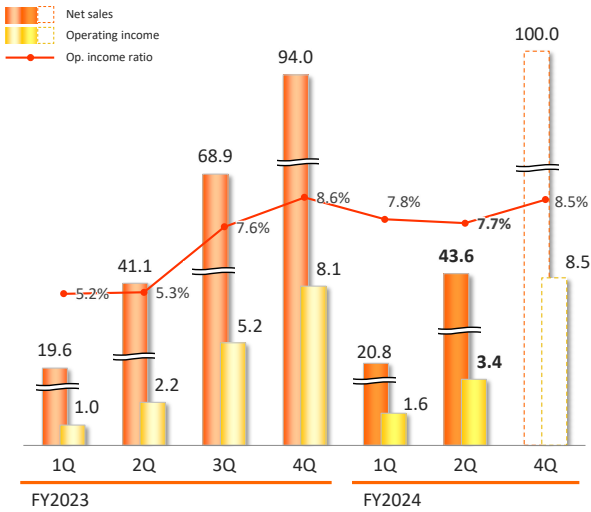
The yen has been appreciating to a certain extent due to the Bank of Japan's interest rate hike and the FOMC meeting, but it has been weakening significantly from yesterday to today.

2. Segment Results (Automotive Batteries (Japan))

Automotive Batteries (Japan)

(Billion yen)

Net Sales, Operating income, Op. income ratio (Apr. - Sep.)



Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

Sales and profit increased

FY2024 2Q Sales Overview (Apr. - Sep.)

- **[For new automobiles]** ↗
Net sales increased due to the selling price revision despite the lower sales volume caused by plant shutdowns by new car manufacturers continuing from the 1st quarter
- **[For replacement]** ↗
Net sales increased due to increase in sales volume

Profit Change Factors (YoY : Apr. - Sep.)

| | | |
|----------------------------------|------|--|
| Quantity, composition change | +0.3 | Increase in sales volume of replacement batteries |
| Raw material prices, sales price | +1.2 | Increase due to selling price revision of new automotive batteries |
| Expenses, etc. | -0.4 | |

I would like to explain about automotive batteries in the domestic market.

Net sales were 43.6 billion yen, up 2.5 billion yen from the previous year.

Operating income was 3.4 billion yen, up 1.2 billion yen from the previous year, an increase in both sales and income.

The volume of sales for new automobiles decreased due to the shutdown caused by the certification fraud from the first quarter and by typhoons. On the other hand, net sales increased due to the revision of selling prices, which has been implemented since last fiscal year.

Sales volume of replacement batteries increased due to a decline in sales of new automotive batteries.

As for the reasons for the increase/decrease, in the area of volume and composition change, demand for replacement with high profit margins is increasing. In addition, demand for batteries for vehicles with start-stop systems is on the rise.

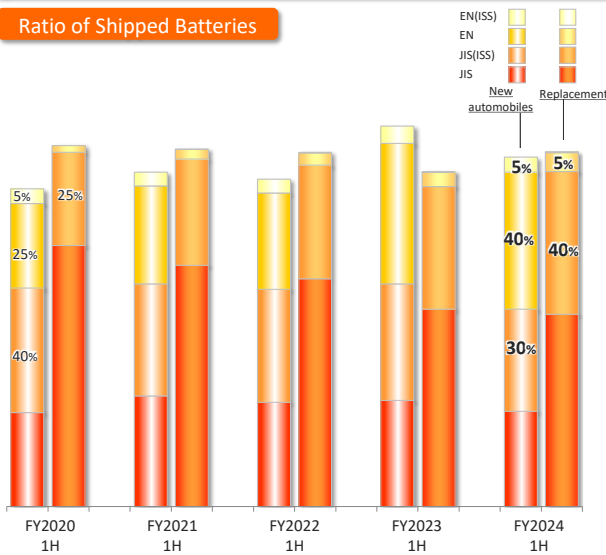
Raw material prices and selling prices increased due to the ongoing review of selling prices for new automobiles.

2. Segment Results (Automotive Batteries (Japan))

Ratio of Shipped Batteries for New Automobiles and Replacement



Ratio of Shipped Batteries



Trends in batteries for vehicles with start-stop systems (ISS)

- For new automobiles : The ratio of batteries for ISS vehicles will gradually decline due to expanding demand for electric vehicles such as HEVs
- For replacement : Sales volume is increasing due to the replacement demand for ISS vehicles batteries sold in previous years

Trends in EN (European Norm) batteries

- For new automobiles : As our Company has a high market share with Toyota, the ratio of EN batteries used by Toyota is increasing
- For replacement : The ratio of EN batteries is gradually increasing with the rise of ratio in new automotive batteries, but the trend is still limited

This is the percentage of ISS and EN compliant batteries shipped for new automotive batteries and replacement batteries.

For the percentage of JIS (ISS) shipments,
 30% for new automobiles, -10% compared to the first half of FY2020.
 The sales for replacement are 40%, +15% compared to the first half of FY2020.

The demand for new automobiles is shrinking, partly due to a decrease in the ratio of vehicles with start-stop systems due to electrification.
 On the other hand, demand for replacement is on the rise due to strong demand for replacement of vehicles with start-stop systems sold in the past.

As for the percentage of EN-standard shipments, new automobiles: 40%, +15% year-on-year,
 For replacement: 5%, +5% year-on-year.

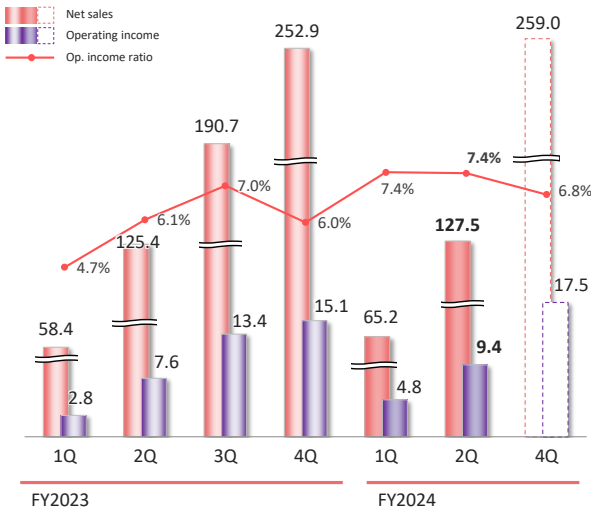
For new automotive batteries, Toyota has a large share of the market, and the ratio of EN batteries used in TNGA is on the rise.
 On the other hand, the replacement period has not yet arrived for replacement batteries, so while the ratio of EN batteries is increasing, the impact is limited.

2. Segment Results (Automotive Batteries (Overseas))

Automotive Batteries (Overseas)

(Billion yen)

Net Sales, Operating income, Op. income ratio (Apr. - Sep.)



Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

Sales and profit increased

FY2024 2Q Sales Overview (Apr. - Sep.)

- **[Southeast Asia]**
In Thailand, sales volume of replacement batteries is steady although sales volume of new automotive batteries decreased due to the impact of decrease in new automotive production. In Indonesia and Vietnam, sales volume of batteries for both automobiles and motorcycles remains strong.
- **[Europe]**
Sales volume of competitive automotive batteries progressed steadily due to the depreciation of the Turkish lira in the European market where the demand is strong.
- **[Australia]**
Net sales increased due to steady sales volume from "Made in Australia" strategy and foreign exchange effects.

Profit Change Factors (YoY : Apr. - Sep.)

| | | |
|----------------------------------|------|---|
| Quantity, composition change | +4.3 | Increase in volume at strategic sites and other sites |
| Raw material prices, sales price | +2.8 | Increase due to reflection of selling price of rising cost |
| Expenses, etc. | -4.6 | Increase in expenses due to the impact of inflation |
| Exchange | +0.3 | Foreign currency translation impact due to the yen depreciation |
| Hyperinflationary accounting | -1.0 | |

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I would like to explain about automotive batteries (overseas).

Net sales and operating income increased by 2.1 billion yen and 1.8 billion yen, from the previous year.

Sales in ASEAN, especially in Thailand, Indonesia, and Vietnam, are strong. However, sales for new automobiles in Thailand are declining due to stricter automobile loans for new automobiles and plant shutdowns caused by typhoons. Sales for replacement remained steady. In Indonesia and Vietnam, sales of both automobiles and motorcycles remained strong.

I would like to explain about Europe, EU and Turkey.

In the European market, where demand is strong, the sales volume of automotive batteries, which are competitive due to the depreciation of the Turkish lira, has remained strong. However, in Turkey, demand is weak and volumes are down significantly due to the depreciation of the Turkish lira.

In Australia, as the only manufacturer of lead-acid batteries in Australia, sales volume remained strong with "Made in Australia".

Net sales increased due in part to foreign exchange effects.

As for factors for the increase and decrease, in the area of volume and composition change, the volume increased at strategic sites in ASEAN, Europe, and Australia.

Raw material prices and selling prices have increased due to the reflection of cost increases in selling prices. Inflation in Turkey has an impact of +3.3 billion yen.

Regarding expenses and other items, in addition to the increase in expenses, the significant increase in inflation in Turkey has had a significant impact.

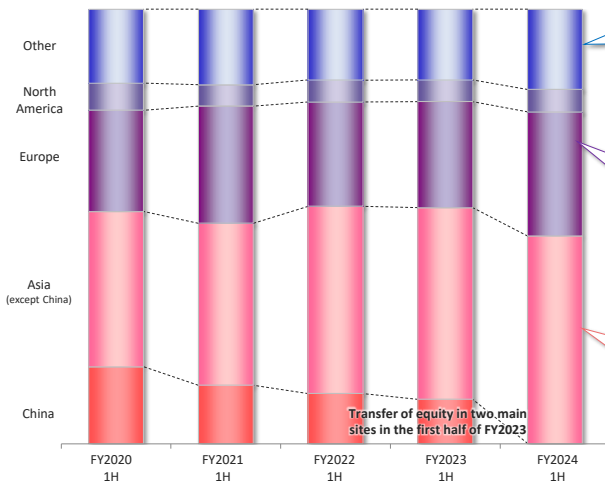
The effect of yen depreciation was reduced due to the continued depreciation of the Turkish lira, although there was a foreign exchange impact from the yen's depreciation.

2. Segment Results (Automotive Batteries (Overseas))

Sales by Region



Sales by Region (Automotive Batteries (Overseas))



Trends in Other (Australia) Area

➤ Sales are strong due to the superiority of "Made in Australia" marketing as the only storage battery manufacturer in Australia

Trends in Europe

➤ In particular, sales of replacement batteries in Europe are increasing by utilizing the Turkish site, which became a consolidated subsidiary in April 2022, as an export site to Europe and the Middle East

Trends in Asia (Excluding China)

➤ Sales of both automotive and motorcycle batteries are greatly increasing in our main markets of Thailand, Indonesia and Vietnam, because of our high market share and the economic growth in each country

Net sales by region are explained below.

Regarding trends in Asia, the China site was accounted for by the equity method in September 2023 and was excluded from consolidation.

We maintain a high market share in Thailand, Indonesia, and Vietnam, our main markets, and in recent years, due to the economic growth in each country, both automobile and motorcycle applications have expanded significantly.

We will continue to expand our business with an eye on the Mekong Economic Zone, including Cambodia and Laos.

Regarding trends in Europe, we consolidated our Turkey site in April 2022 and are utilizing its geographical location as an export site to Europe and the Middle East. We are on an expansionary trend, partly due to the growing demand for replacement batteries in Europe.

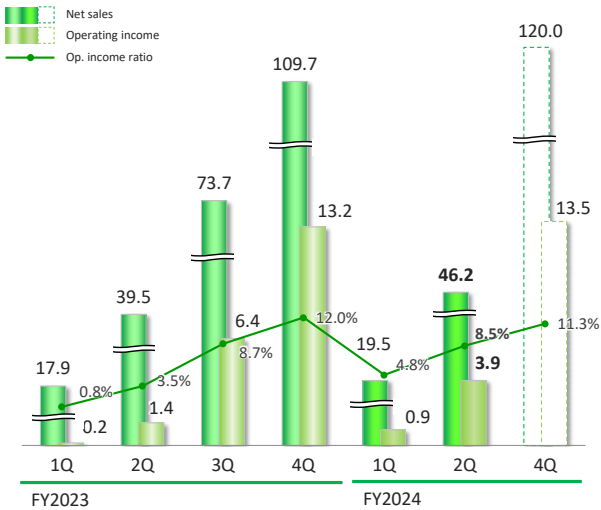
In Australia, as I mentioned earlier, is the only Australian manufacturer of storage batteries. Sales remained strong, taking advantage of the "Made in Australia" priority.

2. Segment Results (Industrial Batteries and Power Supplies)

Industrial Batteries and Power Supplies

(Billion yen)

Net Sales, Operating income, Op. income ratio (Apr. - Sep.)



Sales and profit increased

FY2024 2Q Sales Overview (Apr. - Sep.)

- **[Regular field (Japan)]** Net sales increased due to projects that were delayed from the end of the previous term and projects with an earlier delivery date
- **[Emergency field (Japan)]** Net sales remained strong due to strong sales to government agencies and the nuclear power projects, as well as increased sales due to expanding demand for data centers and improvement in delivery times for mini UPS
- **[For forklifts (Global)]** Net sales increased due to the revision of selling prices although the volume has decreased

Profit Change Factors (YoY : Apr. - Sep.)

| | | |
|------------------------------|------|---|
| Quantity, composition change | +1.1 | Increase in number of projects in regular and emergency field |
| Raw material prices | +1.0 | Increase due to revision of selling price |
| Expenses, etc. | +0.4 | |

Industrial batteries and power supplies also increased in both sales and income.

In the regular use for domestic, batteries for power grids, net sales increased due to the delivery of a project that was delayed at the end of the previous fiscal year, as well as a project whose delivery date was brought forward.

In the emergency use, demand from data centers is strong, in addition to strong sales to government agencies and nuclear power plants. Net sales have remained strong due to improved component delivery times for mini-UPS, which had been affected until last year.

Forklifts for global maintained the same level as the previous year due to a revision of selling prices, despite a decrease in volume.

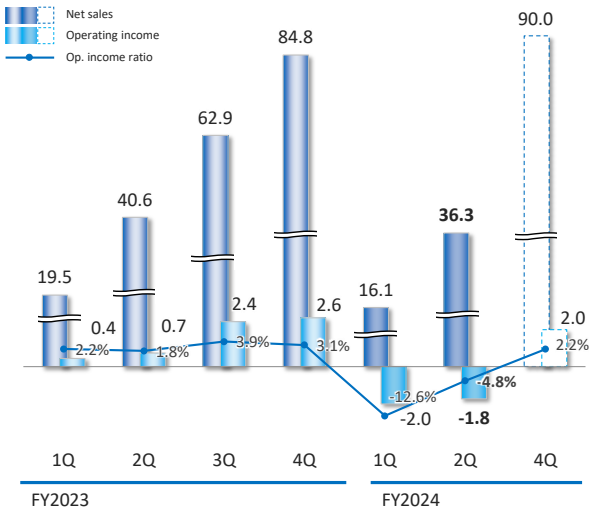
Regarding the factors of increase and decrease, in terms of volume and composition change, the volume of both regular use and emergency use increased due to an increase in projects. With regard to raw material prices and selling prices, selling prices are being reviewed for emergency use and forklifts, these effects led to an increase.

2. Segment Results (Automotive Lithium-ion Batteries)

Automotive Lithium-ion Batteries

(Billion yen)

Net Sales, Operating income, Op. income ratio (Apr. - Sep.)



Sales and profit declined

FY2024 2Q Sales Overview (Apr. - Sep.)

- **[For HEVs]** Net sales maintained the same level as the previous year due to the fall in sales prices due to the decline in the lithium market despite the increase in sales volume mainly to Honda
- **[For PHEVs]** Sales volume of vehicles equipped with our batteries decreased
- **[12V Lithium-ion batteries]** Net sales increased due to higher sales volume of vehicles equipped with our batteries for Europe and selling price revision

Profit Change Factors (YoY : Apr. - Sep.)

| | | |
|----------------------------------|------|---|
| Quantity, composition change | -2.1 | Decrease in sales volume for PHEVs and the associated impact of lower capacity utilization although the volume for HEVs and ESS increased |
| Raw material prices, sales price | -0.8 | Decline in selling price due to lower lithium market prices |
| Expenses, etc. | +0.4 | Decrease in expenses due to decrease in sales volume, etc. |

Sales and profits of automotive Lithium-ion batteries decreased.

In batteries for HEVs, sales volume increased due to model changes such as FREED of delivered models, mainly to Honda. Net sales remained at the same level as the previous year, mainly due to the residual effects of lower selling prices caused by the decline in the lithium market from the end of the previous fiscal year through the first quarter of the current fiscal year.

Sales of batteries for PHEVs decreased significantly due to a decline in sales volume of the model delivered, Eclipse Cross.

Net sales of 12V lithium-ion-ion batteries increased due to an increase in sales volume of models delivered to Europe and the effect of a revision of selling prices.

As for the factors for the change in volume and composition, while sales of HEVs and ESSs increased significantly compared to last year, the sales volume of PHEVs decreased significantly due to the end of sales of the models, and the capacity utilization rate also declined.

Although raw material prices and selling prices declined due to the drop in the lithium market, Compared to the first quarter, there is an improvement trend.

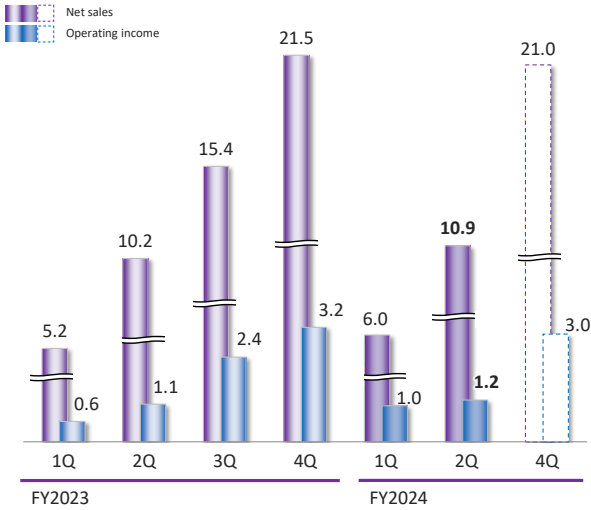
In the area of expenses, there was a decrease in expenses due to a decrease in the volume of materials.

2. Segment Results (Specialized Batteries and Others)

Specialized Batteries and Others

(Billion yen)

Net Sales, Operating income (Apr. - Sep.)



Sales and profit increased

FY2024 2Q Sales Overview (Apr. - Sep.)

- **[Lithium-ion batteries for submarines]** Net sales increased due to the revision of contract unit prices
- **[Lithium-ion batteries for aircraft]** Sales volume of batteries for airlines (for replacement) decreased despite increase in new construction batteries

Profit Change Factors (YoY : Apr. - Sep.)

Profit maintained the same level as the previous year due to increase in expenses despite the revision of contract unit prices of lithium-ion batteries for submarines

Specialized Batteries and Others also increased in both sales and income.

Net sales of lithium-ion batteries for submarines for the Ministry of Defense increased due to a review of contract unit prices.

Regarding lithium-ion batteries for aircraft, sales volume for new installations increased, but sales volume for airlines for replacement batteries decreased, partly because the special demand from the post-Corona recovery in passenger demand has run its course.

As for the factors for the increase/decrease, although there was a review of contract unit prices for submarine lithium-ion batteries and other products, operating income remained almost the same level as the previous year due to an increase in expenses.

3. Balance Sheet

| | | | | | | | | (Billion yen) |
|--|-------|--|-----------------------|--------|---|-------|--|---------------|
| • Cash and deposits | -9.6 | Current assets 300.9 (-16.0) | Current liabilities | 188.5 | • Trade accounts (including equipment) | -25.0 | | |
| • Notes and accounts receivable | -12.9 | | | (-0.0) | • Short-term borrowings | +21.1 | | |
| • Inventories | +14.8 | | | | • Commercial papers | +5.5 | | |
| • Others | -8.3 | | | | • Payables, etc. | -1.1 | | |
| • Buildings and structures, net | -0.2 | Property, plant, and equipment 206.1 (+17.5) | Long-term liabilities | 94.0 | • Corporate bonds | +10.0 | | |
| • Machinery, equipment and vehicles, net | -0.4 | | | (-0.2) | • Lease liabilities | -7.2 | | |
| • Land | +1.8 | | | | • Deferred tax liabilities | -0.7 | | |
| • Construction in progress | +16.9 | | | | • Other | -2.7 | | |
| | | Intangible assets 4.8 (-0.3) | Net assets | 374.7 | • Retained earnings | +2.9 | | |
| • Investment securities | -0.8 | | | (-0.8) | • Valuation difference on available-for-sale securities | -2.4 | | |
| | | Investments and other assets 145.3 (-0.7) | | | • Foreign currency translation adjustments | +1.6 | | |
| | | Total assets 657.2 (+0.5) | | | • Remeasurements of defined benefit plans | -1.1 | | |
| | | | | | • Non-controlling interests | -0.5 | | |

Note: As of September 30, 2024
Comparisons with figures as of March 31, 2024

Points

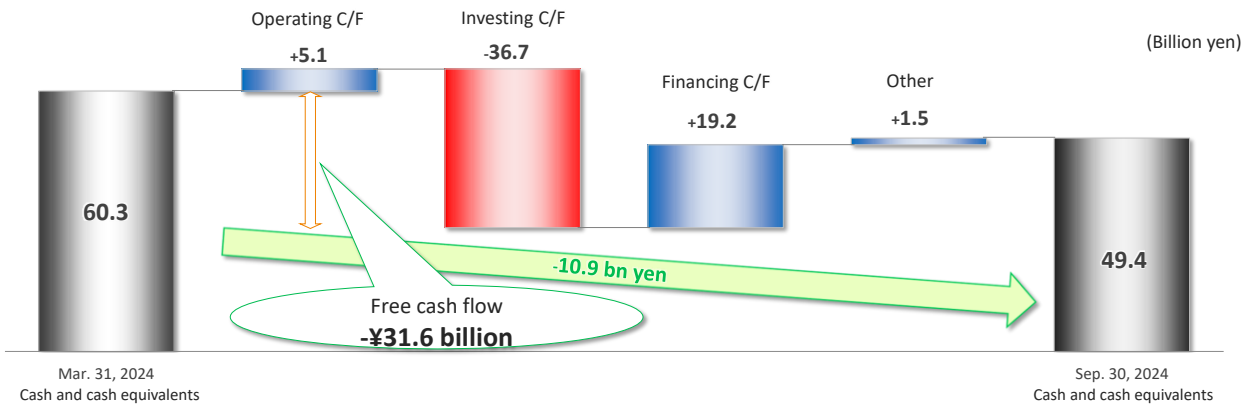
- Increase in inventories for demand season of Automotive Batteries, Industrial Batteries and Power Supplies
- Increase in construction in progress for land acquisition for BEV battery manufacturing and establishing production system of 70 million cells per year of lithium-ion batteries for HEVs
- Increase in corporate bonds due to the issuance of Sustainability-Linked Bonds

| | 3/31/2024 | 9/30/2024 |
|------------------|-----------|-----------|
| Equity ratio | 50.3% | 50.4% |
| Total borrowings | ¥76.2bn | ¥105.5bn |

I will explain only the main points regarding the balance sheet. Total assets are almost unchanged from the previous year.

Tangible fixed assets increased by +17.5 billion yen, due to the acquisition of land for the production of batteries for BEVs and investments to increase the capacity of Blue Energy's second plant to 70 million cells per year.

4. Cash Flow Statements



Points

- Operating cash flow fell significantly year-on-year to 5.1 billion yen due to a reduction in trade payables, although the Company secured 14.3 billion yen in pre-tax profits
- Investment cash flow was -36.7 billion yen due to factors such as the acquisition of land for the manufacture of batteries for BEVs and capital investment to increase the production capacity of Blue Energy's No.2 plant to 70 million cells per year. As a result, free cash flow was -31.6 billion yen
- Issued Sustainability-Linked Bonds and took out loans to meet the above funding needs

I will explain about cash flow.

Although we secured pre-tax income of 14.3 billion yen, operating cash flow was 5.1 billion yen, a significant decrease from the previous year due to the reduction of trade payables. Due to the acquisition of land for manufacturing batteries for BEVs and capital investment to increase production capacity at Blue Energy's second plant, net cash used in investing activities was -36.7 billion yen and free cash flow was -31.6 billion yen. We also issued Sustainability Linked Bonds and borrowed funds to meet the above financing needs.

5. Capital Investment, Depreciation, R&D Costs

(Billion yen)

| | FY2023 Apr. - Sep. | FY2024 Apr. - Sep. | FY2023 Full year | FY2024 Full year(Forecast) |
|---|-----------------------|-----------------------|---------------------|-------------------------------|
| Capital Investment | 15.2 | 28.2 | 49.4 | 70.0 |
| Automotive Batteries | | | | |
| Japan | 1.3 | 1.1 | 3.2 | 3.5 |
| Overseas | 3.4 | 3.1 | 7.3 | 7.5 |
| Industrial Batteries and Power Supplies | 0.6 | 2.2 | 2.0 | 5.0 |
| Automotive Lithium-ion Batteries | 5.0 | 5.9 | 15.0 | 10.5 |
| Specialized Batteries and Others | 4.9 | 15.9 | 21.8 | 43.5 |
| Depreciation | 10.8 | 11.0 | 22.8 | 23.0 |
| Automotive Lithium-ion Batteries | 2.2 | 3.0 | 4.9 | 5.0 |
| R&D Costs (Including equity method affiliates) | 5.8 | 8.8 | 14.0 | 16.0 |
| (Ratio of R&D expenses to net sales) | 2.3% | 3.3% | 2.5% | 2.7% |

Major capital investment projects

- Equipment introduction to New Industrial Buildings (For forklifts) of Kyoto Plant (Industrial Batteries and Power Supplies)
- Investment to expand production capacity to 70 million cells per year at Blue Energy No.2 plant (Automotive Lithium-ion Batteries)
- Acquisition and development of land for BEV battery production (Specialized Batteries and Others)

Outlook for the Business Environment of FY2024 and Financial Forecast

1. Outlook for the Business Environment from FY2024 Second Half



| | | |
|---|----------|--|
| Automotive Batteries | Japan | <p>The impact from the suspension of new car manufacturers' operations is expected to recover gradually through the second half of the year. Sales of replacement batteries are expected to remain strong.</p> <ul style="list-style-type: none"> > <For new automobiles> Although the impact of the car manufacturer's plant shutdown remains, we expect to see gradual improvement through the second half. > <For replacement> Sales are expected to remain strong in the second half of the year as well due to the higher-than-expected sales volume in the first half of the year. |
| | Overseas | <p>Although the sales were strong in the first half of the year, especially at strategic sites (ASEAN, Europe, Australia), we expect risks in the second half of the year due to local conditions in some regions.</p> <ul style="list-style-type: none"> > <ASEAN> In Indonesia and Vietnam, strong sales will continue. In Thailand, we expect impacts from decrease in production of new automobiles. > <Europe> Geopolitical risks such as the deteriorating situation in the Middle East and effects of exchange rates or inflation are expected, although sales of replacement batteries in Europe are expected to remain strong. > <Australia> Sales volume is strong due to "Made in Australia" strategy and expected to continue in the second half. |
| Industrial Batteries and Power Supplies | | <p>The regular field is performing well due to a strong demand, but we expect the impact of the delay in delivery due to subsidies*. The segment as a whole is expected to remain strong in the second half, particularly in the emergency field.</p> <ul style="list-style-type: none"> > <Regular use> Due to strong demand, we have received a large number of inquiries, and the performance is strong. However, we expect the impact of projects whose delivery dates have been delayed due to subsidies. > <Emergency use> Although there are impacts of soaring raw material prices, the performance will be strong due to increase in projects for government agencies and nuclear power, along with sales price revision. > <For forklifts> Both domestic and overseas sales are expected to remain strong in the second half due to the impact of sales price revision. <p><small>*General Incorporated Association Environmental Creation Initiative "Fiscal Year 2024 Support for the Introduction of Storage Batteries and Water Electrolysis Equipment for Power Grids" (https://sii.or.jp/chikudenchi06/) The final completion deadline for the period of the supplementary business project is January 19, 2027.</small></p> |
| Automotive Lithium-ion Batteries | | <p>In batteries for HEVs, although there was an impact from the decline in the lithium market, particularly in the first quarter, the impact is gradually improving. In the second half of the year, we expect to recover through increase in sales volumes, particularly to Honda, and reviewing sales prices.</p> <p>In batteries for PHEVs, we expect to recover from the decline in sales volume of car models equipped with our batteries by increasing the number of models in the second half.</p> <ul style="list-style-type: none"> > <For HEVs> There was the impact of the worsening spread between raw material prices and sales prices due to the decline in the lithium market particularly on 1Q. In the second half of the year, the impact will gradually improve, and we expect to recover to some extent through increase in sales volumes, particularly to Honda, and reviewing sales prices. > <For PHEVs> Despite the decrease in sales volume of delivered models, we expect to recover to some extent in the second half by increasing the number of models delivered. |
| Specialized Batteries and Others | | <p>In batteries for submarines, the impact of selling price revision will continue. The volume decline for aircraft is expected to be worse in the second half.</p> <ul style="list-style-type: none"> > <For submarines> The impact of price increase due to revision of contract unit prices will continue in 2Q and beyond. > <For aircraft> In addition to decrease in sales for airline (for replacement), the volume for new aircraft is also expected to decrease. > <Administrative division> A slight increase in expenses is expected in the second half. |

I would like to explain our perception of the business environment for the second half of the fiscal year ending March 31, 2025.

First, in automotive batteries in Japan, we expect that the effects of certification irregularities and typhoon-related shutdowns on new automobile batteries will gradually improve in the second half of the year, but it will be difficult to make up for the decline in the first half in the second half.

On the other hand, we expect sales of replacement batteries to remain strong, especially in the third quarter, which is also a demand period.

Regarding automotive batteries (overseas), in Thailand of ASEAN countries, conditions remain difficult due to production scale reductions and withdrawals by Japanese car manufacturers, partly because of stricter regulations on new automobiles and loans, typhoons, and reduced subsidies for some pickup trucks. In Indonesia and Vietnam, sales for automobiles and motorcycles, both new vehicles and aftermarket, are strong.

While demand in Europe for replacement is strong, we assume that Turkey is at high risk due to the deteriorating situation in the Middle East, exchange rate and inflation effects, although inflation has slowed down recently.

We assume that in Australia we will continue to perform well, taking advantage of the fact that it is the only Australian manufacturer of storage batteries.

Regarding industrial batteries and power supplies, the environment for domestic regular use will continue to see strong demand due to the impact of the multi-year extension of subsidies to cover the period, preferential policies for domestically produced storage batteries, and the auction for long-term Decarbonation / Carbon-free power sources. In regular use, strong projects for government, nuclear power projects, and data centers will continue.

Regarding lithium-ion batteries for automotive applications, the impact of the decline in lithium prices for HEVs has been improving, and the gap between selling prices and raw materials has decreased and is improving. In addition, volume is increasing due to model changes (FREED), etc., mainly for Honda.

The number of PHEVs to be delivered in the second half of the fiscal year is expected to increase due to an increase in the number of models (Outlander) to be delivered in the second half of the fiscal year.

In Specialized Batteries and Others, we expect the effect of the revision of contract unit prices for submarines continued in the second half of the fiscal year.

For aircraft, we expect sales to airlines to decrease, and sales to new aircraft manufacturers to also decrease slightly from the initial forecast.

2. Revision to Segment Results Forecast

| | | (Billion yen) | | | | | | | |
|--|----------|------------------|---|--------------------------------|---|--------------------------------|---|-----------------------|--|
| | | FY2023 Actual | | FY2024 Initial Forecast (A) | | FY2024 Revised Forecast (B) | | Change ((B)-(A)) | |
| | | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: pp) |
| Automotive Batteries | Japan | 94.0 | 8.1 (8.6) | 100.0 | 8.0 (8.0) | 100.0 | 8.5 (8.5) | - | +0.5 (+0.5) |
| | Overseas | 252.9 | 15.1 (6.0) | 259.0 | 16.5 (6.4) | 259.0 | 17.5 (6.8) | - | +1.0 (+0.4) |
| Industrial Batteries and Power Supplies | | 109.7 | 13.2 (12.0) | 120.0 | 13.0 (10.8) | 120.0 | 13.5 (11.3) | - | +0.5 (+0.5) |
| Automotive Lithium-ion Batteries | | 84.8 | 2.6 (3.1) | 90.0 | 4.0 (4.4) | 90.0 | 2.0 (2.2) | - | -2.0 (-2.2) |
| Specialized Batteries and Others | | 21.5 | 3.2 (14.9) | 21.0 | 3.0 (14.3) | 21.0 | 3.0 (14.3) | - | - |
| Total | | 562.9 | 42.2 (7.5) | 590.0 | 44.5 (7.5) | 590.0 | 44.5 (7.5) | - | - |

Factors of Revision to Forecast by Segments

- **<Automotive Batteries (Japan / Overseas), Industrial Batteries and Power Supplies>**
Revised the initial forecast to reflect upward performance due to increase in volume or price revisions in the first half
- **<Automotive Lithium-ion Batteries>**
Revised the initial forecast downward because of the significant impact of decline in profit of 1Q although the impact of lithium market for HEVs is expected to improve and the volume of batteries for PHEVs is expected to increase in the second half

| <Market information / Prerequisites> | FY2023 Actual | FY2024 Initial Forecast (A) | FY2024 Revised Forecast (B) | Change |
|--|------------------|--------------------------------|--------------------------------|--------|
| Domestic lead price quote (¥10,000/t) | 37.34 | 37.2 | 40.5 | +3.3 |
| LME (US\$/t) | 2,121 | 2,200 | 2,200 | ±0 |
| Exchange rate (¥/US\$) | 145.31 | 145.00 | 155.00 | +10.00 |

Note: Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

I would like to explain about the revision to the segment forecasts.

Forecast of operating income of automotive batteries in Japan is 8.5 billion yen, up 0.5 billion yen, operating income for automotive batteries overseas is 17.5 billion yen, up 1.0 billion yen, and operating income for industrial batteries and power supplies is 13.5 billion yen, up 0.5 billion yen.

The revised forecast for these three segments reflects the upward revision due to the increase in volume and the revision of selling prices in the first half.

On the other hand, we have revised downward our forecast of operating income for automotive lithium-ion batteries from 4 billion yen to 2 billion yen.

Although the impact of the lithium market is expected to improve for HEVs and the volume of batteries for PHEVs is expected to increase in the second half of the fiscal year, we expect a decrease in profit as it will not be enough to cover the impact of the decrease in profit mainly in the first quarter of the fiscal year.

3. Net Sales, Profits Forecast



| | (Billion yen) | | | | | | | | | | | | | | |
|--|---------------------------|---------------|--------------------------------|---------------|--|--------------|---|---------------|-------------------|--------|--|--------------|----------------------------|------|------|
| | FY2023 Actual | | | | FY2024 Actual / Forecast (Revised in November 2024) | | | | Charge (A)-(B) | (YoY%) | [Reference] Initial forecast for FY2024 | | | | |
| | 1H (Apr. - Sep.) | | Full Year (Apr. - Mar.) (B) | | 1H Actual (Apr. - Sep.) | | Full Year Forecast (Apr. - Mar.) (A) | | | | 1H (Apr. - Sep.) | | Full Year (Apr. - Mar.) | | |
| Net Sales | 256.8 | 562.9 | 264.5 | 590.0 | +27.1 | (+4.8%) | 263.0 | 590.0 | | | | | | | |
| Operating income (ratio) | 12.7 | 4.9% | 41.6 | 7.4% | 15.7 | 5.9% | 44.0 | 7.5% | +2.4 | +0.1P | (+5.8%) | 13.0 | 4.9% | 44.0 | 7.5% |
| Operating income before amortization of goodwill (ratio) | 12.9 | 5.0% | 42.2 | 7.5% | 16.1 | 6.1% | 44.5 | 7.5% | +2.3 | +0.0P | | - | | 44.5 | 7.5% |
| Ordinary income | 12.0 | 4.7% | 44.0 | 7.8% | 14.5 | 5.5% | 44.0 | 7.5% | +0.0 | -0.3P | (+0.0%) | 12.5 | 4.8% | 44.0 | 7.5% |
| Profit (ratio) | 6.0 | 2.3% | 32.1 | 5.7% | 9.4 | 3.6% | 26.0 | 4.4% | -6.1 | -1.3P | (-18.9%) | 6.0 | 2.3% | 26.0 | 4.4% |
| Profit before amortization of goodwill (ratio) | 6.2 | 2.4% | 32.6 | 5.8% | 9.7 | 3.7% | 26.5 | 4.5% | -6.1 | -1.3P | | - | | 26.5 | 4.5% |
| [Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting) (ratio) | - | | 44.9 | 8.0% | 17.1 | 6.5% | 47.1 | 8.0% | +2.2 | +0.0P | | - | | 47.1 | 8.0% |
| EPS (Basic earnings per share) (¥/share) | ¥74.06 | ¥369.74 | ¥93.81 | ¥259.21 | -¥110.53 | | | | | | | ¥59.82 | ¥259.21 | | |
| Annual dividend (¥/share) (The figure for FY2024 is estimated) | ¥15 (Interim) | ¥70 (Full) | ¥20 (Interim) | ¥70 (Full) | ±¥0 | | | | | | | 20 (Interim) | ¥70 (Full) | | |
| Market Information / Prerequisites | Domestic lead price quote | ¥368,400 /t | ¥373,400 /t | ¥385,900 /t | ¥405,000 /t | +¥31,600 /t | ¥372,000 /t | ¥372,000 /t | | | | | | | |
| | LME | 2,144 US\$/t | 2,121 US\$/t | 2,104 US\$/t | 2,200 US\$/t | +79 US\$/t | 2,200 US\$/t | 2,200 US\$/t | | | | | | | |
| | Exchange rate | ¥142.61 /US\$ | ¥145.31 /US\$ | ¥152.45 /US\$ | ¥155.00 /US\$ | +¥9.69 /US\$ | | ¥150.00 /US\$ | ¥145.00 /US\$ | | | | | | |

Note: The amount of application of hyperinflationary accounting shown for reference is included in the FY2024 forecast for operating income as the same level as in FY2023.

Forecast of FY2024

➤ In addition to the upcoming political events that are coming up in various countries, the trends in exchange rates and raw material prices are also unclear. Although the performance shows an upward trend in the first half of the year, we have not revised the performance forecast from May 2024 except for market information / prerequisites.

As of the first half of FY2024, our performance is as I mentioned.

Economic trends are very uncertain due to political events in various countries, the impact of Japan's lower house election, the U.S. presidential election, central bank policy changes, and interest rate fluctuations.

In addition, raw material prices and exchange rates have been changing rapidly due to economic trends and the economic situation in China, etc. We have not revised our full-year forecast in total from the initial forecast announced in May, as we have decided to leave the full-year results unchanged.

Although this document has been prepared with information believed to be correct, GS Yuasa Corporation does not guarantee the accuracy or the completeness of such information. Also, the information herein contains forward-looking statements regarding the Company's plans, outlooks, strategies and results for the future. All the forward-looking statements are based on judgments derived from information available to the Company at the time of release. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented herein.



Reference

Reference. Net Sales, Profits (3 months information)



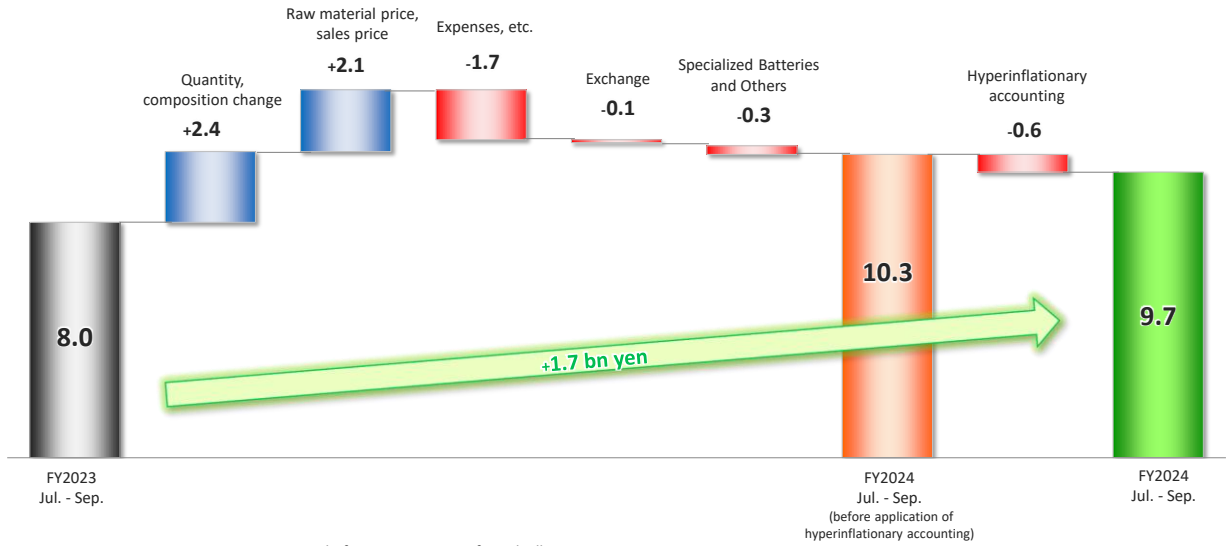
| | FY2023 | | FY2024 | | Change | (YoY%) | (Billion yen) | | | |
|--|---|---------------|-----------------|------|--------------|----------------|--|------|--------------------|-------|
| | Jul. - Sep. | | Jul. - Sep. (A) | | | | [Reference] Previous Quarter Information | | | |
| | | | | | | | FY2024 Apr. - Jun. (B) | | Change ((A)-(B)) | |
| Net sales | 136.3 | | 136.9 | | +0.6 | (+0.5%) | 127.6 | | +9.3 | |
| Gross profit | 29.3 | | 31.6 | | +2.3 | | 28.4 | | +3.2 | |
| Operating income (ratio) | 7.8 | 5.8% | 9.5 | 7.0% | +1.7 | +1.2p (+21.7%) | 6.2 | 4.8% | +3.3 | +2.2p |
| Operating income before amortization of goodwill (ratio) | 8.0 | 5.9% | 9.7 | 7.1% | +1.7 | +1.2p | 6.4 | 5.0% | +3.3 | +2.1p |
| Non-operating income | 1.2 | | 1.4 | | +0.2 | | 2.2 | | -0.8 | |
| Non-operating loss | 2.0 | | 3.1 | | +1.1 | | 1.7 | | +1.4 | |
| Equity method investment gains and losses | 1.1 | | 0.8 | | -0.3 | | 0.8 | | +0.0 | |
| Ordinary income (ratio) | 7.1 | 5.2% | 7.8 | 5.7% | +0.7 | +0.5p (+10.4%) | 6.7 | 5.2% | +1.1 | +0.5p |
| Extraordinary income | 0.0 | | 0.0 | | -0.0 | | 0.0 | | -0.0 | |
| Extraordinary loss | 0.1 | | 0.1 | | +0.0 | | 0.1 | | +0.0 | |
| Profit before income taxes | 7.0 | | 7.7 | | +0.7 | | 6.7 | | +1.0 | |
| Income taxes | 1.3 | | 2.5 | | +1.2 | | 0.8 | | +1.7 | |
| Profit attributable to non-controlling interests | 1.4 | | 0.5 | | -0.9 | | 1.1 | | -0.6 | |
| Profit (ratio) | 4.3 | 3.2% | 4.6 | 3.4% | +0.3 | +0.2p (+7.3%) | 4.8 | 3.8% | -0.2 | -0.4p |
| Profit before amortization of goodwill (ratio) | 4.4 | 3.3% | 4.8 | 3.5% | +0.4 | +0.2p | 4.9 | 3.9% | -0.1 | -0.4p |
| [Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting) (ratio) | - | | 10.3 | 7.5% | - | | 6.8 | 5.3% | +3.5 | +2.2p |
| Cash Flow Statements | Depreciation (including intangible assets excluding goodwill) | 6.0 | 5.7 | | -0.3 | | 5.8 | | -0.1 | |
| | Amortization of goodwill | 0.1 | 0.1 | | +0.0 | | 0.1 | | -0.0 | |
| Market Information | Domestic lead price quote | ¥380,700 /t | ¥372,000 /t | | -¥8,700 /t | | ¥399,800 /t | | -¥27,800 /t | |
| | LME | 2,170 US\$/t | 2,041 US\$/t | | -129 US\$/t | | 2,166 US\$/t | | -125 US\$/t | |
| | Exchange rate | ¥145.59 /US\$ | ¥146.66 /US\$ | | +¥1.07 /US\$ | | ¥158.24 /US\$ | | -¥11.58 /US\$ | |

Reference. Net Sales, Profits (3 months information)



Factors for Operating Income Change (Year-on-year comparison)

(Billion yen)



Reference. Segment Results (3 months information)



| | | FY2023 | | FY2024 | | Change | | (Billion yen) | | | |
|---|----------|-------------|--|-----------------|--|-----------|---|--|--------------------|------|---|
| | | Jul. - Sep. | | Jul. - Sep. (A) | | | | [Reference] Previous Quarter Information | | | |
| | | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: pp) | FY2024 Apr. - Jun. (B) | Change ((A)-(B)) | | Operating income (Op. income ratio: pp) |
| Automotive Batteries | Japan | 21.5 | 1.1 (5.3) | 22.7 | 1.7 (7.6) | +1.2 | +0.6 (+2.3) | 20.8 | 1.6 (7.8) | +1.9 | +0.1 (-0.2) |
| | Overseas | 67.1 | 4.8 (7.2) | 62.3 | 4.6 (7.3) | -4.8 | -0.2 (-0.1) | 65.2 | 4.8 (7.4) | -2.9 | -0.2 (-0.1) |
| Industrial Batteries and Power Supplies | | 21.6 | 1.2 (5.6) | 26.7 | 3.0 (11.2) | +5.1 | +1.8 (+5.6) | 19.5 | 0.9 (4.8) | +7.2 | +2.1 (+6.4) |
| Automotive Lithium-ion Batteries | | 21.1 | 0.3 (1.4) | 20.3 | 0.3 (1.3) | -0.8 | -0.0 (-0.1) | 16.1 | -2.0 (-12.6) | +4.2 | +2.3 (+13.9) |
| Specialized Batteries and Others | | 5.0 | 0.5 (9.7) | 5.0 | 0.2 (3.3) | -0.0 | -0.3 (-6.4) | 6.0 | 1.0 (16.9) | -1.0 | -0.8 (-13.6) |
| Total | | 136.3 | 8.0 (5.9) | 136.9 | 9.7 (7.1) | +0.6 | +1.7 (+1.2) | 127.6 | 6.4 (5.0) | +9.3 | +3.3 (+2.1) |

FY2024 2Q Result

- Regarding domestic automobile production, although the impact of the plant shutdown by car manufacturers is gradually recovering, the volume decreased compared to the previous year because of the impact of the typhoon, etc.
- The performance of Automotive Lithium-ion Batteries is on an improving trend, despite the impact of falling lithium prices.
- The LME price fell due to the impact of global economic trends mainly in China. The domestic lead price fell compared to the previous year due to the decline in LME or certain progress of appreciation of the yen.
- Although the yen continued to appreciate due to factors such as the Bank of Japan raising interest rates, it continued to slightly weaken compared to the previous year.

| <Market information> | FY2023 | FY2024 | Change | [Reference] Previous Quarter Information | |
|---------------------------------------|-------------|-----------------|--------|--|--------------------|
| | Jul. - Sep. | Jul. - Sep. (A) | | FY2024 Apr. - Jun. (B) | Change ((A)-(B)) |
| Domestic lead price quote (x10,000/t) | 38.07 | 37.20 | -0.87 | 39.98 | -2.78 |
| LME (US\$/t) | 2,170 | 2,041 | -129 | 2,166 | -125 |
| Exchange rate (¥/US\$) | 145.59 | 146.66 | +1.07 | 158.24 | -11.58 |

Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

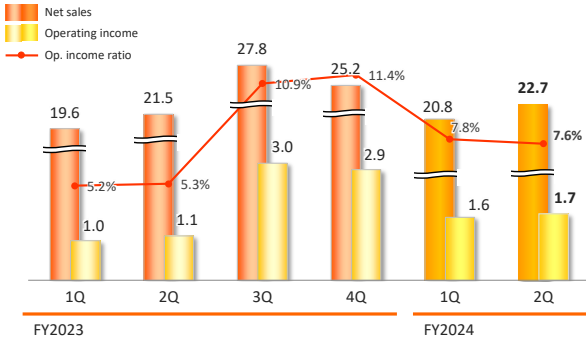
Reference. Segment Results (3 months information)



Automotive Batteries (Japan)

Sales and profit increased

Net Sales, Operating income, Op. income ratio (3 months) (Billion yen)



Profit Change Factors (YoY : Jul. - Sep.)

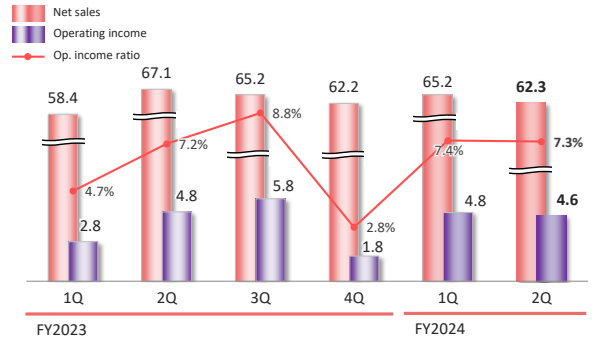
| | | |
|----------------------------------|------|---|
| Quantity, composition change | +0.1 | Increase in sales volume of replacement batteries |
| Raw material prices, sales price | +0.5 | Increase due to revision of selling prices |
| Expenses, etc. | -0.1 | |

Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

Automotive Batteries (Overseas)

Sales and profit declined

Net Sales, Operating income, Op. income ratio (3 months) (Billion yen)



Profit Change Factors (YoY : Jul. - Sep.)

| | | |
|----------------------------------|------|---|
| Quantity, composition change | +1.8 | Increased volume at strategic sites and other sites |
| Raw material prices, sales price | +1.3 | Increase due to reflection of selling price of rising cost |
| Expenses, etc. | -2.7 | Increase in expenses due to the impact of inflation |
| Exchange | -0.1 | Foreign currency translation impact due to the depreciation of the Turkish lira |
| Hyperinflationary accounting | -0.6 | |

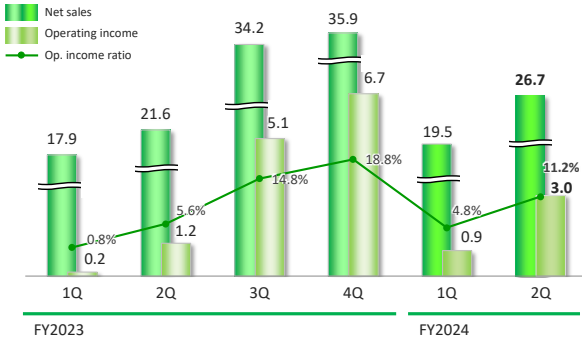
Reference. Segment Results (3 months information)



Industrial Batteries and Power Supplies

Sales and profit increased

Net Sales, Operating income, Op. income ratio (3 months) (Billion yen)



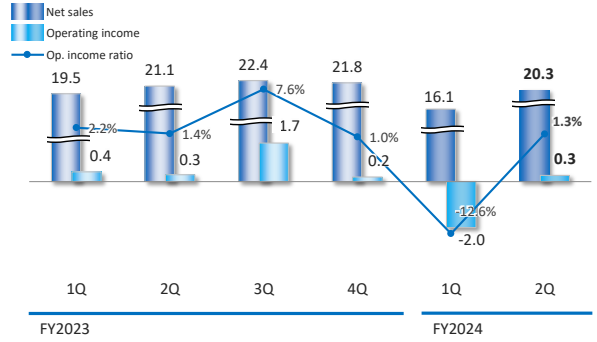
Profit Change Factors (YoY : Jul. - Sep.)

| | | |
|------------------------------|------|---|
| Quantity, composition change | +1.2 | The number of projects in increasing in regular and emergency field |
| Raw material prices | +0.5 | Increase due to revision of selling price |
| Expenses, etc. | +0.1 | |

Automotive Lithium-ion Batteries

Sales and profit declined

Net Sales, Operating income, Op. income ratio (3 months)(Billion yen)



Profit Change Factors (YoY : Jul. - Sep.)

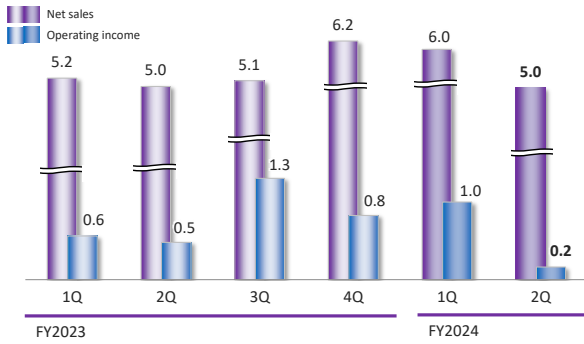
| | | |
|----------------------------------|------|---|
| Quantity, composition change | -0.6 | Decrease in sales volume for PHEVs and the associated impact of lower capacity utilization although the volume for HEVs and ESS increased |
| Raw material prices, sales price | -0.3 | Decline in selling price due to lower lithium market prices |
| Expenses, etc. | +1.0 | Decrease in expenses due to decrease in sales volume |

Reference. Segment Results (3 months information)

Specialized Batteries and Others

Sales and profit declined

Net Sales, Operating income (3 months) (Billion yen)



Profit Change Factors (YoY : Jul. - Sep.)

Profit decreased due to increase in expenses despite the revision of contract unit prices of lithium-ion batteries for submarines

IAS 29, Financial Reporting in Hyperinflationary Economies

➤ In hyperinflationary economies, the three-year cumulative inflation rate is close to or exceeds 100%.

1. **Assets and liabilities (BS items)** and **income and expense items (PL items)** must be **converted at the closing rate when** converted to Japanese yen.

| | Conventional | IAS 29 |
|-----------------------------------|-----------------------------|-------------------|
| Assets and liabilities (BS items) | Closing date rate | Closing date rate |
| Income and expense (PL items) | Average rate for the period | Closing date rate |

2. **Changes in the price index (CPI)** must be **reflected in the financial statements**

■ **Impact on the Balance Sheet**

• **Non-monetary items** such as inventories, tangible fixed assets, and intangible fixed assets **are restated from the date of acquisition/transaction, and capital is restated from the date of investment**, according to price changes up to the end of the period.

· Retained earnings are restated to reflect the cumulative effect up to the end of the period.

■ **Impact on the income statement**

· All items are restated for price changes from the time of the transaction to the end of the period

➡ Difference due to inflation impact is recorded in non-operating income/loss
"Net gain/loss on monetary assets".

External ratings of Sustainability activities

Sustainability evaluations

(As of September 30, 2024)

| | ESG rating by MSCI (U.S.) ^{*1} | ESG rating by FTSE (English) ^{*2} | CSR assessment by Toyo Keizai Inc. ^{*3} | | | | CDP (English) assessments ^{*4} |
|------|---|--|--|-------------|----------------------|-----------|---|
| | | | HR utilization | Environment | Corporate governance | Sociality | |
| 2024 | BBB | 3.9 | AAA | AAA | AA | AA | A- |
| 2023 | BBB | 3.8 | AAA | AAA | AA | AAA | A- |
| 2022 | BBB | 3.6 | AA | AAA | AA | AA | A- |
| 2021 | A | 3.6 | AAA | AAA | AA | AA | B |
| 2020 | A | 3.4 | AA | AAA | AA | AA | B |

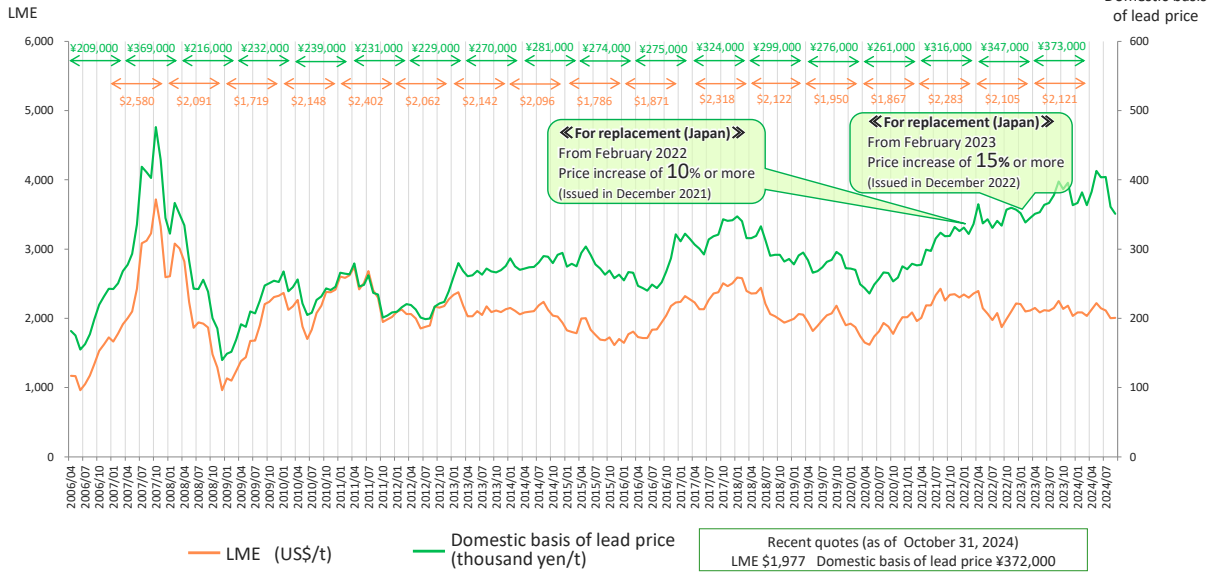
*1: ESG rating of MSCI (U.S.) is done by Japan ESG Select Leaders Index and is seven-grade evaluation of AAA, AA, A, BBB, BB, B and CCC. (Rating Update : around June)

*2: ESG rating of FTSE (English) is five-grade evaluation of 1, 2, 3, 4, 5. (Rating Update : around June)

*3: Toyo Keizai Inc.'s CSR assessment is five-grade evaluation of AAA, AA, A, B and C. (Rating Update : around November)

*4: CDP (English) is eight-grade evaluation of A, A-, B, B-, C, C-, D, D-. (Rating Update : around September)

Changes in Raw Materials Prices



Quarterly Results by Segment

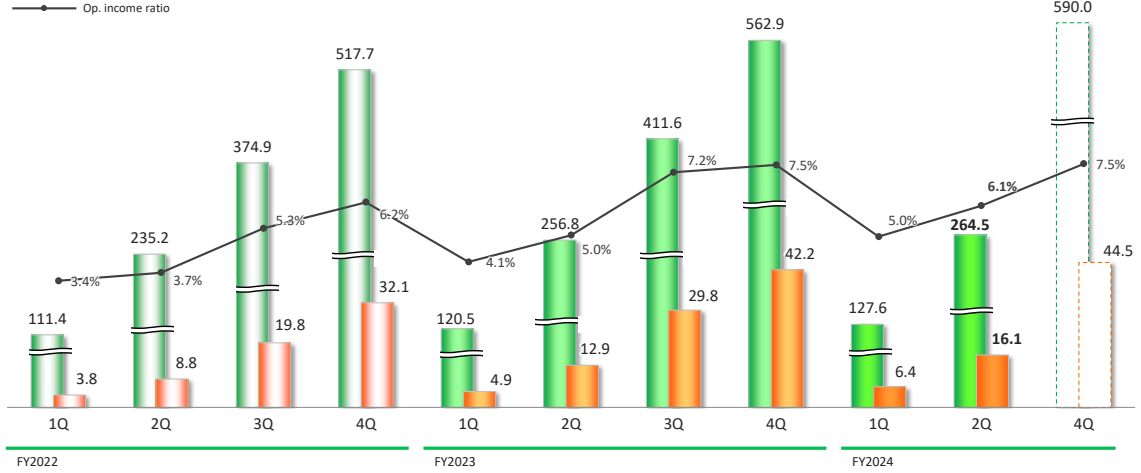
(Billion yen)

| | | FY2023 | | | | | | | | | | FY2024 | | | | | | | | | | | |
|--|--------------|---------------------|---|---------------------|---|---------------------|---|---------------------|---|-----------------------|---|------------------------------|-----------|---|-----------|---|-----------|---|-----------|---|------------------------------|----------------|----------------|
| | | 1Q (Apr. - Jun.) | | 2Q (Jul. - Sep.) | | 3Q (Oct. - Dec.) | | 4Q (Jan. - Mar.) | | Full (Apr. - Mar.) | | 1Q (Apr. - Jun.) | | 2Q (Jul. - Sep.) | | 3Q (Oct. - Dec.) | | 4Q (Jan. - Mar.) | | Full (Apr. - Mar.) | | | |
| | | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | EBITDA (EBITDA Margin: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | Net sales | Operating income (Op. income ratio: %) | EBITDA (EBITDA Margin: %) | | |
| Auto motive Batteries | Japan | 19.6 | 1.0 (5.2) | 21.5 | 1.1 (5.3) | 27.8 | 3.0 (10.9) | 25.2 | 2.9 (11.4) | 94.0 | 8.1 (8.6) | 10.9 (11.6) | 20.8 | 1.6 (7.8) | 22.7 | 1.7 (7.6) | - | - | - | - | 100.0 | 8.5 (8.5) | - |
| | Over seas | 58.4 | 2.8 (4.7) | 67.1 | 4.8 (7.2) | 65.2 | 5.8 (8.8) | 62.2 | 1.8 (2.8) | 252.9 | 15.1 (6.0) | 22.6 (8.9) | 65.2 | 4.8 (7.4) | 62.3 | 4.6 (7.3) | - | - | - | - | 259.0 | 17.5 (6.8) | - |
| Industrial Batteries and Power Supplies | | 17.9 | 0.2 (0.8) | 21.6 | 1.2 (5.6) | 34.2 | 5.1 (14.8) | 35.9 | 6.7 (18.8) | 109.7 | 13.2 (12.0) | 15.1 (13.8) | 19.5 | 0.9 (4.8) | 26.7 | 3.0 (11.2) | - | - | - | - | 120.0 | 13.5 (11.3) | - |
| Automotive Lithium-ion Batteries | | 19.5 | 0.4 (2.2) | 21.1 | 0.3 (1.4) | 22.4 | 1.7 (7.6) | 21.8 | 0.2 (1.0) | 84.8 | 2.6 (3.1) | 7.5 (8.9) | 16.1 | -2.0 (-12.6) | 20.3 | 0.3 (1.3) | - | - | - | - | 90.0 | 2.0 (2.2) | - |
| Specialized Batteries and Others | | 5.2 | 0.6 (10.9) | 5.0 | 0.5 (9.7) | 5.1 | 1.3 (25.5) | 6.2 | 0.8 (13.7) | 21.5 | 3.2 (14.9) | 8.9 (41.4) | 6.0 | 1.0 (16.9) | 5.0 | 0.2 (3.3) | - | - | - | - | 21.0 | 3.0 (14.3) | - |
| Total | | 120.5 | 4.9 (4.1) | 136.3 | 8.0 (5.9) | 154.8 | 16.9 (10.9) | 151.3 | 12.4 (8.2) | 562.9 | 42.2 (7.5) | 65.0 (11.6) | 127.6 | 6.4 (5.0) | 136.9 | 9.7 (7.1) | - | - | - | - | 590.0 | 44.5 (7.5) | 67.5 (11.4) |

Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill. EBITDA is operating income before amortization of goodwill + depreciation.

Net Sales, Operating Income, Op. Income Ratio

(Billion yen)



Note: Operating income is operating income before amortization of goodwill and op. income ratio is op. income ratio before amortization of goodwill.