

Fiscal year Ended June 30, 2023 (FY2023) Result Briefing



FY2023 First Quarter Financial Results

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FY2023 First Quarter Financial Results

Point of FY2023 First Quarter Financial Results

FY2023 First Quarter Financial Results (Apr. - Jun.)

	FY2022 Apr. - Jun.	FY2023 Apr. - Jun.	Difference	Change
Net sales	111.4 billion yen	120.5 billion yen	+9.1 billion yen	+8.2 %
Operating income	3.6 billion yen	4.8 billion yen	+1.2 billion yen	+35.5 %
Operating income before amortization of goodwill	3.8 billion yen	4.9 billion yen	+1.1 billion yen	+29.0 %
Ordinary income	2.2 billion yen	4.9 billion yen	+2.7 billion yen	+119.7 %
Profit	0.6 billion yen	1.6 billion yen	+1.0 billion yen	+169.3 %
Profit before amortization of goodwill	0.9 billion yen	1.7 billion yen	+0.8 billion yen	+99.2 %

Performance Trends

- Net sales and operating income mainly reflects an increase in sales volume of lithium-ion batteries for hybrid vehicles and the effect of promoting measures to revise sales prices
- Ordinary profit and profit attributable to owners of parent increased due to improvement in equity in earnings of affiliates and foreign exchange gains and losses, etc.

Revision to Consolidated Results Forecast

FY2023 2H Forecast (May. 2023 Initial)	FY2023 2H Forecast (Aug. 2023 Revised)	Difference
260.0 billion yen	260.0 billion yen	±0.0 billion yen
8.0 billion yen	9.0 billion yen	+1.0 billion yen
-	-	-
6.0 billion yen	7.0 billion yen	+1.0 billion yen
1.5 billion yen	2.5 billion yen	+1.0 billion yen
-	-	-

Point of Revision to Consolidated Results Forecast

- Decrease in energy costs and other expenses, in addition to progress in reviewing selling prices in Automotive Battery (Japan) business and Industrial Battery and Power Supply business
- Strong performance of lithium-ion batteries for aircrafts in Specialized Battery and Others business and cost reductions in administrative divisions
(Full year forecast remains unchanged due to uncertainties)

1. Net Sales, Profits

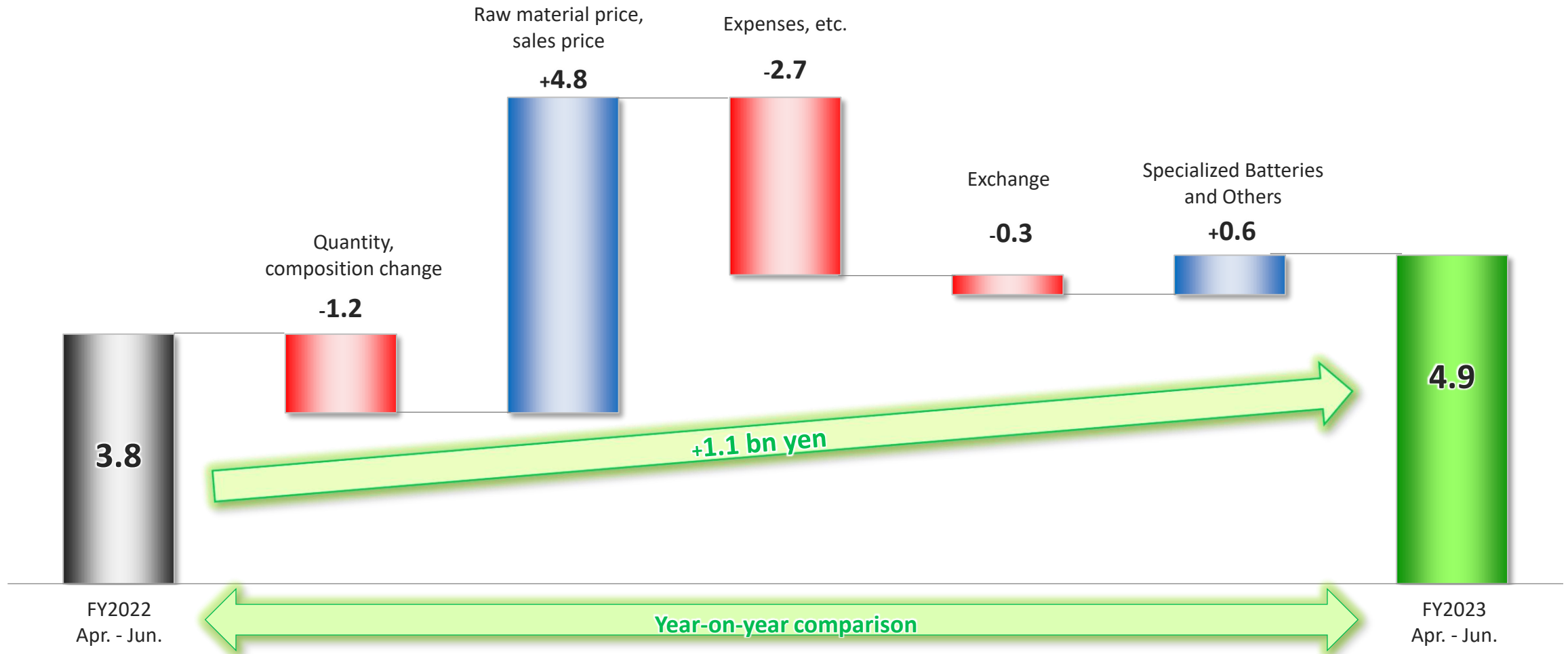


	FY2022 Apr. - Jun.	FY2023 Apr. - Jun.	Change	(YoY%)	(Billion yen) [Reference] Forecast for FY2023 (Estimated for May 2023)
Net sales	111.4	Record 120.5	+9.1	(+8.2%)	580.0
Gross profit	24.1	25.8	+1.7		-
Operating income	3.6	Record 4.8	+1.2	(+35.5%)	33.0
(Operating income ratio)	3.2%	4.0%	+0.8P		5.7%
Operating income before amortization of goodwill	3.8	Record 4.9	+1.1		34.0
(Operating income ratio before amortization of goodwill)	3.4%	4.1%	+0.7P		5.9%
Ordinary income	2.2	Record 4.9	+2.7	(+119.7%)	27.0
Extraordinary income	1.0	0.4	-0.6		-
Extraordinary loss	0.1	0.7	+0.6		-
Profit before income taxes	3.1	4.7	+1.6		-
Income taxes	1.3	1.5	+0.2		-
Profit attributable to non-controlling interests	1.2	1.5	+0.3		-
Profit	0.6	1.6	+1.0	(+169.3%)	14.0
(Profit ratio)	0.5%	1.4%	+0.9P		2.4%
Profit before amortization of goodwill	0.9	1.7	+0.8		15.0
(Profit ratio before amortization of goodwill)	0.8%	1.4%	+0.6P		2.6%
Domestic lead price quote (¥10,000/t)	34.82	35.60	+0.78		34.6
LME (US\$/t)	2,203	2,118	-85		2,100
Exchange rate (¥/US\$)	131.25	139.63	+8.38		135.00

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.

2. Segment Results Forecast

		FY2022 Apr. - Jun.		FY2023 Apr. - Jun.		Change		(Billion yen) [Reference] Forecast for FY2023 (Estimated for May 2023)	
		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: %)
Automotive Batteries	Japan	17.7	1.0 (5.4)	19.6	1.0 (5.2)	+1.9	+0.0 (-0.2)	94.0	5.5 (5.9)
	Overseas	60.0	3.0 (5.0)	58.4	2.8 (4.7)	-1.6	-0.2 (-0.3)	252.0	15.0 (6.0)
Industrial Batteries and Power Supplies		17.0	-0.5 (-3.1)	17.9	0.2 (0.8)	+0.9	+0.7 (+3.9)	111.0	9.0 (8.1)
Automotive Lithium-ion Batteries		12.4	0.4 (3.1)	19.5	0.4 (2.2)	+7.1	+0.0 (-0.9)	103.0	4.0 (3.9)
Specialized Batteries and Others		4.4	0.0 (0.2)	5.2	0.6 (10.9)	+0.8	+0.6 (+10.7)	20.0	0.5 (2.5)
Total		111.4	3.8 (3.4)	120.5	4.9 (4.1)	+9.1	+1.1 (+0.7)	580.0	34.0 (5.9)

FY2023 Apr. - Jun. Result

- Production of automobiles increased due to mitigation of semiconductor shortage and mitigation of the impact of COVID-19
- Regarding trends in lead price, LME is progressing stable but domestic lead prices remained high due to the impact of yen depreciation (LME:2,203US\$/t in FY2022⇒2,118US\$/t, domestic basis of lead price:¥348,000/t in FY2022⇒¥356,000/t)
- The yen continues to weaken against the U.S. dollar (¥131.25 /US\$ in FY2022⇒¥139.63 /US\$)

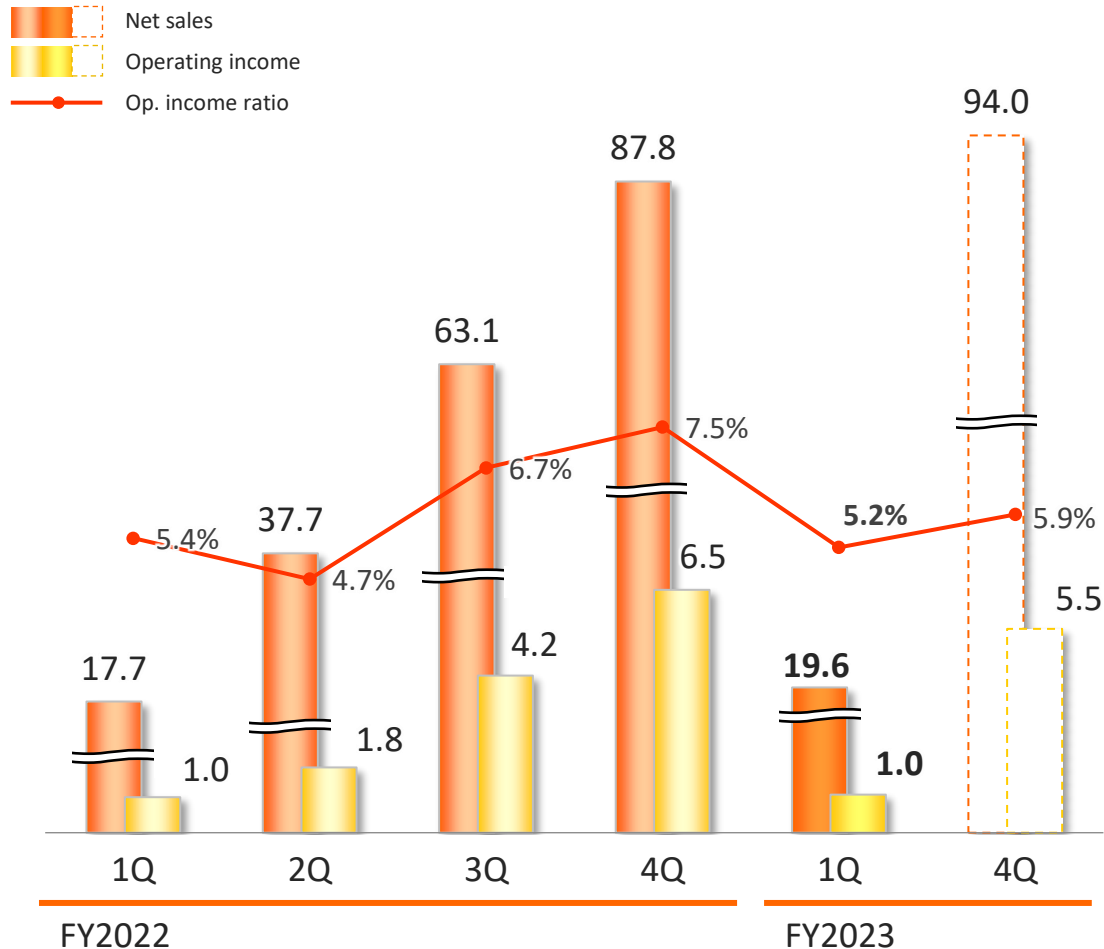
Note 1 : Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

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 1st quarter of fiscal 2022 were restated according to the modified segments.

2. Segment Results (Automotive Batteries (Japan))

Automotive Batteries (Japan)

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



Sales and profit increased

FY2023 1Q Sales Overview (Apr. - Jun.)

- [For new automobiles] Sales volume increased because production of new automakers recovered due to mitigation of semiconductor shortage
- [For replacement] Sales remained at the same level as the previous year, mainly due to the revision of selling prices although sales volume declined due to recovery in demand for new automobiles

Profit Change Factors (Apr. - Jun.)

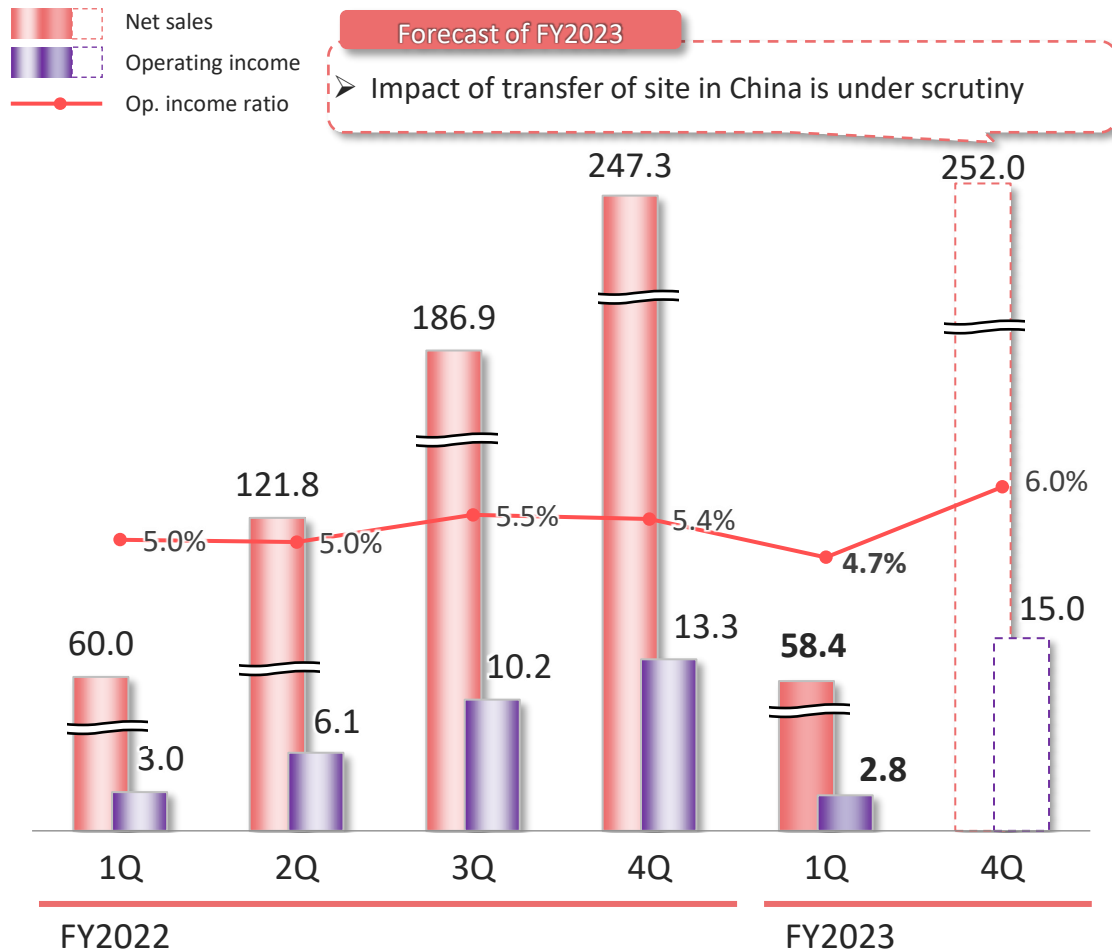
Quantity, composition change	-0.1	Decrease due to change of sales composition of products
Raw material prices, sales price	+0.3	Increase due to revision of selling prices
Expenses, etc.	-0.1	

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

2. Segment Results (Automotive Batteries (Overseas))

Automotive Batteries (Overseas)

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



Sales and profit declined

FY2023 1Q Sales Overview (Apr. - Jun.)

- [Southeast Asia] Sales volume of batteries for automobiles and motorcycles decreased
- [Europe] Sales volume of automotive batteries remained at the same level as the previous year, but sales increased due to the revision of selling prices
- [China] Sales volume for new automobiles mainly decreased

Profit Change Factors (Apr. - Jun.)

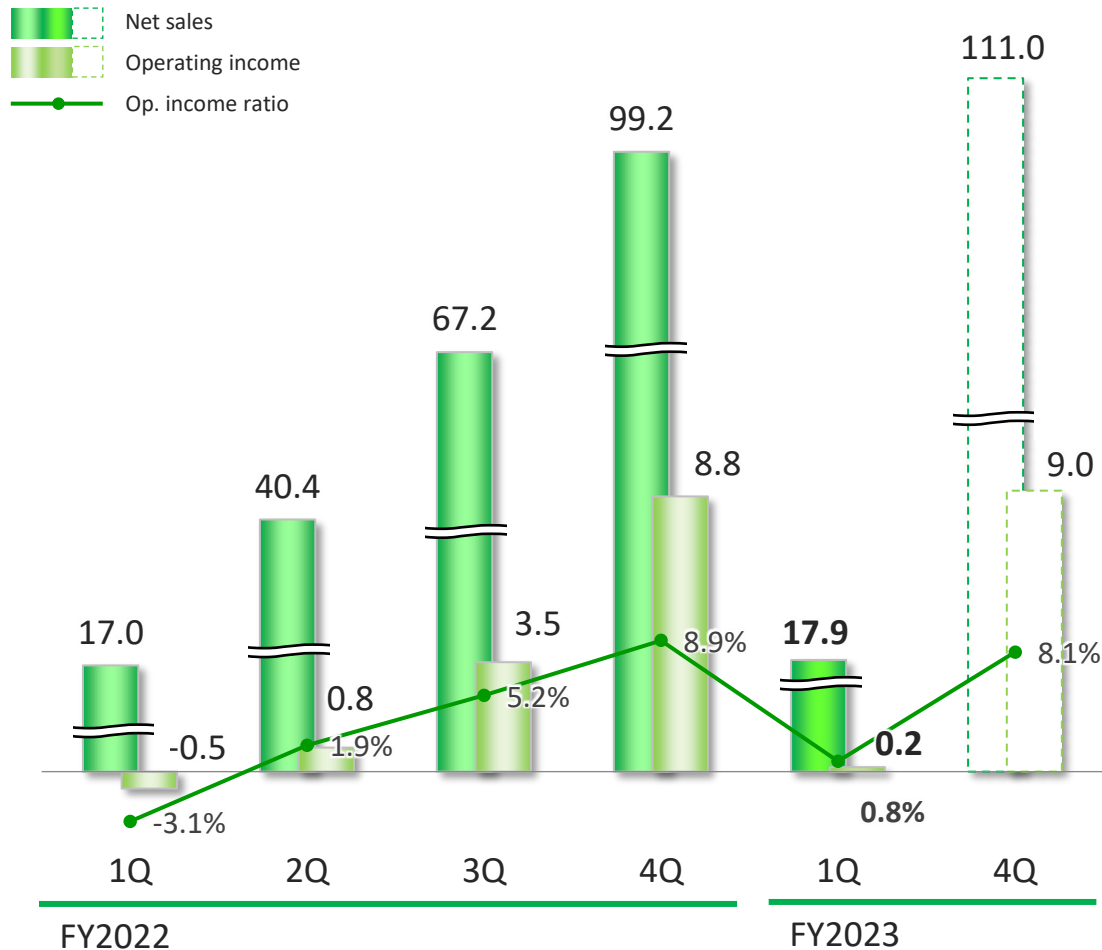
Quantity, composition change	-2.7	Decrease in sales volume primarily in Indonesia
Raw material prices, sales price	+3.5	Increase due to reflection of selling price of rising cost
Expenses, etc.	-0.8	Increase in expenses due to the impact of inflation
Exchange	-0.3	Impact of the depreciation of the Turkish lira

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

2. Segment Results (Industrial Batteries and Power Supplies)

Industrial Batteries and Power Supplies

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



Sales and profit increased

FY2023 1Q Sales Overview (Apr. - Jun.)

- [Regular field (Japan)] Sales of energy storage systems launched in the second half of FY2022 increased
- [Emergency field (Japan)] Sales of backup batteries and power supplies remained at the same level as the previous year due to the impact of the selling price revision, and mainly due to strong sales in private-sector demand
- [For forklifts (Global)] Sales volume in Japan decreased, but net sales increased due to the revision of selling prices, etc.

Profit Change Factors (Apr. - Jun.)

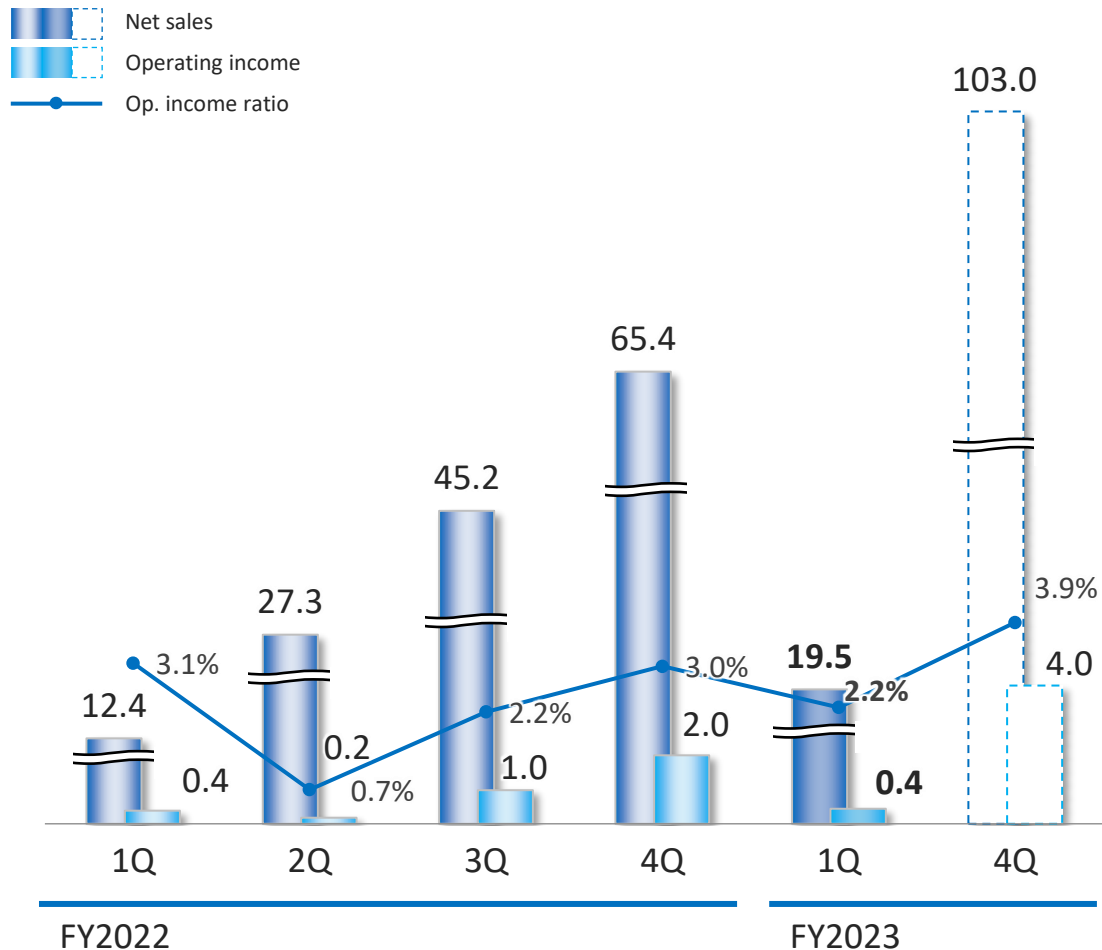
Quantity, composition change	+0.0	
Raw material prices	+0.7	Increase due to revision of selling price
SG&A expenses and others	-0.0	

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 1st quarter of fiscal 2022 were restated according to the modified segments.

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 1Q Sales Overview (Apr. - Jun.)

- [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 increased due to recovery in production by new car manufacturers as a result of mitigation of semiconductor shortage

Profit Change Factors (Apr. - Jun.)

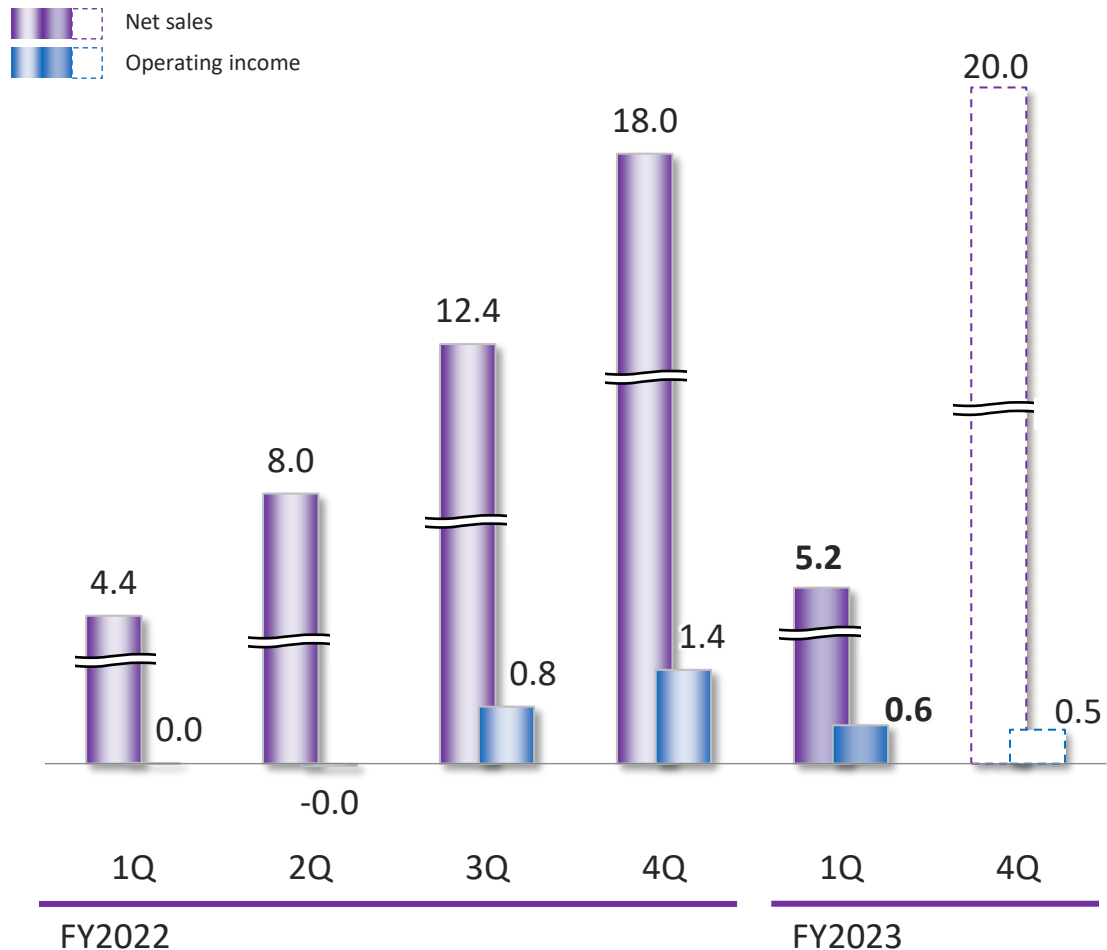
Quantity, composition change	+1.6	Increase in sales of LiB for HEVs and PHEVs
Raw material prices, sales price	+0.3	Increase due to revision of selling price
Expenses, etc.	-1.8	Increase in cost accompanied with operation of BEC No.2 plant and increase in production volume, and R&D cost of batteries for BEVs

2. Segment Results (Specialized Batteries and Others)

Specialized Batteries and Others

Net Sales, Operating income

(Billion yen)



Sales and profit increased

FY2023 1Q Sales Overview (Apr. - Jun.)

- [Lithium-ion batteries for aircrafts] Sales volume of batteries for airlines (for replacement) primarily increased
- [Lithium-ion batteries for submarines] Sales due to the relation of standard for progress of construction works progressed steadily
- [Membrane Business] The business was transferred from Industrial Batteries and Power Supplies segment from fiscal 2023

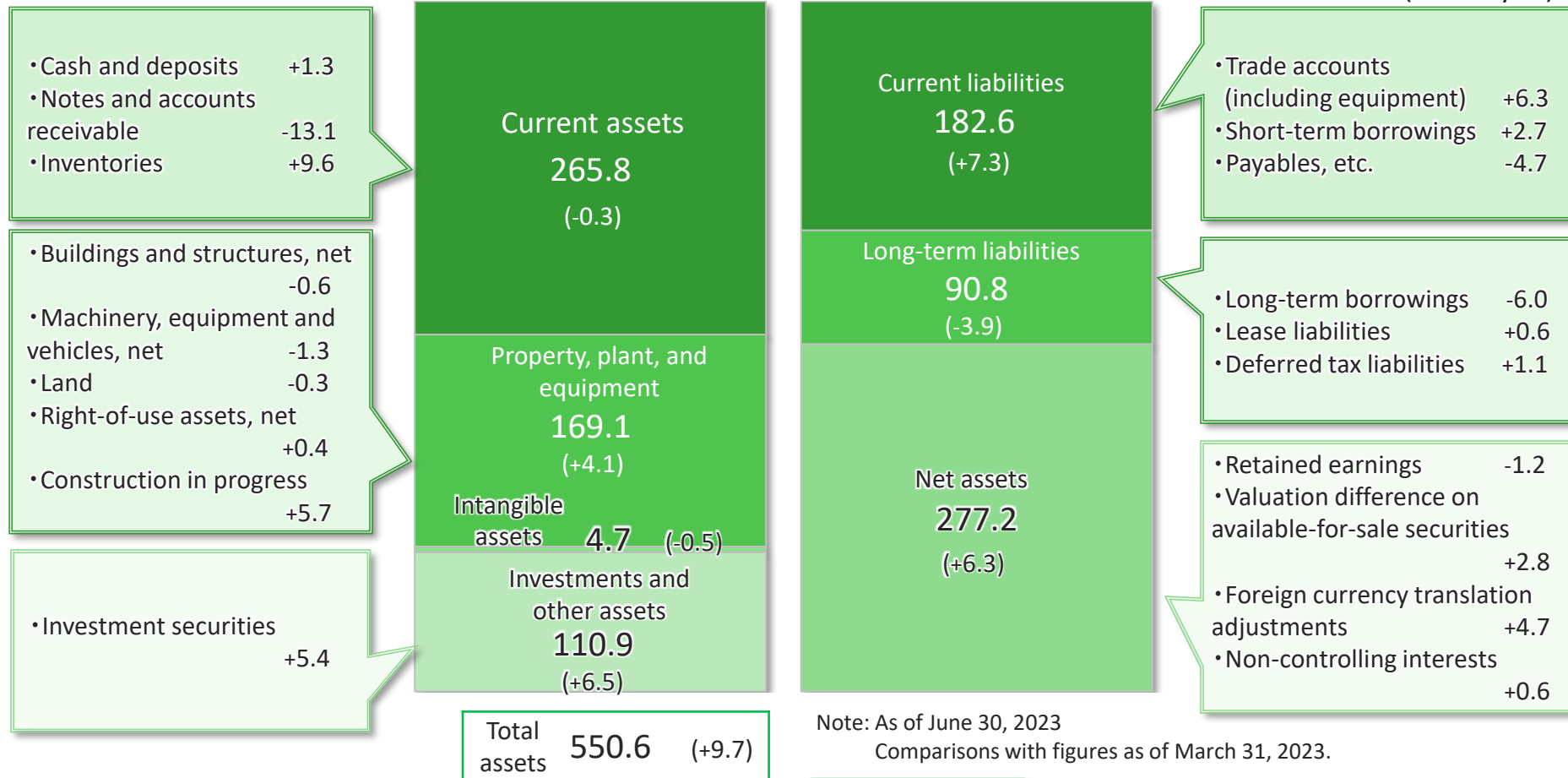
Profit Change Factors (Apr-Jun)

Profit increased due to sales increase in 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 1st quarter of fiscal 2022 were restated according to the modified segments.

3. Balance Sheet

(Billion yen)



	3/31/2023	6/30/2023
Equity ratio	42.6%	42.9%
Total borrowings	¥103.7bn	¥100.4bn

Point

- Increase in construction in progress due to investment in increased production at Blue Energy No. 2 plant and reconstruction of the plant in head office
- Increased inventories in Automotive Batteries (Japan) and Industrial Batteries and Power Supplies for the demand period

Liquidation of companies in China

Reason for **Share Transfer**

➤ The environment surrounding the business in China is changing

the Company has been facing major changes such as

1. The tightening of environmental regulations
2. The Zero-COVID policy and its lifting

Name	Tianjin GS Battery Co., Ltd. (TJGS)	Yuasa Battery (Shunde) Co., Ltd. (YBSD)
Establishment	November 1991	February 2002
Address	Bin Hai New Area, Tianjin, P. R. China	Shunde, Foshan, Guangdong, P. R. China
Main Business	Manufacture and sale of lead-acid batteries for automobiles	Manufacture and sale of lead-acid batteries for automobiles and sale of lead-acid batteries for motorcycles
Shareholders and shareholding ratio	GS Yuasa	Before 92.5% After 22.5%
	Yuasa Battery (Guangdong) Co., Ltd. (wholly-owned by GS Yuasa)	7.5% 7.5%
Transfer price (Approx)	Approx. 0.95 billion yen (RMB 49 Mil)	Approx. 3.08 billion yen (RMB 158 Mil)

Transfer **70%** of the shares of TJGS and YBSD to **Leoch Battery**



TJGS and YBSD will be changed to **the equity method affiliates** of GS Yuasa

Name	Leoch Battery Company Limited (wholly-owned by Leoch International Technology Limited)
Establishment	April 2007
Address	Hong Kong
Main Business	Investment management and sales of batteries

Transferring the management right to Leoch Battery while continuing technical support from GS Yuasa will be the most beneficial option for TJGS and YBSD

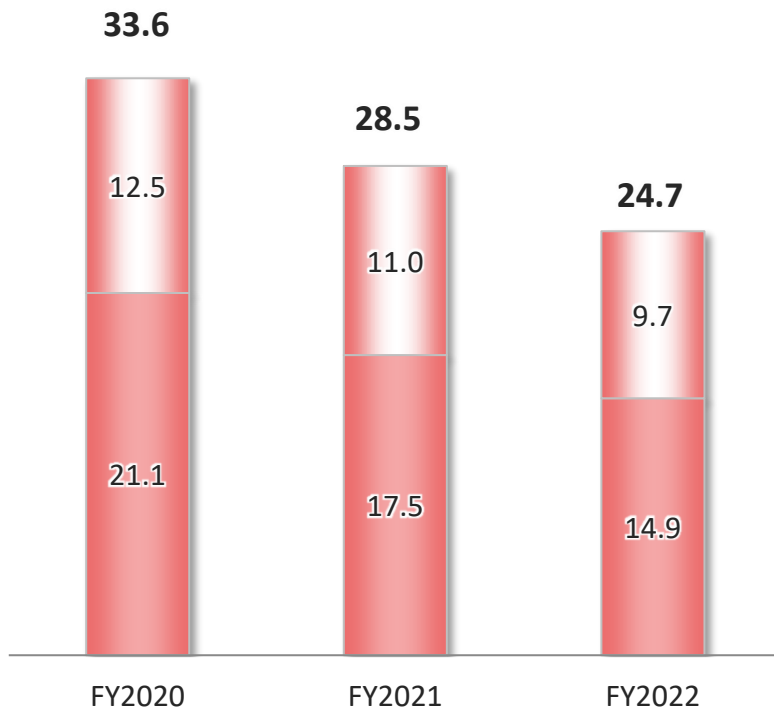
4. Topic

Net Sales, Operating Income, Net Income of TJGS and YBSD

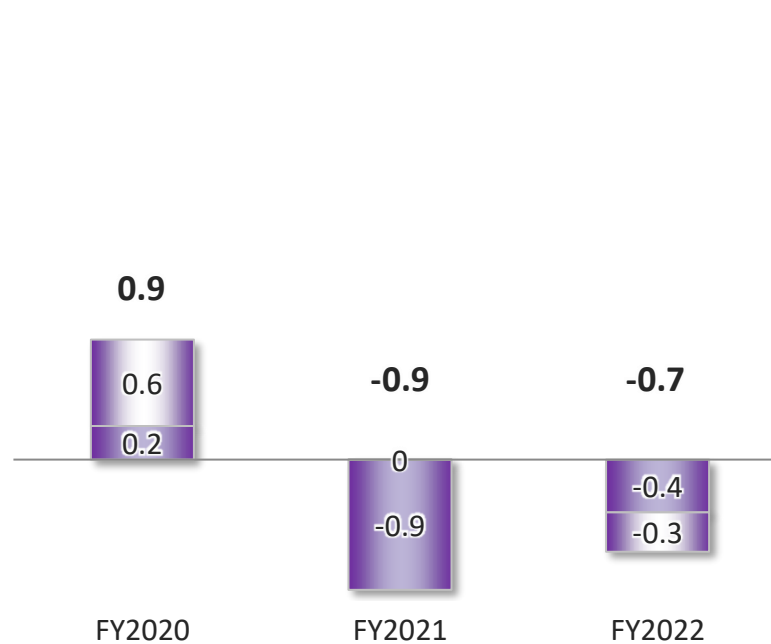
(billion yen)

	Net Sales	Operating Income	Net Income
YBSD			
TJGS			

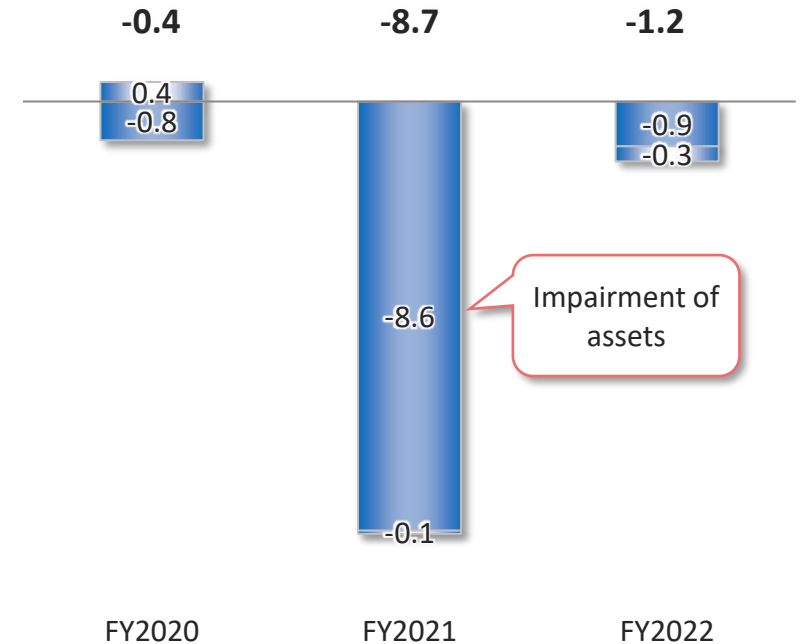
《Net Sales》



《Operating Income》



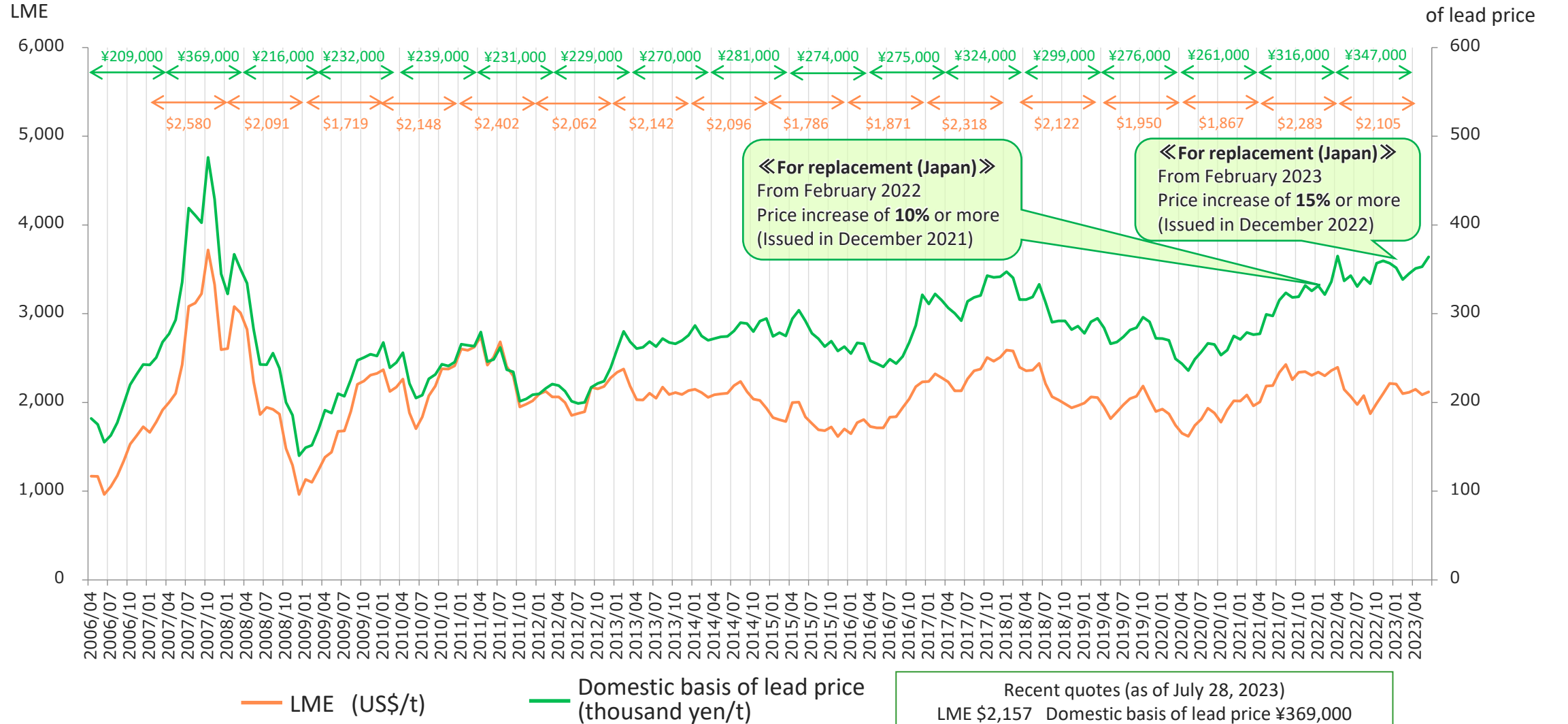
《Net Income》



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Raw Materials Prices



Quarterly Results by Segment

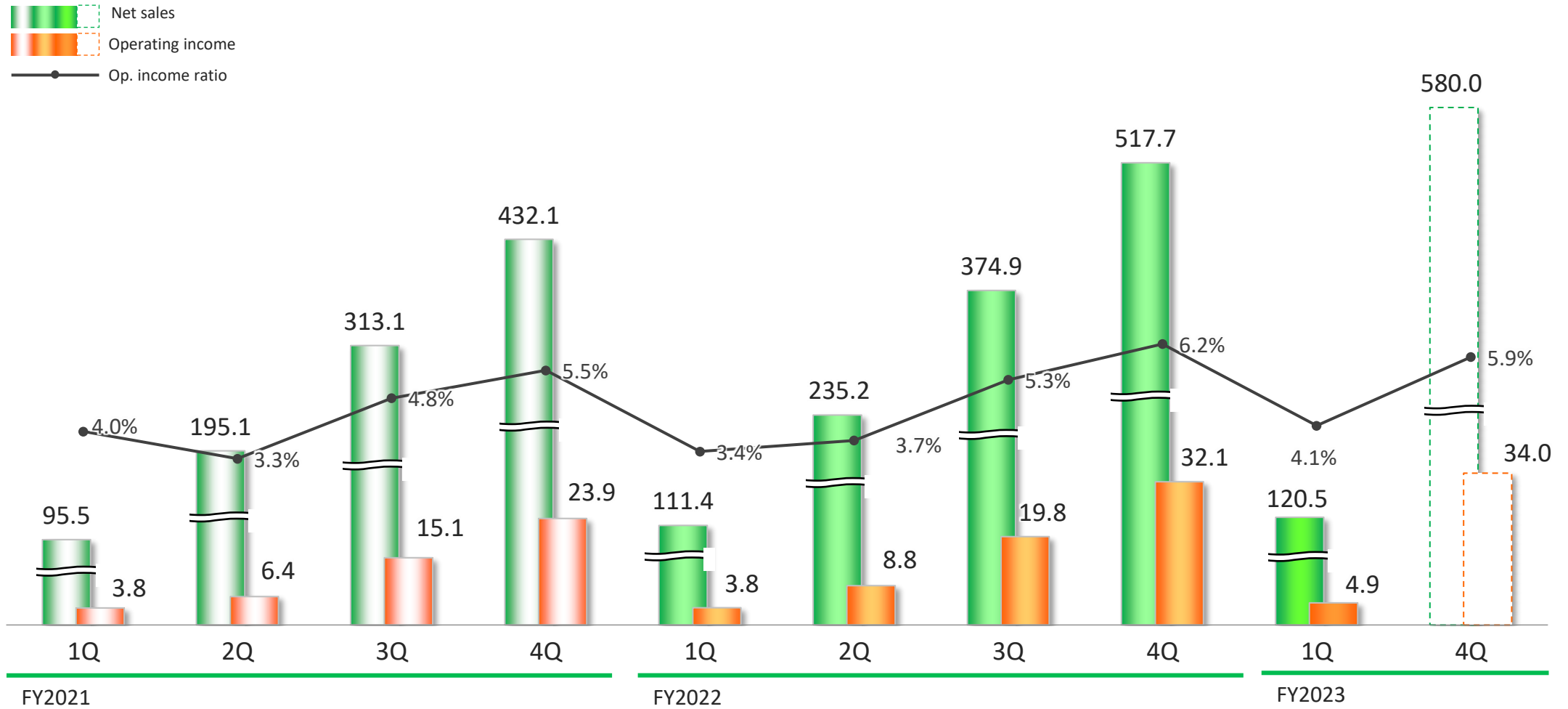
(Billion yen)

		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 motiv e Batter ies	Japan	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)	-	-	-	-	-	-	94.0	5.5 (5.9)	-
	Over seas	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)	-	-	-	-	-	-	252.0	15.0 (6.0)	-
Industrial Batteries and Power Supplies		17.0	-0.5 (-3.1)	22.9	1.2 (5.4)	26.8	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)	-	-	-	-	-	-	111.0	9.0 (8.1)	-
Automotive Lithium-ion Batteries		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)	-	-	-	-	-	-	103.0	4.0 (3.9)	-
Specialized Batteries and Others		4.4	0.0 (0.2)	4.0	0.0 (0.8)	4.4	0.9 (19.9)	5.6	0.5 (9.6)	18.0	1.4 (7.7)	7.1 (39.4)	5.2	0.6 (10.9)	-	-	-	-	-	-	20.0	0.5 (2.5)	-
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)	-	-	-	-	-	-	580.0	34.0 (5.9)	55.0 (9.5)

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 1st 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.