

Nine Months Ended December 31, 2023 (FY2023) Result Briefing



February 6, 2024
GS Yuasa Corporation

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FY2023 Third Quarter Financial Results

Point of FY2023 Third Quarter Financial Results



FY2023 Third Quarter Financial Results (Apr. - Dec.)

	FY2022 Apr. - Dec.	FY2023 Apr. - Dec.	Difference	Change
Net sales	374.9 billion yen	411.6 billion yen	+36.7 billion yen	+9.8 %
Operating income	19.0 billion yen	29.4 billion yen	+10.4 billion yen	+54.7 %
Operating income before amortization of goodwill	19.8 billion yen	29.8 billion yen	+10.0 billion yen	+50.7 %
Ordinary income	16.1 billion yen	29.0 billion yen	+12.9 billion yen	+80.3 %
Profit	7.8 billion yen	17.7 billion yen	+9.9 billion yen	+126.0 %
Profit before amortization of goodwill	8.6 billion yen	18.1 billion yen	+9.5 billion yen	+109.7 %

Performance Trends

- Factors for the increase in net sales and operating income;
 - Revision of selling prices
 - Increase in sales volume of lithium-ion batteries for hybrid vehicles
- Factors for the increase in ordinary income and net profit;
 - Improvement in equity in earnings of affiliates
 - Improvement of foreign exchange gains and losses

Here are the topical points of fiscal year 2023 third quarter financial results.

Net sales was 411.6 billion yen, an increase of 36.7 billion yen over the previous year. Operating income was 29.4 billion yen, an increase of 10.4 billion yen over the previous year, ordinary income was 29.0 billion yen, an increase of 12.9 billion yen over the previous year, profit was 17.7 billion yen, an increase of 9.9 billion yen, resulting in a significant increase in both sales and profit.

- Net sales and operating income increased significantly due to the revision of selling prices and an increase in sales volume of lithium-ion batteries for hybrid vehicles.
- In addition to the increase in operating income, ordinary income and net profit increased due to improvements in equity in earnings of affiliates and foreign exchange gains and losses.

1. Net Sales, Profits



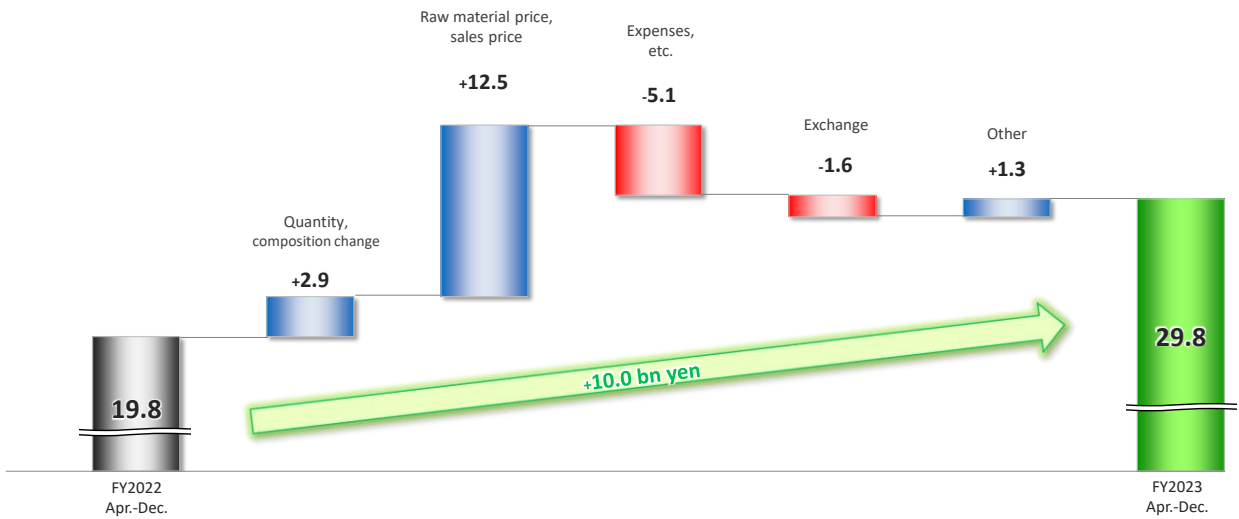
	FY2022 Apr. - Dec.	FY2023 Apr. - Dec.	Change	(YoY%)	(Billion yen)	
					[Reference]	
					Forecast for FY2023	
					Initial forecast (Nov. 2023)	Estimated for Feb. 2024
Net sales	374.9	411.6 [Record]	+36.7	(+9.8%)	560.0	560.0
Gross profit	81.5	93.1	+11.6		-	-
Operating income	19.0	29.4 [Record]	+10.4	(+54.7%)	37.0	42.0
(Operating income ratio)	5.1%	7.1%	+2.0P		6.6%	7.5%
Operating income before amortization of goodwill	19.8	29.8 [Record]	+10.0		37.5	42.5
(Operating income ratio before amortization of goodwill)	5.3%	7.2%	+1.9P		6.7%	7.6%
Ordinary income	16.1	29.0 [Record]	+12.9	(+80.3%)	32.0	38.0
Extraordinary income	1.6	3.7	+2.1		-	-
Extraordinary loss	0.5	3.8	+3.3		-	-
Profit before income taxes	17.2	28.9	+11.7		-	-
Income taxes	5.7	6.1	+0.4		-	-
Profit attributable to non-controlling interests	3.6	5.1	+1.5		-	-
Profit	7.8	17.7 [Record]	+9.9	(+126.0%)	16.0	21.0
(Profit ratio)	2.1%	4.3%	+2.2P		2.9%	3.8%
Profit before amortization of goodwill	8.6	18.1 [Record]	+9.5		16.5	21.5
(Profit ratio before amortization of goodwill)	2.3%	4.4%	+2.1P		2.9%	3.8%
Domestic lead price quote (¥10,000/t)	34.71	37.29	+2.58		38.1	38.1
LME (US\$/t)	2,093	2,136	+43		2,200	2,200
Exchange rate (¥/US\$)	136.85	143.78	+6.93		145.00	145.00

Net sales and profits at all levels achieved new 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.

Shown here are the change factors for operating income before the amortization of goodwill.

While higher raw material price and increase in expenses, the revision of sales price and quantity and composition change made a significant contribution, resulting in an increase of approximately 10.0 billion yen.

1. Net Sales, Profits

Factors for Non-operating income/loss change and Extraordinary income/loss change (Year-on-year comparison)

	FY2022 Apr. - Dec.	FY2023 Apr. - Dec.	Change	
Operating income	19.0	29.4	+10.4	
Non-operating income	1.9	5.2	+3.3	<ul style="list-style-type: none"> ➤ Equity in earnings of affiliates +3.0 billion yen (Of which, profit from reconsideration of business in China +2.8 billion yen)
Non-operation loss	4.8	5.6	+0.8	
Ordinary income	16.1	29.0	+12.9	
Extraordinary income	1.6	3.7	+2.1	<ul style="list-style-type: none"> ➤ Gain on sales of investment securities +1.6 billion yen (Reduction in cross-shareholding) ➤ Gain on transfer of investment in capital of subsidiaries and associates +1.5 billion yen (Realization of foreign currency translation adjustments due to the transfer of business in China)
Extraordinary loss	0.5	3.8	+3.3	<ul style="list-style-type: none"> ➤ Loss on liquidation of business of subsidiaries and associates -2.9 billion yen (Loss due to reconsideration of business in China)
Net income before income taxes	17.2	28.9	+11.7	

Shown here are the details of non-operating income/loss and extraordinary income/loss.

As for non-operating income, equity in earnings of affiliates improved by 3.0 billion yen from the previous year.

Certain gains have been made as a result of the review of the business in China. In addition, although litigation expenses were recorded in the previous period, the case was returned to the first instance and the provision was reversed.

In addition, there was a gain on forgiveness of debt in equity method affiliates that sold all of their shares.

Regarding extraordinary income, there was a 1.6 billion yen gain on the sale of investment securities, which was generated from the sale of policy holdings.

Regarding gain on transfer of investment in affiliated companies, a gain of 1.5 billion yen was added due to the realization of a foreign exchange gain on translation of previously held shares of the transfer as part of the review of the China business.

As for extraordinary income/loss, there was an extraordinary loss of 2.9 billion yen due to loss on liquidation of affiliates.

This loss is associated with sale of joint venture.

2. Segment Results



(Billion yen)

		FY2022 Apr. - Dec.		FY2023 Apr. - Dec.		Change		[Reference] Forecast for FY2023					
		Net sales		Operating income (Op. income ratio: %)		Net sales		Operating income (Op. income ratio: %)		Initial forecast (Nov. 2023)		Estimated for Feb. 2024	
		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: %)	Net sales	Operating income (Op. income ratio: %)
Automotive Batteries	Japan	63.1	4.2 (6.7)	68.9	5.2 (7.6)	+5.8	+1.0 (+0.9)	95.0	7.0 (7.4)	95.0	7.0 (7.4)	95.0	7.0 (7.4)
	Overseas	186.9	10.2 (5.5)	190.7	13.4 (7.0)	+3.8	+3.2 (+1.5)	247.0	16.0 (6.5)	247.0	17.5 (7.1)	247.0	17.5 (7.1)
Industrial Batteries and Power Supplies		65.9	3.3 (5.0)	73.7	6.4 (8.7)	+7.8	+3.1 (+3.7)	110.0	9.5 (8.6)	110.0	11.0 (10.0)	110.0	11.0 (10.0)
Automotive Lithium-ion Batteries		45.2	1.0 (2.2)	62.9	2.4 (3.9)	+17.7	+1.4 (+1.7)	88.0	4.0 (4.5)	88.0	4.5 (5.1)	88.0	4.5 (5.1)
Specialized Batteries and Others		13.6	1.1 (7.9)	15.4	2.4 (15.4)	+1.8	+1.3 (+7.5)	20.0	1.0 (5.0)	20.0	2.5 (12.5)	20.0	2.5 (12.5)
Total		374.9	19.8 (5.3)	411.6	29.8 (7.2)	+36.7	+10.0 (+1.9)	560.0	37.5 (6.7)	560.0	42.5 (7.6)	560.0	42.5 (7.6)

FY2023 Apr. - Dec. Result

- Production of automobiles increased due to the recovery of the supply chain
- Regarding trends in lead price, LME is progressing stable but domestic lead prices remained high due to the impact of yen depreciation (LME:2,093US\$/t in FY2022⇒2,136US\$/t, domestic basis of lead price:¥347,000/t in FY2022⇒¥373,000/t)
- The yen continues to weaken against the U.S. dollar (¥136.85 /US\$ in FY2022⇒¥143.78 /US\$)

Note 1 : Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.
 Note 2 : Some consolidated subsidiaries in the "Industrial Batteries and Power Supplies" segment were transferred to the "Specialized Batteries and Others" segment in fiscal 2023. In conjunction with this change, figures for 3rd quarter of fiscal 2022 were restated according to the modified segments.

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Net sales and profits increased in all segments.

Production of automobiles has been reflected the increase of new cars accompanied by the recovery of the supply chain.

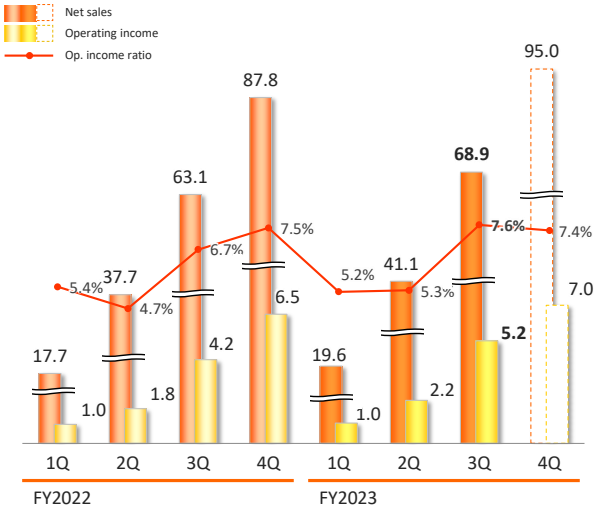
Regarding trends in lead price, LME is progressing stable but domestic lead prices remained high due to the impact of yen depreciation.

Although the yen continues to weaken against the U.S. dollar, the yen has strengthen against the lira at the Turkish site, which has caused the lira to depreciate on its own.

2. Segment Results (Automotive Batteries (Japan))

Automotive Batteries (Japan)

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.

Sales and profit increased

FY2023 3Q Sales Overview (Apr. - Dec.)

- [For new automobiles] ↗
Sales volume increased in line with the recovery in new vehicle sales due to recovery from semiconductor shortage
- [For replacement] ↗
Sales increased mainly due to the revision of selling prices although sales volume declined due to recovery in demand for new automobiles

Profit Change Factors (Apr. - Dec.)

Quantity, composition change	+0.1	
Raw material prices, sales price	+1.1	Increase due to revision of selling prices
Expenses, etc.	-0.2	

Net sales of Automotive Batteries (Japan) were 68.9 billion yen, an increase of 5.8 billion yen over the previous year and operating income were 5.2 billion yen, an increase of 1.0 billion yen over the previous year.

Sales volume for new automobiles increased in line with the recovery in new vehicle sales due to recovery from semiconductor shortage.

Net sales for replacement batteries increased as a result of the revision of selling prices although sales volume declined.

Operating income increased due to the revision of selling prices.

2. Segment Results (Automotive Batteries (Overseas))

Automotive Batteries (Overseas)

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.

Sales and profit increased

FY2023 3Q Sales Overview (Apr. - Dec.)

- [Southeast Asia] 📉 Sales volume of batteries for automobiles and motorcycles decreased
- [Europe and Australia] 📈 Net sales increased due to steady sales volume of automotive batteries and revision of selling prices
- [China] 📉 Excluded from consolidation due to completion of transfer of equity interest in two major sites (at the end of October)

Profit Change Factors (Apr. - Dec.)

Quantity, composition change	-3.0	Decrease in sales volume primarily in China and Indonesia
Raw material prices, sales price	+11.1	Increase due to reflection of selling price of rising cost
Expenses, etc.	-3.4	Increase in expenses due to the impact of inflation
Exchange	-1.6	Impact of the depreciation of the Turkish lira

Net sales of Automotive Batteries (Overseas) were 190.7 billion yen, an increase of 3.8 billion yen over the previous year and operating income were 13.4 billion yen, an increase of 3.2 billion yen over the previous year.

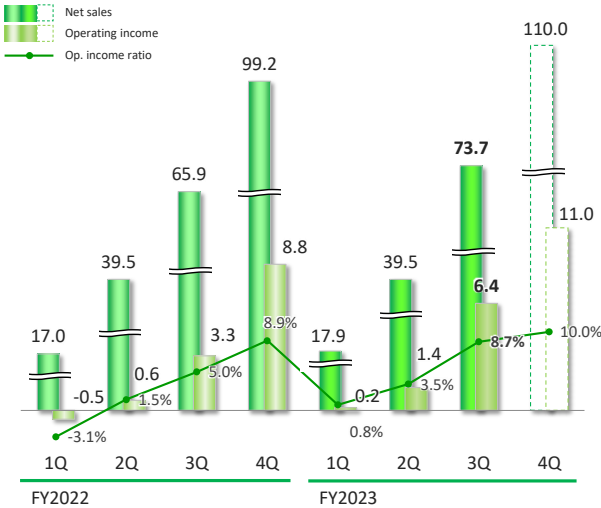
Sales volumes remained steady in regions such as Europe and Australia. In addition, net sales increased due to the revision of selling prices in general.

The increase in profit was due to selling price adjustments that exceeded cost increases. In particular, both net sales and operating income were significantly higher at the Turkish site.

2. Segment Results (Industrial Batteries and Power Supplies)

Industrial Batteries and Power Supplies

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



FY2022

FY2023

Note: Some consolidated subsidiaries in the "Industrial Batteries and Power Supplies" segment were transferred to the "Specialized Batteries and Others" segment in fiscal 2023. In conjunction with this change, figures for 3rd quarter of fiscal 2022 were restated according to the modified segments.

Sales and profit increased

FY2023 3Q Sales Overview (Apr. - Dec.)

- [Regular field (Japan)] Sales of lithium-ion Batteries for energy storage systems (ESS) increased
- [Emergency field (Japan)] Sales of backup batteries and power supplies remained steady due to the impact of the selling price revision, etc.
- [For forklifts (Global)] Sales volume in Japan decreased, but net sales increased due to the revision of selling prices, etc.

Profit Change Factors (Apr. - Dec.)

Quantity, composition change	+1.4	Increase quantity in the regular field
Raw material prices	+1.4	Increase due to revision of selling price
Expenses, etc.	+0.4	

Net sales of Industrial Batteries and Power Supplies were 73.7 billion yen, an increase of 7.8 billion yen over the previous year and operating income were 6.4 billion yen, an increase of 3.1 billion yen over the previous year.

Sales of the regular field, so-called lithium-ion batteries for energy storage system (ESS), are increasing.

As for emergency field, net sales for both private-sector demand and the public sector demand remained steady. In addition, price adjustments in response to cost increases are contributing to sales.

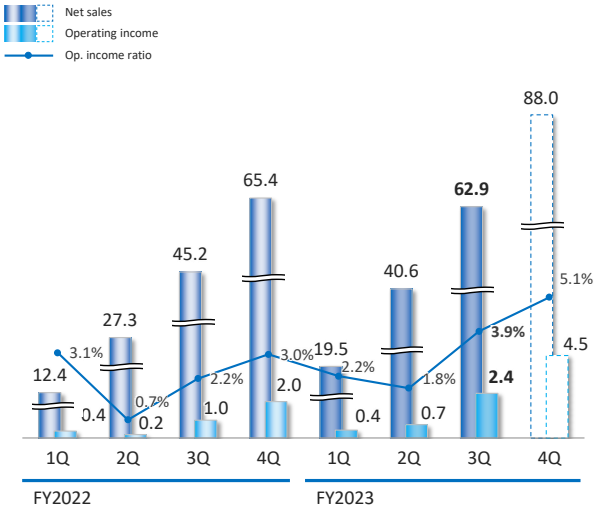
As for forklifts, the quantity is decreasing, but selling price correction is progressing.

Profits increased due to higher sales in the regular field (ESS) and the revision of sales prices for regular field, emergency field and forklifts, etc.

2. Segment Results (Automotive Lithium-ion Batteries)

Automotive Lithium-ion Batteries

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



Sales and profit increased

FY2023 3Q Sales Overview (Apr. - Dec.)

- [For HEVs] Sales volume increased due to recovery in production by new car manufacturers as a result of mitigation of semiconductor shortage and strengthening of BEC's production system
- [For PHEVs] Sales volume of equipped models decreased
- [For EVs] Sales of lithium-ion batteries for EVs have started
- [12V Lithium-ion batteries] Sales volume increased due to higher sales of equipped models

Profit Change Factors (Apr. - Dec.)

Quantity, composition change	+4.4	Increase in sales of lithium-ion batteries for HEVs, ESS and 12V
Raw material prices, sales price	-1.0	
Expenses, etc.	-2.0	Increase in cost accompanied with operation of BEC No.2 plant and increase in production volume, and R&D cost of batteries for BEVs

Net sales of Automotive Lithium-ion Batteries were 62.9 billion yen, an increase of 17.7 billion yen, and operating income was 2.4 billion yen, an increase of 1.4 billion yen.

The quantity of lithium-ion batteries for hybrid vehicles produced at Blue Energy has increased significantly. This growth is coupled with the elimination of semiconductor shortage by new car manufacturers.

However, it is slightly negative compared to the plan.

Although the quantity of lithium-ion batteries for plug-in hybrid vehicles is decreasing, a certain amount of progress is being made in correcting the selling price.

Sales of lithium-ion batteries for Mitsubishi Motors' commercial EVs are increasing.

In addition, 12V lithium-ion batteries for starting are increasing in quantity.

Despite the cost increase, the increase of 1.4 billion yen was due to the revision of selling prices as well as the increase in the volume of products.

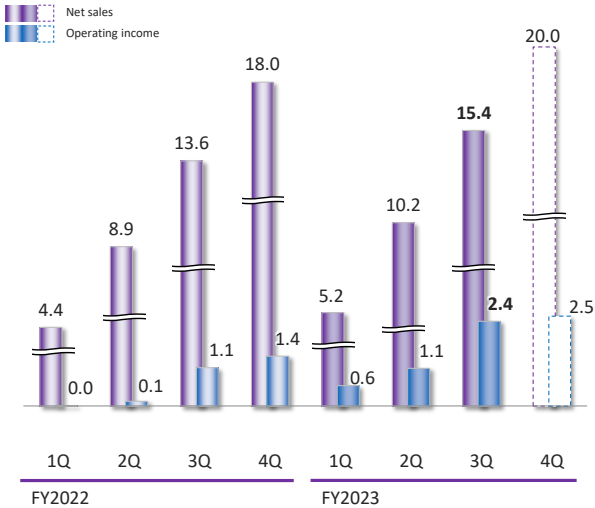
However, as for Blue Energy, both net sales and sales volume have increased, but expenses such as the operation of a new plant have increased.

2. Segment Results (Specialized Batteries and Others)

Specialized Batteries and Others

Net Sales, Operating income

(Billion yen)



Sales and profit increased

FY2023 3Q Sales Overview (Apr. - Dec.)

- [Lithium-ion batteries for aircraft] ↗
Sales volume of batteries for airlines (for replacement) primarily increased
- [Membrane Business]
The business was transferred from Industrial Batteries and Power Supplies segment from fiscal 2023

Profit Change Factors (Apr. - Dec.)

Profit increased due to increase in sales of batteries for airlines (for replacement) and decrease in expenses

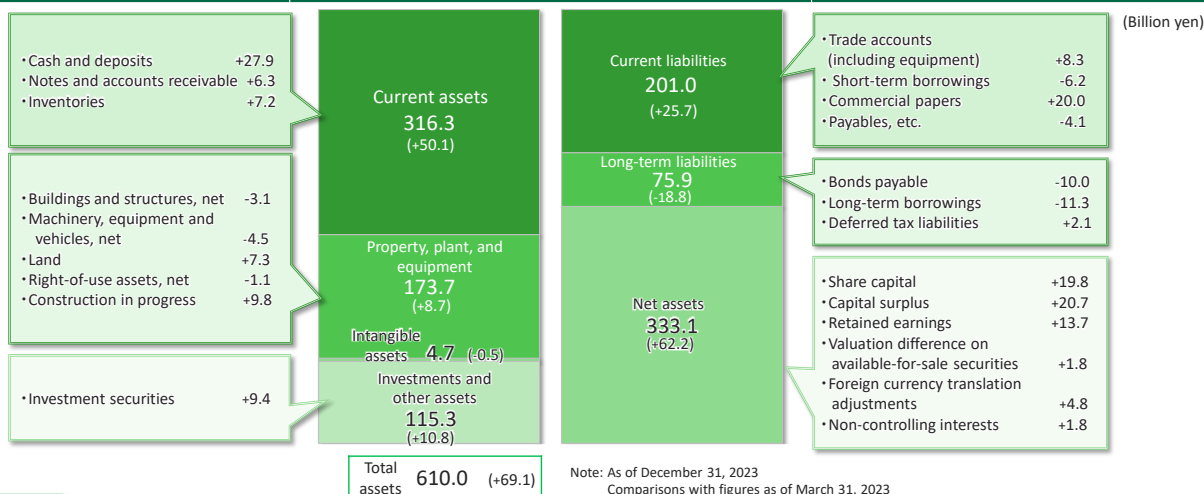
Note: Some consolidated subsidiaries in the "Industrial Batteries and Power Supplies" segment were transferred to the "Specialized Batteries and Others" segment in fiscal 2023. In conjunction with this change, figures for 3rd quarter of fiscal 2022 were restated according to the modified segments.

Net sales of Specialized Batteries and Others were 15.4 billion yen, an increase of 1.8 billion yen, and operating income was 2.4 billion yen, an increase of 1.3 billion yen.

Sales of lithium-ion batteries for aircraft mainly to airlines (replacement) increased. The membrane business, which originally developed as a new business based on separator technology, was transferred from the Industrial Battery and Power Supply segment.

The increase in profit was due in part to an increase in the volume of batteries sold to airlines (replacement) and a decrease in administrative expenses and R&D expenses.

3. Balance Sheet



Points

- Increase in cash and deposits due to public offering
- Increase in inventories for the demand period mainly in Industrial Batteries and Power Supplies
- Acquire and develop a factory site in Moriya city, Shiga for starting BEV business
- Increase in construction in progress due to the construction of a new plant for Industrial Batteries and Power Supplies

	3/31/2023	12/31/2023
Equity ratio	42.6%	47.7%
Total borrowings	¥103.7bn	¥96.2bn

Balance sheet as of December 31, 2023.

Total assets amounted to 610.0 billion yen, 69.1 billion yen increase in assets over the end of March.

The impact of the public offering implemented in November has been felt.

Current assets increased by 50.1 billion yen.

Cash and deposits increased as a result of the public offering.

Sales receivables and inventories are increasing because of the demand period.

Fixed assets increased due to the acquisition of land, the factory reconstruction in the Kyoto area where the head office is located, and the expansion of facilities at Blue Energy's No.2 plant.

Investments and other assets increased mainly due to an increase in the market value of policy holdings, as well as an investment in a joint venture with Honda.

On the liabilities side, there has been a slight decrease as borrowings have fallen to a level of less than 100 billion yen.

Total equity increased by 62.2 billion yen due to an increase in net income, dividend payments, and the results of this capital increase through public offering.

As a result, the equity ratio was 47.7%.

4. Revision to Consolidated Earnings Forecast



		FY2022 Actual		FY2023 Initial Forecast (A)		FY2023 Revised Forecast (B)		(Billion yen) 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	87.8	6.5 (7.5)	95.0	7.0 (7.4)	95.0	7.0 (7.4)	-	- (-)
	Overseas	247.3	13.3 (5.4)	247.0	16.0 (6.5)	247.0	17.5 (7.1)	-	+1.5 (+0.6)
Industrial Batteries and Power Supplies		99.2	8.8 (8.9)	110.0	9.5 (8.6)	110.0	11.0 (10.0)	-	+1.5 (+1.4)
Automotive Lithium-ion Batteries		65.4	2.0 (3.0)	88.0	4.0 (4.5)	88.0	4.5 (5.1)	-	+0.5 (+0.6)
Specialized Batteries and Others		18.0	1.4 (7.7)	20.0	1.0 (5.0)	20.0	2.5 (12.5)	-	+1.5 (+7.5)
Total		517.7	32.1 (6.2)	560.0	37.5 (6.7)	560.0	42.5 (7.6)	-	+5.0 (+0.9)

Main Factors of Revision to Forecast

- Automotive Batteries (Overseas) reflects the impact of the revision of selling prices in Europe and Australia
- Industrial Batteries and Power Supplies reflects strong performance in the regular field and the revision of selling prices in the emergency field
- Automotive Lithium-ion Batteries reflects the progress in revising selling prices of lithium-ion batteries for ESS and 12V LIBs and strong performance in LEJ accompanying improvement in occupancy rates
- Specialized Batteries and Others reflects strong performance of lithium-ion batteries for aircrafts and reduction of administrative expenses

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

This is a revision of the consolidated earnings forecast.

Net sales remain unchanged from the previous forecast announced in November of 560.0 billion yen.

Operating income was revised up by 5.0 billion yen to 42.5 billion yen, bringing the level above 40.0 billion yen.

We expect to increase profits in Automotive Batteries (Overseas), Industrial Batteries and Power Supplies, Automotive Lithium-ion Batteries, Specialized Batteries and Others.

The main reason for the revision,

Automotive Batteries (Overseas) is expected to be higher than originally forecast due to the impact of the revision of selling prices in Europe and Australia.

Industrial Batteries and Power Supplies is very strong in the regular field, and demand is very strong, so the profitability of selling price is improving.

Another factor is that the review of selling prices in the regular field is progressing better than expected.

Automotive Lithium-ion Batteries have been revised upward by 0.5 billion yen due to higher sales of 12V lithium-ion batteries and ESS lithium-ion batteries for which sales are recorded in the Industrial Battery and Power Supply segment, and the operating rate of Lithium Energy Japan has increased.

Specialized Batteries and Others is expected to increase by 1.5 billion yen, but we forecast an overall increase of 5.0 billion yen due to an expected increase in lithium-ion batteries for aircraft, and in addition, we expect to reduce expenses in the administrative division.

4. Revision to Consolidated Earnings Forecast



	FY2022 Actual	FY2023 Initial Forecast (A)	FY2023 Revised Forecast (B)	(Billion yen) Change ((B)-(A))	
Net sales	517.7	560.0	560.0	±0	
Operating income	31.5	37.0	42.0	+5.0	
(Operating income ratio)	6.1%	6.6%	7.5%	+0.9P	
Operating income before amortization of goodwill	32.1	37.5	42.5	+5.0	
(Operating income ratio before amortization of goodwill)	6.2%	6.7%	7.6%	+0.9P	
Ordinary income	24.2	32.0	38.0	+6.0	
Profit attributable to owners of parent	13.9	16.0	21.0	+5.0	
(Net profit ratio)	2.7%	2.9%	3.8%	+0.9P	
Profit attributable to owners of parent before amortization of goodwill	14.4	16.5	21.5	+5.0	
(Net profit ratio before amortization of goodwill)	2.8%	2.9%	3.8%	+0.9P	
Dividend per share	50 yen / share	50 yen / share	60 yen / share	+10 yen / share	
Dividend payout ratio	28.9%	28.7%	24.8%	-3.9P	
Total return ratio (Net profit ratio before amortization of goodwill)	27.9%	-	26.6%	-	
Conditions	Domestic lead price quote	¥346,600/t	¥381,000/t	¥381,000/t	-
	LME	2,105US\$/t	2,200US\$/t	2,200US\$/t	-
	Exchange rate	¥136.0/US\$	¥145.0/US\$	¥145.0/US\$	-

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Ordinary income is forecasted 38.0 billion yen, an increase of 6.0 billion yen.

In addition to the increase in operating income, there is a decrease in interest expense and an improvement in foreign exchange rates.

Profit is expected to increase by 5.0 billion yen, almost the same amount as operating income and ordinary income.

Normally, net income would be a little lower due to minority interests and tax expenses, but we have revised net income upward significantly, taking into account the sale of policy shareholdings in the 3Q and the fact that tax expenses are expected to be lower than anticipated.

As for the annual dividend, since profit is at a level exceeding 20 billion yen, we would like to increase the full-year dividend forecast of 50 yen/share to 60 yen/share, an increase of 10 yen at the end of the fiscal year.

As a result, we expect a dividend payout ratio of 24.8% and a total return ratio of 26.6%.

5. Regarding Capital Increase (Overview of Public Offerings and Parallel Third-Party Allotment)



Number of outstanding shares **80,599,442 shares** ▶ **100,446,442 shares (+19,847,000 shares)**

Procurement funds Approx. **39.6 Billion Yen**

Overview of Parallel Third-Party Allotment

Allottee / Number of shares to be allotted

Honda Motor Co., Ltd. / 2,497,700 shares

Through the collaboration with Honda,
build a solid supply chain
of LiBs for BEVs in Japan

Contribute to broader use of BEVs in Japan
and aim to enhance enterprise value

Collaborations with Honda

HEVs
Area

- Start of installation for Honda from FY 2011. Expand sales to other Japanese OEM
Result : Approx. **2.7 million units** (as of October 31st, 2023)

Production capacity (BEC) :

Second half of FY2022 **50 million cells/year** ▶ FY2025 **70 million cells/year**

BEVs
Area

- FY2023 : **"Honda-GS Yuasa EV Battery R&D Co., Ltd."**
for the purpose of R&D of high-capacity, high-output LiBs,
started the business from August

- FY2027 : Planning to start operation of production line

Production Capacity : FY2030 **20GWh/year** (GS Yuasa, Honda, BEC)

This is the report on the public offering of new shares.

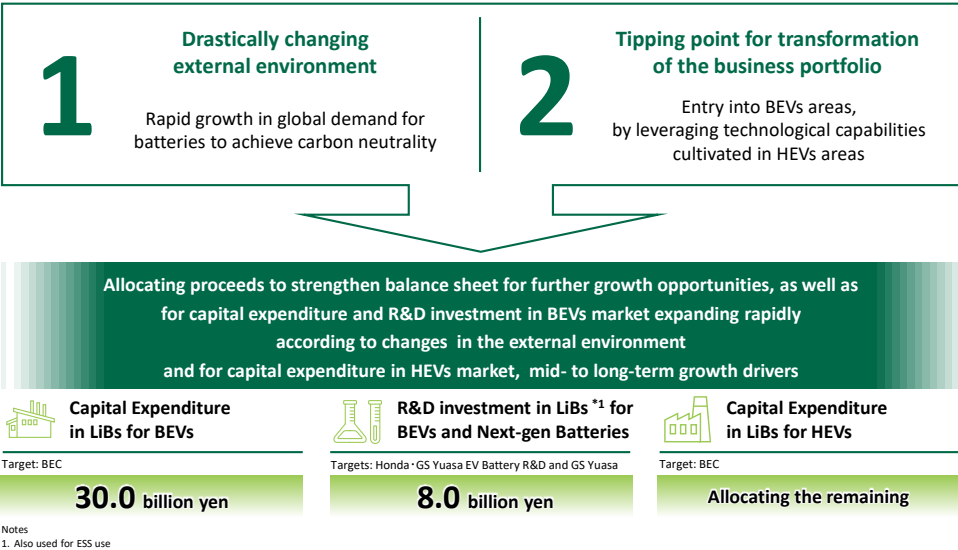
The amount raised through this public offering is approximately 39.6 billion yen.

Just under 20 million shares were issued.

A portion is allocated to Honda Motor Co., Ltd.

Funds raised will be used for growth areas such as batteries for HEVs and BEVs.

5. Regarding Capital Increase (Purpose and Rationale of Financing / Use of Proceeds)



This is the purpose and significance of this capital increase. In recent years, demand for storage batteries has been growing rapidly on a global scale in order to achieve carbon neutrality, and we needed to raise funds to ensure that we can respond to this demand.

This will improve and strengthen our balance sheet to capture further growth opportunities, and we will be able to allocate funds firmly to the BEV area, which is expected to expand rapidly.

The use of the funds is shown in the lower section.

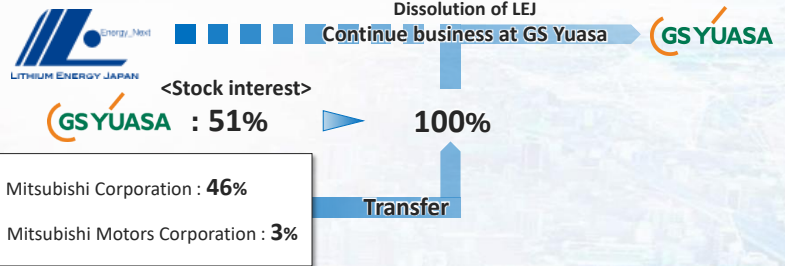
6. Regarding Restructuring of LEJ

Regarding JV Dissolution of LEJ

Reason for JV dissolution

To respond to the growing importance of LiBs associated with automotive electrification

▶ **Make efficient by integrate the business into GS Yuasa**



Effects and Response by Restructuring

- ▶ **Achieve flexible response** to the expansion of demand for automotive & ESS batteries as GS Yuasa group
- ▶ Lead to **improvement in net income and ROE in the medium to long term** although one-time costs are incurred due to transferring shares of stocks
- ▶ **Continue stable supply of batteries to Mitsubishi Motors Corporation** for future electrification
- ▶ **Cooperate with Mitsubishi Corporation** which active in the expanding renewable energy market in **Public Infrastructure Business**

This is about the reorganization of Lithium Energy Japan announced at the end of January. Lithium Energy Japan was 51% owned by GS Yuasa, 46% by Mitsubishi Corporation, and 3% by Mitsubishi Motors Corporation.

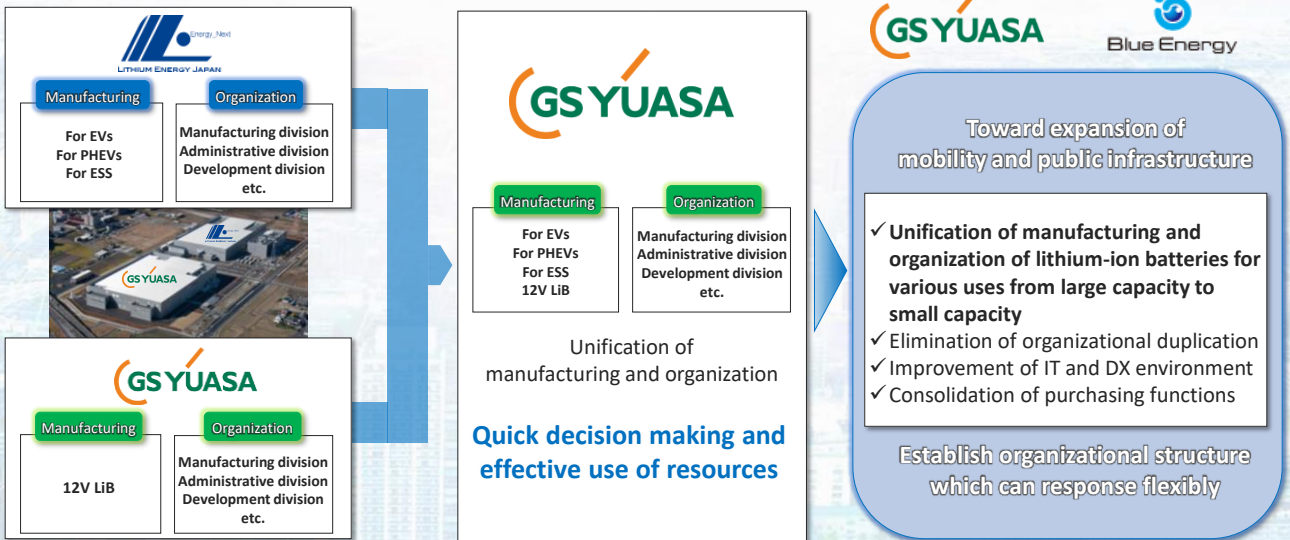
GS Yuasa decided to dissolve Lithium Energy Japan after making it a wholly owned subsidiary by acquiring shares from Mitsubishi Corporation and Mitsubishi Motors.

The main objective is to effectively utilize GS Yuasa's resources to efficiently advance the lithium-ion battery business.

GS Yuasa will continue to supply batteries to Mitsubishi Motors Corporation as in the past. We will also cooperate and collaborate with Mitsubishi Corporation in the public infrastructure business in the future.

6. Regarding Restructuring of LEJ

Regarding Flexible Response in the Lithium-ion Battery Business



By integrating the manufacturing organization with the organization on the GS Yuasa side, we will make effective use of resources.

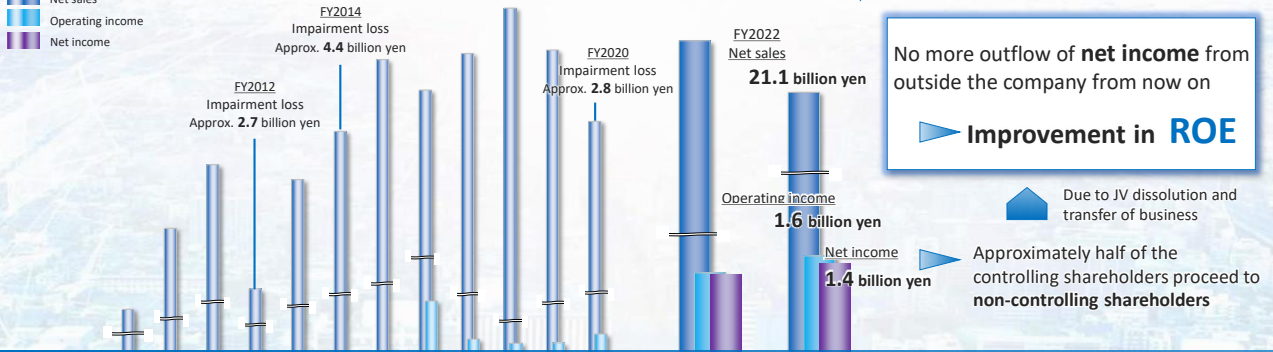
Until now, there has been a segregation of development and manufacturing between Lithium Energy Japan for large-capacity and Blue Energy for small-capacity, but the boundary between the two will disappear.

Please understand that we have established a system that enables us to centrally develop and manufacture lithium-ion batteries for various applications ranging from large capacity to small capacity.

6. Regarding Restructuring of LEJ

Business Results Change of LEJ

■ Net sales
■ Operating income
■ Net income



2007 :
Establish LEJ in JV with Mitsubishi Corporation and Mitsubishi Motors Corporation

2009 :
Supply lithium-ion batteries for "i-MiEV", the world's first mass-production EV

2012- :
Supply lithium-ion batteries for PHEVs to Mitsubishi Motors Corporation



2020-2021 :
Manufacture lithium-ion batteries for the world's largest storage battery facility in Hokkaido



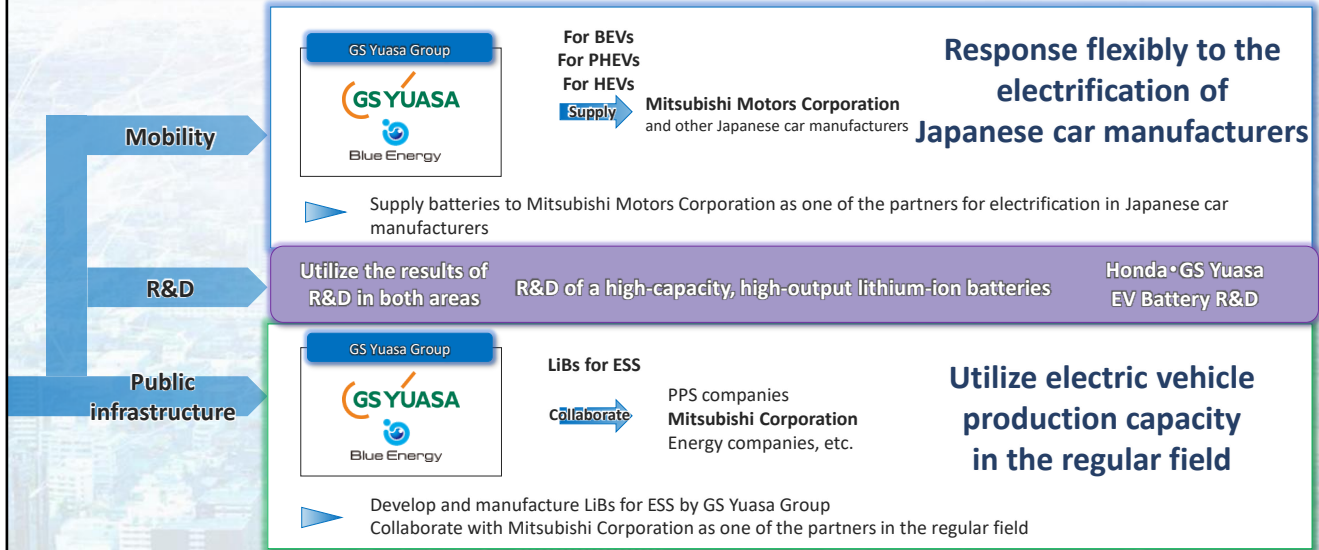
This is a review of Lithium Energy Japan's performance.

We have experienced very difficult times in the past, but we are currently profitable.

We recognize that purchasing shares from non-controlling shareholders from now on will eliminate the outflow of net income from outside the company, thereby improving ROE even if only a little.

6. Regarding Restructuring of LEJ

Relation with Mitsubishi Corporation and Mitsubishi Motors Corporation in the future



This is the future relationship with Mitsubishi Corporation and Mitsubishi Motors Corporation.

As for Mitsubishi Motors Corporation, we have already started supplying lithium-ion batteries for HEVs as well as for BEVs and PHEVs.

We will continue to supply our products to Mitsubishi Motors Corporation and other Japanese manufacturers.

Regarding lithium-ion batteries for ESS, we will work closely with Mitsubishi Corporation and will firmly allocate production capacity for electric vehicles.

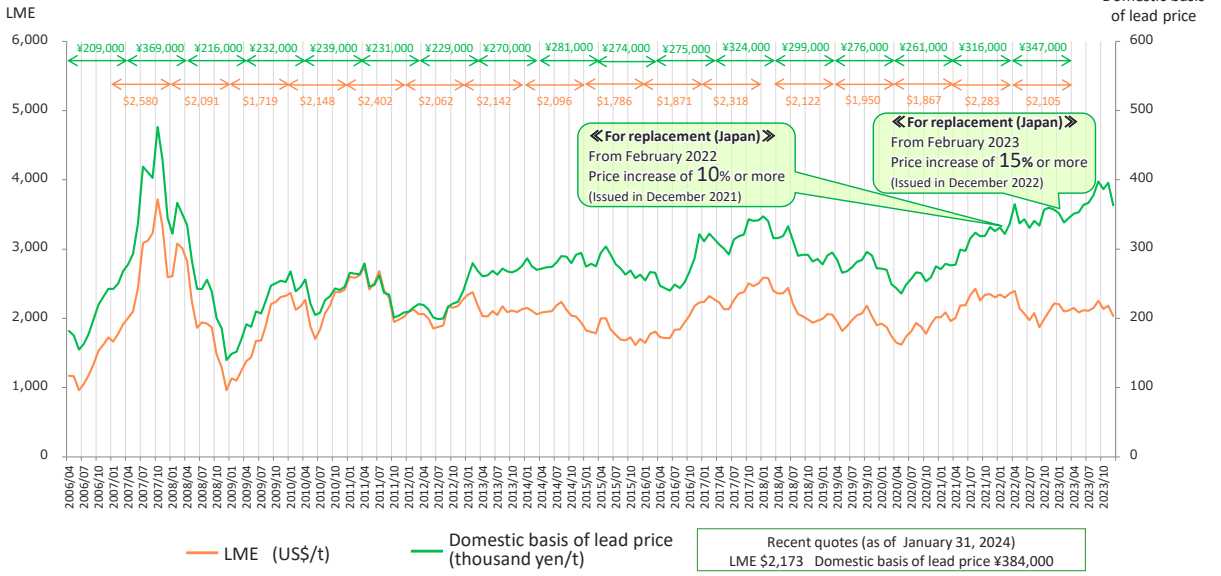
We will strive to enhance our corporate value by doing so.

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

Raw Materials Prices



Quarterly Results by Segment

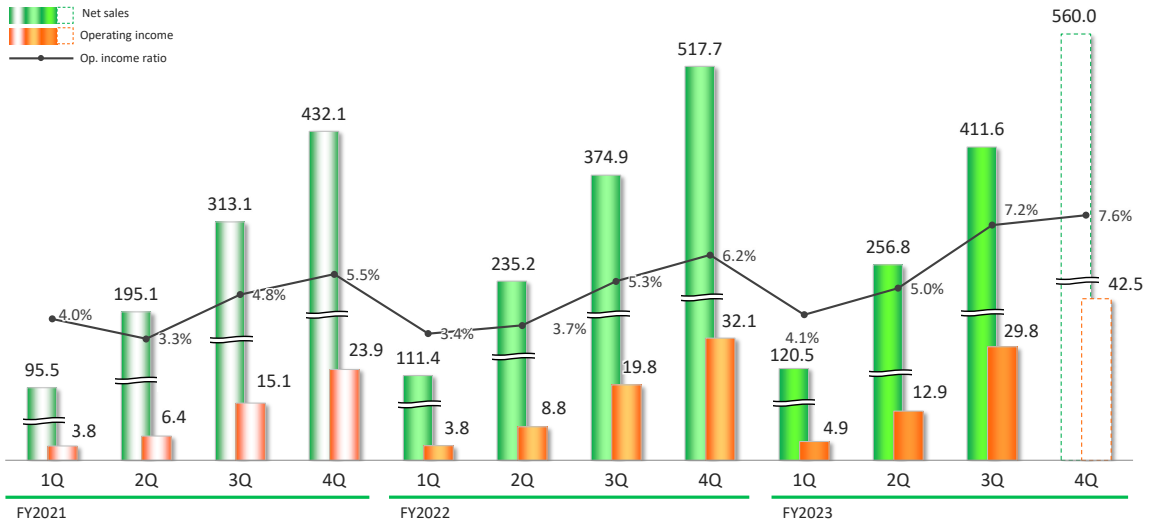
(Billion yen)

		FY2022									FY2023												
		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: %)	Net sales	Operating income (Op. income ratio: %)	EBITDA (EBITDA Margin: %)
Auto motive Batter ies	Japan Over seas	17.7	1.0 (5.4)	20.0	0.8 (4.0)	25.5	2.5 (9.7)	24.7	2.3 (9.4)	87.8	6.5 (7.5)	9.2 (10.5)	19.6	1.0 (5.2)	21.5	1.1 (5.3)	27.8	3.0 (10.9)	-	-	95.0	7.0 (7.4)	-
	Industrial Batteries and Power Supplies	60.0	3.0 (5.0)	61.9	3.1 (5.0)	65.1	4.1 (6.3)	60.4	3.1 (5.2)	247.3	13.3 (5.4)	20.1 (8.1)	58.4	2.8 (4.7)	67.1	4.8 (7.2)	65.2	5.8 (8.8)	-	-	247.0	17.5 (7.1)	-
	Automotive Lithium-ion Batteries	17.0	-0.5 (-3.1)	22.5	1.1 (5.1)	26.4	2.7 (10.2)	32.1	5.3 (16.5)	99.2	8.8 (8.9)	10.6 (10.6)	17.9	0.2 (0.8)	21.6	1.2 (5.6)	34.2	5.1 (14.8)	-	-	110.0	11.0 (10.0)	-
	Specialized Batteries and Others	12.4	0.4 (3.1)	15.0	-0.2 (-1.3)	17.9	0.8 (4.4)	20.1	1.0 (5.0)	65.4	2.0 (3.0)	6.1 (9.3)	19.5	0.4 (2.2)	21.1	0.3 (1.4)	22.4	1.7 (7.6)	-	-	88.0	4.5 (5.1)	-
	Total	4.4	0.0 (0.2)	4.5	0.1 (2.9)	4.8	0.9 (19.7)	5.6	0.5 (9.6)	18.0	1.4 (7.7)	7.1 (39.4)	5.2	0.6 (10.9)	5.0	0.5 (9.7)	5.1	1.3 (25.5)	-	-	20.0	2.5 (12.5)	-
Total		111.4	3.8 (3.4)	123.8	4.9 (4.0)	139.7	11.0 (7.9)	142.9	12.3 (8.6)	517.7	32.1 (6.2)	53.0 (10.2)	120.5	4.9 (4.1)	136.3	8.0 (5.9)	154.8	16.9 (10.9)	-	-	560.0	42.5 (7.6)	64.5 (11.5)

Note 1 : 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.
 2 : Some consolidated subsidiaries in the "Industrial Batteries and Power Supplies" segment were transferred to the "Specialized Batteries and Others" segment in fiscal 2023. In conjunction with this change, figures for 3rd quarter of fiscal 2022 were restated according to the modified segments.

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.