

Fiscal year Ended June 30, 2024 (FY2024) Result Briefing



August 5, 2024
GS Yuasa Corporation

FY2024 First Quarter Financial Results

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FY2024 First Quarter Financial Results

Point of FY2024 First Quarter Financial Results



FY2024 First Quarter Financial Results (Apr. - Jun.)

	FY2023 Apr. - Jun.	FY2024 Apr. - Jun.	Difference	YoY
Net sales	120.5 billion yen	127.6 billion yen	+7.1 billion yen	+5.8 %
Operating income	4.8 billion yen	6.2 billion yen	+1.4 billion yen	+27.9 %
Operating income before amortization of goodwill	4.9 billion yen	6.4 billion yen	+1.5 billion yen	+28.6 %
Ordinary income	4.9 billion yen	6.7 billion yen	+1.8 billion yen	+35.5 %
Profit	1.6 billion yen	4.8 billion yen	+3.2 billion yen	+190.1 %
Profit before amortization of goodwill	1.7 billion yen	4.9 billion yen	+3.2 billion yen	+183.2 %
[Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting)	-	6.8 billion yen	-	-
EPS (Basic earnings per share)	20.51 yen	47.71 yen	+27.2 yen	+132.6 %

Performance Trends

- Factors for the increase in net sales and operating income;
 - Increase in sales volume of automotive batteries
 - Revision of selling prices by segments
- Factors for the increase in ordinary income;
 - Increase in equity in earnings of affiliates
- Factors for the increase in profit;
 - Decrease in income taxes and net income attributable to noncontrolling interests

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Key points of financial results for the first quarter of FY2024.

Net sales totaled 127.6 billion yen, an increase of 7.1 billion yen from the previous year. Operating income was 6.2 billion yen, up 1.4 billion yen, and ordinary income was 6.7 billion yen, up 1.8 billion yen. Net income was 4.8 billion yen, an increase of 3.2 billion yen, resulting in a significant increase in both sales and income.

Trends in business performance are as follows.

- Net sales and operating income increased due to higher sales volume of automotive batteries and the effect of sales price revision in each segment.
- Ordinary income increased due to an increase in operating income as well as an increase in equity in earnings of affiliates.
- Net income increased due to decrease in income taxes and net income attributable to noncontrolling interests.

1. Net Sales, Profits



	FY2023		FY2024		Charge	(YoY%)	(Billion yen)				
	Apr. - Jun.		Apr. - Jun.				[Reference] Forecast for FY2024				
							1H (Apr. - Sep.)		Full Year (Apr. - Mar.)		
Net sales	120.5		Record 127.6		+7.1	(+5.8%)	263.0		590.0		
Gross profit	25.8		Record 28.4		+2.6		-		-		
Operating income (ratio)	4.8	4.0%	Record 6.2	4.8%	+1.4	+0.8p	+27.9%	13.0	4.9%	44.0	7.5%
Operating income before amortization of goodwill (ratio)	4.9	4.1%	Record 6.4	5.0%	+1.5	+0.9p		-		44.5	7.5%
Non-operating income	1.7		Record 2.2		+0.5		-		-		
Non-operating loss	1.6		Record 1.7		+0.1		-		-		
Equity method investment gains and losses	0.2		Record 0.8		+0.6		-		-		
Ordinary income	4.9	4.1%	Record 6.7	5.2%	+1.8	+1.1p	+35.5%	12.5	4.8%	44.0	7.5%
Extraordinary income	0.4		Record 0.0		-0.4		-		-		
Extraordinary loss	0.7		Record 0.1		-0.6		-		-		
Profit before income taxes	4.7		Record 6.7		+2.0		-		-		
Income taxes	1.5		Record 0.8		-0.7		-		-		
Profit attributable to non-controlling interests	1.5		Record 1.1		-0.4		-		-		
Profit (ratio)	1.6	1.4%	Record 4.8	3.8%	+3.2	+2.4p	+190.1%	6.0	2.3%	26.0	4.4%
Profit before amortization of goodwill (ratio)	1.7	1.4%	Record 4.9	3.9%	+3.2	+2.5p		-		26.5	4.5%
[Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting)	-		Record 6.8	5.3%	-		-		-	47.1	8.0%
EPS (Basic earnings per share) (¥/share)	¥20.51		Record ¥47.71		+¥27.2		¥59.82		¥259.21		
Cash Flow Statements	Depreciation	5.3	Record 5.8		+0.5		-		-		
	Amortization of goodwill	0.1	Record 0.1		+0.0		-		-		
Market Information / Prerequisites	Domestic lead price quote	¥356,000 /t	Record ¥399,800 /t		+¥43,800 /t		¥372,000 /t		¥372,000 /t		
	LME	2,118 US\$/t	Record 2,166 US\$/t		+48 US\$/t		2,200 US\$/t		2,200 US\$/t		
	Exchange rate	¥139.63 /US\$	Record ¥158.24 /US\$		+¥18.61 /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.

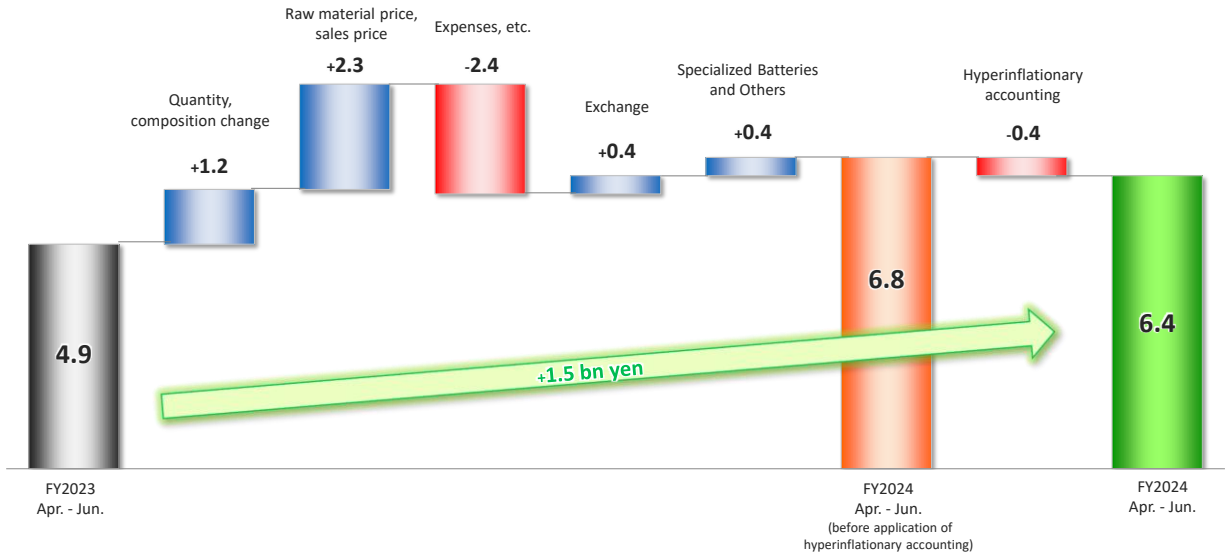
Both net sales and profits at all levels are at record highs.

1. Net Sales, Profits



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

(Billion yen)



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

This is the factor of change in operating income before amortization of goodwill compared to the previous year.

The increase in profit was 1.5 billion yen over the previous year, and the impact of the recent sharp rise in raw material prices and increased expenses due to inflation was compensated for by selling price revision and an increase in volume.

This has led to record profits.

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. - Jun.	FY2024 Apr. - Jun.	(Billion Yen) Change
Operating income	4.8	6.2	+1.4
Non-operating income	1.7	2.2	+0.5
Non-operation loss	1.6	1.7	+0.1
Ordinary income	4.9	6.7	+1.8
Extraordinary income	0.4	0.0	-0.4
Extraordinary loss	0.7	0.1	-0.6
Net income before income taxes	4.7	6.7	+2.0
Income taxes	1.5	0.8	-0.7
Profit attributable to non-controlling interests	1.5	1.1	-0.4
Profit attributable to owners of parent	1.6	4.8	+3.2

Major factors (Amounts in parentheses are for FY2024 1Q)

- Improvement of equity in earnings of affiliates +0.6 billion yen (Equity in earnings of affiliates 0.8 billion yen)
- Increase due to application of hyperinflation accounting +0.3 billion yen (Gain on net monetary assets 0.3 billion yen)
- Increase in foreign exchange loss -0.9 billion yen (Foreign exchange loss 0.3 billion yen)
- Decrease in loss on sale of bonds +0.3 billion yen (Loss on sale of bonds 0.1 billion yen)

➢ Reduction of tax burden on overseas subsidiaries

Breakdown of non-operating income/loss and extraordinary income/loss.

Non-operating income/loss includes approximately 0.6 billion yen in improved equity in earnings of affiliates.

Although Honda · GS Yuasa EV Battery R&D (HGYB), a research and development joint venture company with Honda, has incurred certain losses, there has been a significant improvement in earnings, particularly at overseas equity method affiliates, resulting in an increase in earnings. There is also an increase due to the application of hyperinflation accounting in Turkey. The factors in Turkey are the most significant, though, there is a negative impact of about 0.9 billion yen due to the deterioration of foreign exchange gains and losses.

As for income taxes, there was a decrease in tax expenses at the Turkey site.

The tax effect impact of hyperinflation had been recorded as a deferred tax liability until the previous period, but now that tax and accounting have been separated, there was a reversal, which had the effect of reducing the tax liability by approximately 1.4 billion yen.

2. Segment Results



		FY2023 Apr. - Jun.		FY2024 Apr. - Jun.		Change		(Billion yen)			
								[Reference] FY2024 Apr. - Jun. (before application of hyperinflationary accounting)		[Reference] Forecast for FY2024 Full Year (Apr. - Mar.)	
		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: %)	Net sales	Operating income (Op. income ratio: %)
Automotive Batteries	Japan	19.6	1.0 (5.2)	20.8	1.6 (7.8)	+1.2	+0.6 (+2.6)	20.8	1.6 (7.8)	100.0	8.0 (8.0)
	Overseas	58.4	2.8 (4.7)	65.2	4.8 (7.4)	+6.8	+2.0 (+2.7)	65.2	5.2 (8.0)	259.0	16.5 (6.4)
Industrial Batteries and Power Supplies		17.9	0.2 (0.8)	19.5	0.9 (4.8)	+1.6	+0.7 (+4.0)	19.5	0.9 (4.8)	120.0	13.0 (10.8)
Automotive Lithium-ion Batteries		19.5	0.4 (2.2)	16.1	-2.0 (-12.6)	-3.4	-2.4 (-14.8)	16.1	-2.0 (-12.6)	90.0	4.0 (4.4)
Specialized Batteries and Others		5.2	0.6 (10.9)	6.0	1.0 (16.9)	+0.8	+0.4 (+6.0)	6.0	1.0 (16.9)	21.0	3.0 (14.3)
Total		120.5	4.9 (4.1)	127.6	6.4 (5.0)	+7.1	+1.5 (+0.9)	127.6	6.8 (5.3)	590.0	44.5 (7.5)

FY2024 1Q Result

- Sales increased due to the effects of price shifting mainly in automotive batteries, industrial batteries and power supplies
- Automobile production slightly decreased due to plant shutdown of car manufacturers
- Net sales and profit in automotive lithium-ion batteries both decreased due to lower selling prices resulting from lower lithium market prices and lower volume for PHEVs
- LME is stable, but domestic lead price remains high due to yen depreciation
- Despite the continued depreciation of the yen, foreign exchange intervention and interest rate hikes are still under uncertain

<Market information / Prerequisites>

	FY2023 (Apr. - Jun.)	FY2024 (Apr. - Jun.)	Change	[Reference] Forecast for FY2024 Full Year (Apr. - Mar.)
Domestic lead price quote (¥10,000/t)	35.60	39.98	+4.38	37.2
LME (US\$/t)	2,118	2,166	+48	2,200
Exchange rate (¥/US\$)	139.63	158.24	+18.61	145.00

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

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Net sales and operating profit by each segment.

Net sales of Automotive Batteries (Japan) increased by 1.2 billion yen and operating income increased by 0.6 billion yen.

Net sales of Automotive Batteries (Overseas) increased by 6.8 billion yen and operating income increased by 2.0 billion yen, representing substantial increases in both sales and income.

Net sales of Industrial Batteries and Power Supplies increased by 1.6 billion yen in net sales, and operating income increased by 0.7 billion yen.

Specialized Batteries and Others reported an increase of 0.8 billion yen in net sales and an increase of 0.4 billion yen in operating income.

With the exception of Automotive Lithium-ion Batteries, our existing businesses have been able to firmly increase net sales and operating income.

On the other hand, the Automotive Lithium-ion Batteries unfortunately posted a loss of 2 billion yen this time.

Net sales deteriorated by 2.4 billion yen compared to the previous year.

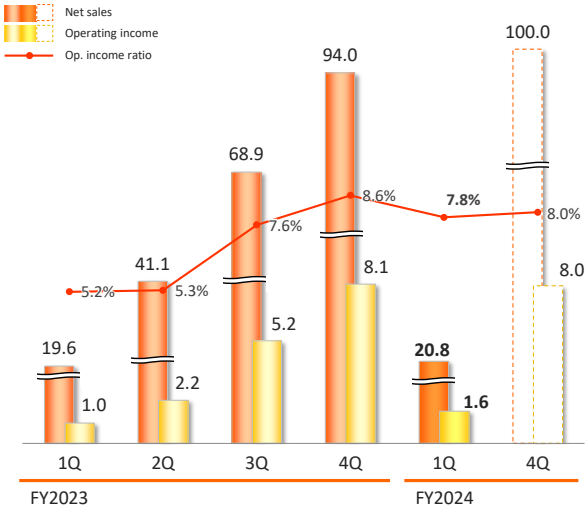
In addition to the decline in selling prices due to the drop in the lithium market price following the end of the previous fiscal year, a large decrease in the volume for PHEVs, as initially expected in the 1Q, is the reason for the current decline in sales and profit.

2. Segment Results (Automotive Batteries (Japan))

Automotive Batteries (Japan)

(Billion yen)

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



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 1Q Sales Overview (Apr. - Jun.)

➤ [For new automobiles] ↗

Net sales increased due to the selling price revision despite lower sales volume due to plant shutdowns by new car manufacturers

➤ [For replacement] ↗

Net sales increased due to slight increase in sales volume

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

Quantity, composition change	+0.2	
Raw material prices, sales price	+0.7	Increase due to selling price revision of new automotive batteries
Expenses, etc.	-0.3	

Net sales of Automotive Batteries (Japan) were 20.8 billion yen, an increase of 1.2 billion yen, and operating income was 1.6 billion yen, an increase of 0.6 billion yen.

Net sales for new automobiles increased due to the effect of the selling price correction, despite a decrease in sales volume.

Sales of replacement batteries increased due to a certain increase in sales volume and a revision of selling prices.

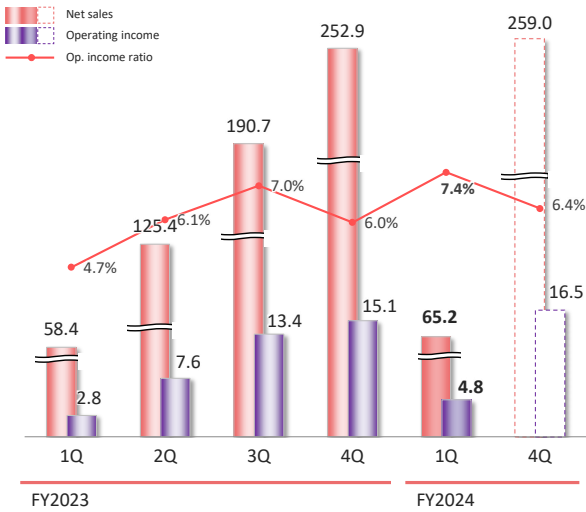
Operating income increased due to an increase in the volume of replacement batteries and a review of selling prices for new automobiles and replacement batteries.

2. Segment Results (Automotive Batteries (Overseas))

Automotive Batteries (Overseas)

(Billion yen)

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



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 1Q Sales Overview (Apr. - Jun.)

- **[Southeast Asia]** Sales volume of batteries for both automobiles and motorcycles increased in all strategic sites such as Thailand, Indonesia and Vietnam
- **[Europe]** Net sales increased in the European market, where demand is strong, due to high sales volume of competitive automotive batteries driven by the depreciation of the Turkish lira, along with the impact of the revision of selling prices and foreign exchange rates
- **[Australia]** Net sales increased due to higher sales volume from "Made in Australia" strategy, price revisions, and foreign exchange effects

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

Quantity, composition change	+2.5	Increase in volume at strategic sites and other sites
Raw material prices, sales price	+1.5	Increase due to reflection of selling price of rising cost
Expenses, etc.	-1.9	Increase in expenses due to the impact of inflation
Exchange	+0.4	Foreign currency translation impact due to the yen depreciation
Hyperinflationary accounting	-0.4	

Net sales of Automotive Batteries (Overseas) were 65.2 billion yen, an increase of 6.8 billion yen, and operating income was 4.8 billion yen, an increase of 2.0 billion yen, resulting in a large increase in both sales and income.

The sales volume has increased significantly at each site.

In Southeast Asia, sales volumes for both automobiles and motorcycles increased at all sites in Thailand, Indonesia, and Vietnam.

The market is also strong in Europe, and the sales volume of competitive automotive batteries has been very strong due to the depreciation of the lira in Turkey, an important production site. Net sales have also increased due to a revision of selling prices in response to cost increases and the impact of foreign exchange rates.

In Australia, "Made in Australia" continues to be highly favored, and we have been able to increase product volume and correct selling prices.

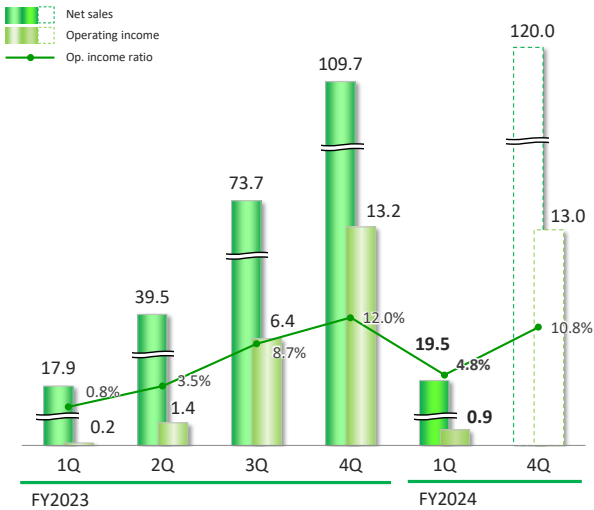
This increase in revenue was accompanied by an increase in operating income, a significant improvement.

2. Segment Results (Industrial Batteries and Power Supplies)

Industrial Batteries and Power Supplies

(Billion yen)

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



Sales and profit increased

FY2024 1Q Sales Overview (Apr. - Jun.)

- **[Regular field (Japan)]**

Net sales increased due to the delivery of projects that had been postponed from the end of the previous fiscal year
- **[Emergency field (Japan)]**

Net sales remained strong due to favorable sales of projects in the government agencies and nuclear power sectors, as well as increase in sales from growing demand for data centers
- **[For forklifts (Global)]**

Net sales increased due to the revision of selling prices, etc.

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

Quantity, composition change	-0.1	
Raw material prices	+0.5	Increase due to revision of selling price
Expenses, etc.	+0.3	

Industrial Batteries and Power Supplies reported net sales of 19.5 billion yen, up 1.6 billion yen, and operating income of 0.9 billion yen, up 0.7 billion yen.

In the regular use, net sales increased due to the shift of project delivery dates from the previous fiscal year to the current fiscal year.

In the emergency use, sales volume is increasing due to strong demand from government agencies and nuclear power plants, as well as strong growth in data center demand.

Net sales for forklifts also increased due to the correction of selling prices.

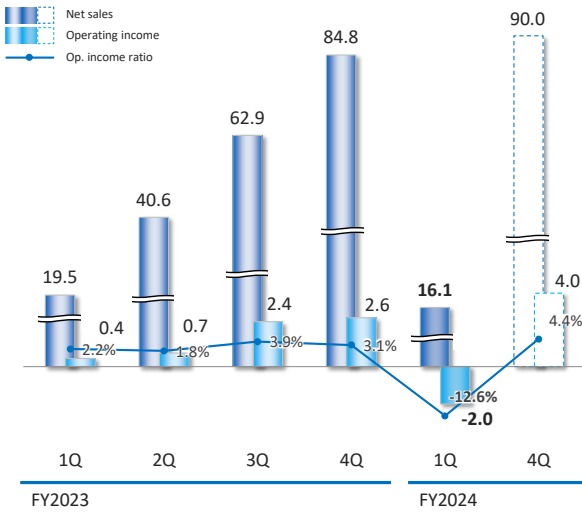
Against the backdrop of increased revenues, the full effect of the selling price revision from the previous year in particular contributed to the increase in profit.

2. Segment Results (Automotive Lithium-ion Batteries)

Automotive Lithium-ion Batteries

(Billion yen)

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



Sales and profit declined

FY2024 1Q Sales Overview (Apr. - Jun.)

- **[For HEVs]** Net sales decreased due to the decline in the lithium market price, despite an increase in sales volume, mainly to Honda
- **[For PHEVs]** Sales volume decreased due to poor sales of vehicles equipped with our batteries
- **[12V Lithium-ion batteries]** Sales volume increased due to higher sales of vehicles equipped with our batteries for Europe

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

Quantity, composition change	-1.4	Decrease in sales volume for PHEVs and ESS and the associated impact of lower capacity utilization
Raw material prices, sales price	-0.4	Decline in selling price due to lower lithium market prices
Expenses, etc.	-0.6	Impact of reduction in book value of inventory

Net sales of Automotive Lithium-ion Batteries were 16.1 billion yen, down 3.4 billion yen, and operating income was -2.0 billion yen, down 2.4 billion yen.

Sales of both lithium-ion batteries for hybrid vehicles and plug-in hybrid vehicles decreased. Particularly large sales declines have been for plug-in hybrid vehicles.

Net sales of batteries for hybrid vehicles are declining due to a drop in the lithium market price, although sales volume is increasing, especially to Honda.

Sales volume for plug-in hybrid vehicles, mainly for Mitsubishi Motors, has been decreasing significantly, although this was expected, as the product life cycle of the current models is reaching the end of its life cycle.

On the other hand, sales of 12V lithium-ion batteries for starting, is expected to grow in the future, increased due to an increase in the sales volume and the selling prices revision.

With regard to profits, unfortunately, this segment is in a large deficit.

Lithium-ion batteries for plug-in hybrid vehicles are affected by the decrease in volume.

Although we would normally promote selling price revision in response to the decrease in volume, we expect that the timing will be reflected in the second half of the fiscal year or later. Therefore, there was a large negative impact in 1Q.

In addition, a decrease in sales volume to ESS is having a negative impact on capacity utilization as this segment.

As for raw material prices and selling prices, we expect 1Q to be a negative peak due to lower selling prices resulting from the decline in the lithium market price and the scheme impact of past purchases for hybrid vehicles.

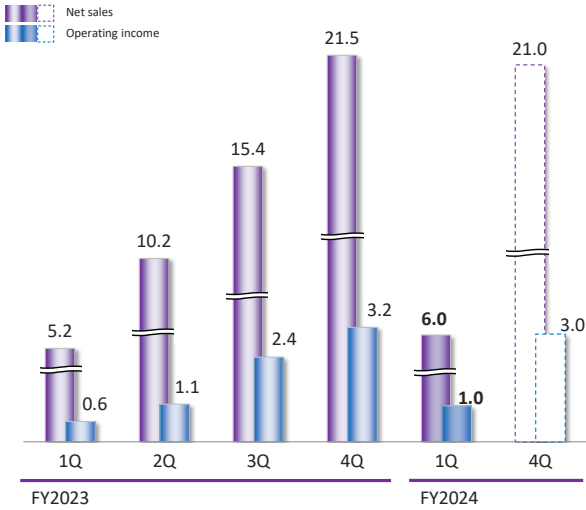
We expect the spread between raw material prices and selling prices to improve from 2Q onward.

2. Segment Results (Specialized Batteries and Others)

Specialized Batteries and Others

(Billion yen)

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



Sales and profit increased

FY2024 1Q Sales Overview (Apr. - Jun.)

- **[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. - Jun.)

Profit increased due to the revision of contract unit prices of lithium-ion batteries for submarines and decrease in expenses

Specialized Batteries and Others reported net sales of 6.0 billion yen, up 0.8 billion yen, and operating income of 1.0 billion yen, up 0.4 billion yen.

Net sales of lithium-ion batteries for submarines are increasing due to the revision of the unit price of contracts for the Ministry of Defense.

Lithium-ion batteries for aircraft are increasing for new installations but decreasing for airline (replacement) batteries.

The increase in profit was due to an improvement from a revision of selling prices of lithium-ion batteries for submarines and a reduction in expenses.

3. Balance Sheet

• Cash and deposits	+3.5	Current assets 319.8 (+2.9)	Current liabilities			• Trade accounts (including equipment)	-0.2	(Billion yen)	
• Notes and accounts receivable	-17.5		192.5 (+4.0)	• Short-term borrowings	+5.6				
• Inventories	+14.9		Property, plant, and equipment 195.3 (+6.7)	Long-term liabilities			• Commercial papers	+4.5	
• Others	+2.1			93.4 (-0.9)	• Payables, etc.	-4.1			
• Buildings and structures, net	+1.0	Intangible assets 5.2 (+0.1)	Net assets 379.7 (+5.8)			• Lease liabilities	+0.4		
• Machinery, equipment and vehicles, net	+1.3			Investments and other assets			• Deferred tax liabilities	-1.7	
• Land	+2.9	145.3 (-0.8)			• Other	+0.3			
• Construction in progress	+1.2	Total assets 665.5 (+8.9)			• Retained earnings	-1.7			
• Investment securities	-1.5				• Valuation difference on available-for-sale securities	-1.3			
• Retirement benefit asset	+0.3			• Foreign currency translation adjustments	+6.5				
						• Non-controlling interests	+2.7		

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

Points

- Increase in inventories mainly in industrial batteries and power supplies
- Acquisition of land and building of Kawagoe Plant (former GVIS)
- Increase in foreign currency translation adjustment due to yen depreciation

	3/31/2024	6/30/2024
Equity ratio	50.3%	50.0%
Total borrowings	¥76.2bn	¥86.3bn

This is the balance sheet as of June 30, 2024.

Total assets amounted to 665.5 billion yen, an increase of 8.9 billion yen over the end of this March.

Current assets increased by 2.9 billion yen.

Sales receivables decreased in the 1Q due to the fact that it was the collection period for receivables at the end of the previous year.

On the other hand, there is a certain amount of cash and deposits, mainly overseas, and an increase in inventories due to build-up and storage for the demand season from summer.

The increase in tangible fixed assets of 6.7 billion yen is due to the acquisition of Sanken Electric's land building in the Industrial Battery and Power Supply segment.

In addition, assets increased due to capital expenditures for lithium-ion batteries for hybrid vehicles.

On the liability side, total borrowings increased by about 10 billion yen.

Net assets increased by 5.8 billion yen.

Retained earnings amounted to -1.7 billion yen, despite an increase in net income, due to a decrease resulting from payment of year-end dividends.

The share price has fallen sharply today, although it had also fallen at the end of June.

Meanwhile, the yen continued to depreciate in terms of exchange rates as of the end of June.

As for the shareholders' equity ratio, the company continues to maintain the 50% level.

FY2024 Business Environment and Forecast

No change has been made to the initial forecast announced in May 2024.
I will explain the current environment and the direction from 2Q onward.

1. Outlook for the Business Environment from FY2024 Second Quarter

Automotive Batteries	Japan	<p>Although the outlook for new car manufacturers' operations is uncertain, sales of replacement batteries are expected to remain strong in 2Q and beyond</p> <ul style="list-style-type: none"> > <For new automobiles> The outlook for new car manufacturers' operations is uncertain. > <For replacement> Sales volume is expected to increase slightly upward in 2Q and beyond.
	Overseas	<p>Sales price and volume will remain strong in 2Q and beyond, centered on strategic sites (ASEAN, Europe, Australia)</p> <ul style="list-style-type: none"> > <ASEAN> Sales in Indonesia and Vietnam are performing well and their performance will continue in 2Q and beyond. > <Europe> Export sales from the Turkish site to Europe are expected to remain strong in 2Q and beyond. > <Australia> Strong sales volume and price shifting are expected to continue in the 2Q and beyond.
Industrial Batteries and Power Supplies		<p>Although there are many inquiries for regular use, the delivery period may change due to customers' reasons, and the forecast for 2Q and beyond is currently unchanged from the initial forecast</p> <ul style="list-style-type: none"> > <Regular use> Inquiries have been received in excess of production capacity, but there is a possibility that delivery dates will be changed due to customer circumstances related to subsidies, etc. > <For forklifts> Both domestic and overseas sales will remain strong in 2Q and beyond.
Automotive Lithium-ion Batteries		<p>In batteries for HEVs, although the impact of lower selling prices due to the falling lithium market price continues to be felt, we expect the recovery due to volume increase, price revision, etc.</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 of the fiscal year.</p> <ul style="list-style-type: none"> > <For HEVs> Although the impact of worsening spreads between raw materials and selling prices due to the falling lithium market price will continue, we expect to recover by increasing volume and revising selling prices. > <For PHEVs> Despite a decrease in sales volume of delivered models, we expect to recover in the second half of the year by increasing the number of models delivered.
Specialized Batteries and Others		<p>Price hikes for submarines will continue, but volume decline for aircraft will continue in 2Q and beyond</p> <ul style="list-style-type: none"> > <For submarines> Price increase due to revision of contract unit prices will continue in 2Q and beyond. > <For aircraft> New aircraft sales will increase, but sales for airline (for replacement) will continue to decline in 2Q and beyond. > <Administrative division> A slight increase in expenses is expected.

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We expect that the operation of Automotive Batteries (Domestic) for new automobile batteries is also uncertain because of the uncertain volume.

On the other hand, we expect sales for replacement to remain strong in 2Q and beyond.

Automotive Batteries (Overseas) are expected to remain strong in 2Q and beyond, following 1Q, mainly in ASEAN, Europe, and Australia.

As for ASEAN, we expect Indonesia and Vietnam to continue to perform well in the 2Q and beyond.

In Europe, we expect exports from the Turkish site to the U.K. and continental Europe to be strong.

We expect Australia to remain strong.

In the regular use, including ESS for Industrial Batteries and Power Supplies, inquiries continue to be strong. In the ESS business, on the other hand, since the subsidy period extends through FY2026, we believe there is a possibility that the timing of deliveries may change depending on customers' convenience, but we expect the demand to remain on par with the initial level due to strong demand. As for the emergency use, it is also strong, which we believe is in line with our expectations.

In Automotive Lithium-ion Batteries, we expect the impact of lower selling prices due to the decline in the lithium market price for hybrid vehicles to continue for a while, but we will work to recover by increasing volume and revising selling prices.

We will recover the sales of batteries for plug-in hybrids by starting deliveries to new car models in the second half of the fiscal year, as we had planned from the beginning, and we will respond to the decrease in volume by revision of selling prices.

Although the impact of worsening spreads on raw materials and selling prices due to the decline in the lithium market price for hybrid vehicles continues to be slight, improvement is progressing, and we expect the spread difference to decrease significantly from the 2Q onward.

In addition, we will work to recover by increasing volume, revising selling prices, and revising our procurement scheme, as explained at the Mid-term Management Plan Update Briefing.

In Specialized Batteries and Others, batteries for submarines are expected to correct sales price, while those for aircraft are expected to decrease slightly. In the administrative division, we currently expect a slight increase in expenses from the 2Q onward, with no major changes from the initial forecast.

2. Net Sales, Profits Forecast



	FY2023 Actual		FY2024 Forecast				(Billion yen)		Charge ((A)-(B))	(YoY%)	
			1H (Apr. - Sep.)		Full Year (Apr. - Mar.) (A)						
	1H (Apr. - Sep.)	Full Year (Apr. - Mar.) (B)									
Net Sales	256.8	562.9	263.0	590.0					+27.1	(+4.8%)	
Operating income (ratio)	12.7	4.9%	41.6	7.4%	13.0	4.9%	44.0	7.5%	+2.4	+0.1P	(+5.8%)
Operating income before amortization of goodwill (ratio)	12.9	5.0%	42.2	7.5%	-		44.5	7.5%	+2.3	+0.0P	
Ordinary income	12.0	4.7%	44.0	7.8%	12.5	4.8%	44.0	7.5%	+0.0	-0.3P	(+0.0%)
Profit (ratio)	6.0	2.3%	32.1	5.7%	6.0	2.3%	26.0	4.4%	-6.1	-1.3P	(-18.9%)
Profit before amortization of goodwill (ratio)	6.2	2.4%	32.6	5.8%	-		26.5	4.5%	-6.1	-1.3P	
[Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting)	-	44.9	8.0%	-	47.1	8.0%			+2.2	+0.0P	
EPS (Basic earnings per share) (¥/share)	¥74.06	¥369.74	¥59.82	¥259.21					-¥110.53		
Annual dividend (¥/share)	¥15 (Interim)	¥70 (Full)	¥20 (Interim)	¥70 (Full)					±¥0		
Market Information / Prerequisites	Domestic lead price quote	¥368,400 /t	¥373,400 /t	¥372,000 /t	¥372,000 /t				-¥1,400 /t		
	LME	2,144 US\$/t	2,121 US\$/t	2,200 US\$/t	2,200 US\$/t				+79 US\$/t		
	Exchange rate	¥142.61 /US\$	¥145.31 /US\$	¥150.00 /US\$	¥145.00 /US\$				-¥0.31 /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.

Outlook of FY2024

- Although the market environment has changed since the announcement in May 2024, there are no significant revisions to the earnings forecast at the time of the financial results announcement.
- No revisions have been made to the financial outlook for both net sales and each profit (company-wide and segment).

This is the initial forecast announced in May 2024.

For the full year, we forecast net sales of 590 billion yen and operating income of 44 billion yen.

Although Automotive Lithium-ion-ion Batteries was in the red in the first quarter, we intend to recover and will do our best to achieve our initial plan as a minimum.

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)				
	Apr. - Jun.		Apr. - Jun. (A)				[Reference] Previous Quarter Information				
							FY2023 Jan. - Mar. (B)	Change ((A)-(B))			
Net sales	120.5		127.6		+7.1	(+5.8%)	151.3		-23.7		
Gross profit	25.8		28.4		+2.6		33.1		-4.7		
Operating income (ratio)	4.8	4.0%	6.2	4.8%	+1.4	+0.8P	12.2	8.1%	-6.0	-3.3P	
Operating income before amortization of goodwill (ratio)	4.9	4.1%	6.4	5.0%	+1.5	+0.9P	12.4	8.2%	-6.0	-3.2P	
Non-operating income	1.7		2.2		+0.5		4.1		-1.9		
Non-operating loss	1.6		1.7		+0.1		1.3		+0.4		
Equity method investment gains and losses	0.2		0.8		+0.6		0.2		+0.6		
Ordinary income	4.9	4.1%	6.7	5.2%	+1.8	+1.1P	15.0	9.9%	-8.3	-4.7P	
Extraordinary income	0.4		0.0		-0.4		0.7		-0.7		
Extraordinary loss	0.7		0.1		-0.6		1.7		-1.6		
Profit before income taxes	4.7		6.7		+2.0		14.0		-7.3		
Income taxes	1.5		0.8		-0.7		-1.4		+2.2		
Profit attributable to non-controlling interests	1.5		1.1		-0.4		1.1		+0.0		
Profit (ratio)	1.6	1.4%	4.8	3.8%	+3.2	+2.4P	14.3	9.5%	-9.5	-5.7P	
Profit before amortization of goodwill (ratio)	1.7	1.4%	4.9	3.9%	+3.2	+2.5P	14.6	9.6%	-9.7	-5.7P	
[Reference] Operating income before amortization of goodwill (before application of hyperinflationary accounting)	-		6.8	5.3%	-		-		-		
Domestic lead price quote	¥356,000 /t		¥399,800 /t		+¥43,800 /t		¥375,100 /t		+¥24,700 /t		
LME	2,118 US\$/t		2,166 US\$/t		+48 US\$/t		2,076 US\$/t		+90 US\$/t		
Exchange rate	¥139.63 /US\$		¥158.24 /US\$		+¥18.61 /US\$		¥149.88 /US\$		+¥8.36 /US\$		

Reference. Segment Results (3 months information)



		FY2023		FY2024		Change		(Billion yen)			
		Apr. - Jun.		Apr. - Jun. (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)	FY2023 Jan. - Mar. (B)	Change ((A)-(B))		Operating income (Op. income ratio: pp)
Automotive Batteries	Japan	19.6	1.0 (5.2)	20.8	1.6 (7.8)	+1.2	+0.6 (+2.6)	25.2	2.9 (11.4)	-4.4	-1.3 (-3.6)
	Overseas	58.4	2.8 (4.7)	65.2	4.8 (7.4)	+6.8	+2.0 (+2.7)	62.2	1.8 (2.8)	+3.0	+3.0 (+4.6)
Industrial Batteries and Power Supplies		17.9	0.2 (0.8)	19.5	0.9 (4.8)	+1.6	+0.7 (+4.0)	35.9	6.7 (18.8)	-16.4	-5.8 (-14.0)
Automotive Lithium-ion Batteries		19.5	0.4 (2.2)	16.1	-2.0 (-12.6)	-3.4	-2.4 (-14.8)	21.8	0.2 (1.0)	-5.7	-2.2 (-13.6)
Specialized Batteries and Others		5.2	0.6 (10.9)	6.0	1.0 (16.9)	+0.8	+0.4 (+6.0)	6.2	0.8 (13.7)	-0.2	+0.2 (+3.2)
Total		120.5	4.9 (4.1)	127.6	6.4 (5.0)	+7.1	+1.5 (+0.9)	151.3	12.4 (8.2)	-23.7	-6.0 (-3.2)

FY2024 Financial results (Apr. - Jun.)

- Sales increased due to the effects of price shifting mainly in automotive batteries, industrial batteries and power supplies
- Automobile production slightly decreased due to plant shutdown of car manufacturers
- Net sales and profit in automotive lithium-ion batteries both decreased due to lower selling prices resulting from lower lithium market prices and lower volume for PHEVs
- LME is stable, but domestic lead price remains high due to yen depreciation
- Despite the continued depreciation of the yen, foreign exchange intervention and interest rate hikes are still under uncertain

<Market information>

	FY2023	FY2024	Change	[Reference] Previous Quarter Information	
	Apr. - Jun.	Apr. - Jun. (A)		FY2023 Jan. - Mar. (B)	Change ((A)-(B))
Domestic lead price quote (¥10,000/t)	35.60	39.98	+4.38	37.51	+2.47
LME (US\$/t)	2,118	2,166	+48	2,076	+90
Exchange rate (¥/US\$)	139.63	158.24	+18.61	149.88	+8.36

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

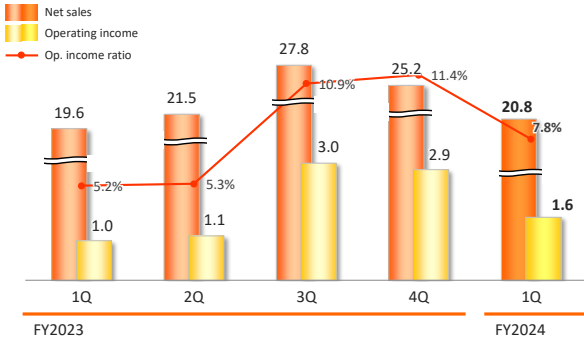
Reference. Segment Results (3 months information)



Automotive Batteries (Japan)

Sales and profit increased

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



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

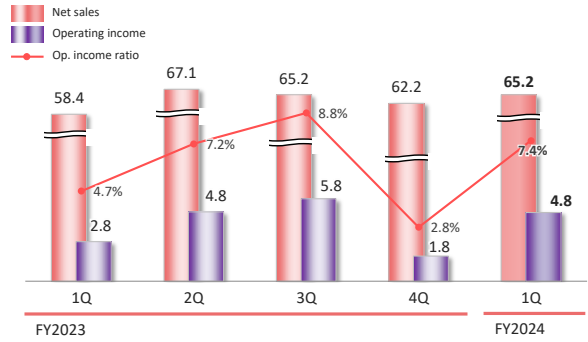
Quantity, composition change	+0.2	
Raw material prices, sales price	+0.7	Increase due to revision of selling prices
Expenses, etc.	-0.3	

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 increased

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



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

Quantity, composition change	+2.5	Increased volume at strategic sites and other sites
Raw material prices, sales price	+1.5	Increase due to reflection of selling price of rising cost
Expenses, etc.	-1.9	Increase in expenses due to the impact of inflation
Exchange	+0.4	Foreign currency translation impact due to the yen depreciation
Hyperinflationary accounting	-0.4	

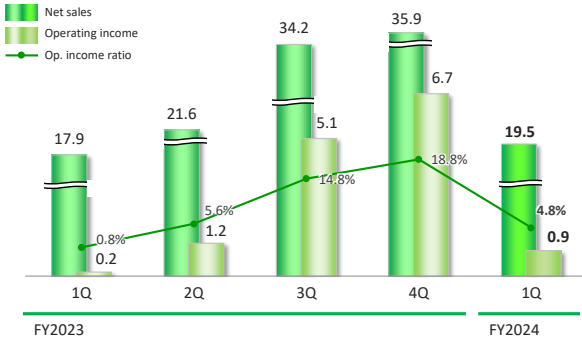
Reference. Segment Results (3 months information)



Industrial Batteries and Power Supplies

Sales and profit increased

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



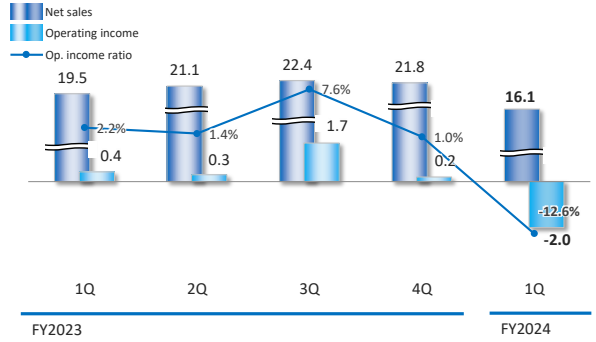
Profit Change Factors (YoY : Apr. - Jun.)

Quantity, composition change	-0.1	
Raw material prices	+0.5	Increase due to revision of selling price
Expenses, etc.	+0.3	

Automotive Lithium-ion Batteries

Sales and profit declined

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



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

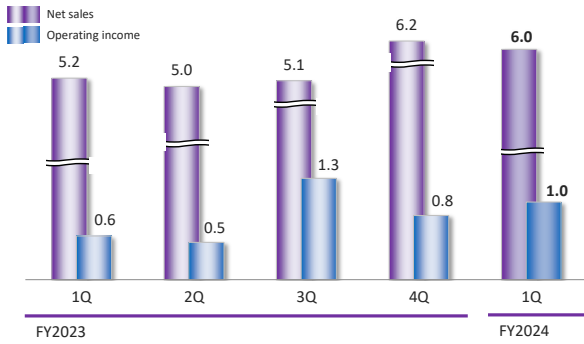
Quantity, composition change	-1.4	Decrease in sales volume for PHEVs and ESS and the resulting impact of lower capacity utilization
Raw material prices, sales price	-0.4	Decline in selling price due to lower lithium market prices
Expenses, etc.	-0.6	Impact of reduction in book value of inventory

Reference. Segment Results (3 months information)

Specialized Batteries and Others

Sales and profit increased

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



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

Profit increased due to the revision of contract unit prices of lithium-ion batteries for submarines and decrease in expenses

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

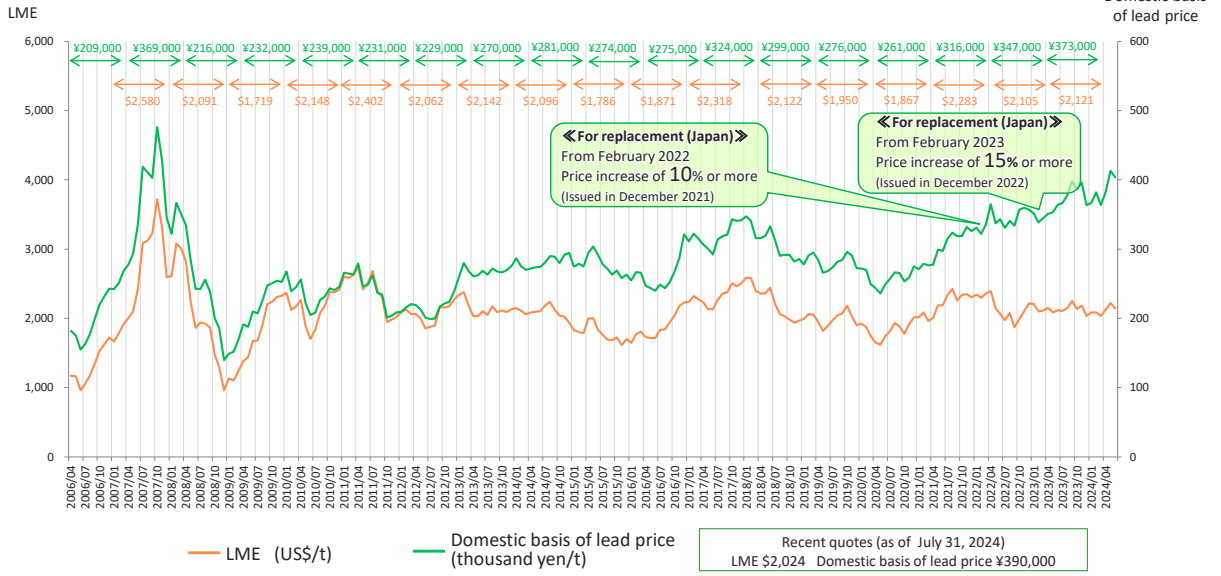
· All items are restated for price changes from the time of the transaction to the end of the period



Difference due to inflation impact is recorded in non-operating income/loss

"Net gain/loss on monetary assets".

Changes in Raw Materials Prices



Quarterly Results by Segment

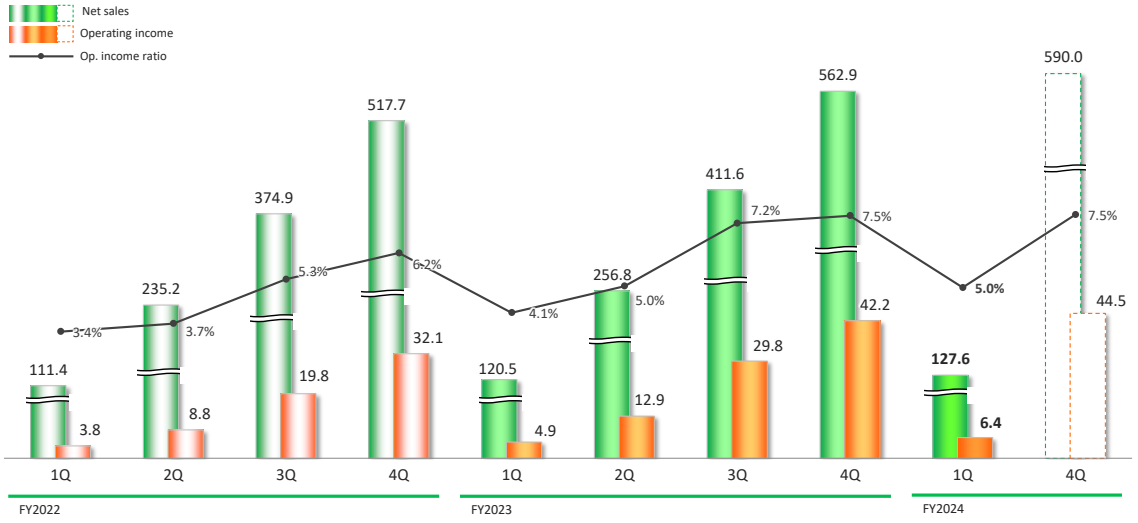
(Billion yen)

		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)	-	-	-	-	-	-	100.0	8.0 (8.0)	-
	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)	-	-	-	-	-	-	259.0	16.5 (6.4)	-
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)	-	-	-	-	-	-	120.0	13.0 (10.8)	-
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)	-	-	-	-	-	-	90.0	4.0 (4.4)	-
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)	-	-	-	-	-	-	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)	-	-	-	-	-	-	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.