

November 8, 2018

GS Yuasa Corporation
Consolidated Earnings Report for the
Six Months ended September 30, 2018
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange Securities code: 6674
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Scheduled dates
 Filing of statutory quarterly financial report (*Shihanki hokokusho*): November 8, 2018
 Dividend payout: December 3, 2018

Supplementary materials to quarterly earnings report available: Yes
 Quarterly earnings presentation held: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months ended September 30, 2018
(April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six Months ended September 30, 2018	195,415	6.1	6,956	16.2	7,492	16.2	3,454	35.5
Six Months ended September 30, 2017	184,208	15.9	5,986	(16.6)	6,447	(3.0)	2,549	(38.0)

Note: Comprehensive income: Six Months ended September 30, 2018: ¥5,888 million, -10.8%
 Six Months ended September 30, 2017: ¥6,604 million, -%

	Profit per share	Diluted profit per share
	yen	yen
Six Months ended September 30, 2018	42.02	39.12
Six Months ended September 30, 2017	30.89	28.74

On October 1, 2018, the Company carried out a 1-for-5 reverse stock split. "Profit per share" and "diluted profit per share" were calculated assuming that the reverse stock split was effected at the beginning of the fiscal year ended March 31, 2018 (April 1, 2017).

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
September 30, 2018	384,039	202,966	45.7
March 31, 2018	389,216	205,638	45.2

Reference: Total equity: As of September 30, 2018: ¥175,620 million
 As of March 31, 2018: ¥175,775 million

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2018	-	3.00	-	7.00	10.00
Year ending March 31, 2019	-	3.00			
Year ending March 31, 2019 (forecast)			-	35.00	-

Note: No revision has been made to the latest dividends forecast.

On October 1, 2018, the Company carried out a 1-for-5 reverse stock split. The effect is reflected in dividend per share for the year ending March 31, 2019 (forecast) with the total annual dividend presented as "—."

3. Earnings Forecast for the Year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2019	440,000	7.1	23,000	4.9	24,000	12.2	14,000	22.3	169.84

Note: Revision to the latest earnings forecast: yes

The Company has revised its earnings forecast for the year ending March 31, 2019 released on May 8, 2018. For details, please see, (3) Note on Consolidated Earnings Forecast and Other Forward-looking Statements on page 4.

In addition, the forecast for the profit per share for the fiscal year ending March 31, 2019 reflects the effect of the reverse stock split.

*Notes

- (1) Changes affecting the status of material subsidiaries (scope of consolidation): None
- (2) Use of accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accordance with revisions to accounting and other standards: None
 - 2) Changes other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of shares issued (common stock)

	September 30, 2018	March 31, 2018
1) Number of shares issued (including treasury stock)	82,714,942	82,714,942
2) Number of shares held in treasury	517,389	517,357
	Six Months ended September 30, 2018	Six Months ended September 30, 2017
3) Average number of shares outstanding during the period	82,197,062	82,555,246

On October 1, 2018, the Company carried out a 1-for-5 reverse stock split. The "Number of shares issued (including treasury stock)," "number of shares held in treasury" and "average number of shares outstanding during the period" were calculated assuming that the reverse stock split was effected at the beginning of the fiscal year ended March 31, 2018 (April 1, 2017).

*Quarterly financial reports are not subject to audit procedures to be conducted by certified public accountants or an audit firm.

*Appropriate Use of Earnings Forecast and Other Important Information

The above forecasts are based on the assumptions of management in the light of information available as of the release date of this report. GS Yuasa Corporation makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment.

4. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

1) Overview

In the first six months of the fiscal year ending March 31, 2019, economic conditions in Japan recovered moderately with support from a recovery in consumer spending against a backdrop of an improving employment environment and improving corporate earnings.

Turning to the global economy, economic growth in China slowed amid trade frictions with the United States. Meanwhile, in the United States, consumer spending was brisk, supported by favorable employment and income environments. In Europe, consumer spending was also firm, supported by an improving labor market. The global economic outlook has, however, become clouded by concerns about the risk of downward pressures from intensifying trade frictions.

In this economic environment, the GS Yuasa Group's consolidated net sales for the first six months of the fiscal year totaled ¥195,415 million, an increase of ¥11,206 million, or 6.1%, compared with the same period of the previous fiscal year. Sales growth was driven by the automotive batteries business, which enjoyed strong demand for replacement batteries in Japan and solid sales in China. First-half sales were also boosted by increased sales of automotive lithium-ion batteries. Operating income came to ¥6,956 million (¥8,239 million before goodwill amortization), an increase of ¥970 million, or 16.2%, compared with the same period of the previous year. With the increase in operating income, ordinary income also rose 16.2% to reach ¥7,492 million, ¥1,044 million more than in the previous year. Profit attributable to owners of parent totaled ¥3,454 million (¥4,760 million before goodwill amortization), a year-on-year gain of ¥904 million, or 35.5%.

2) Business segment results

Business reportable segments have changed from the first quarter of the fiscal year under review. The year-on-year comparisons below are made by restating the previous year's results according to the new segments.

(Automotive Batteries)

Net sales in Japan in the first six months of the fiscal year totaled ¥41,420 million, a year-on-year increase of ¥2,112 million, or 5.4%. The main driver of sales growth was the strong demand for replacement batteries. Domestic segment income (before goodwill amortization) rose ¥621 million year on year, or 30.4%, to ¥2,661 million, reflecting sales growth and product price increases to pass along the higher price of lead.

Overseas net sales totaled ¥92,560 million, a year-on-year increase of ¥4,877 million, or 5.6%, driven by higher sales in China and success in passing on the increase in the price of lead to product prices. Overseas segment income increased ¥1,177 million year on year, or 31.0%, to ¥4,977 million.

Reflecting the strong results in Japan and overseas, the automotive batteries segment's first-half net sales came to ¥133,981 million, a year-on-year increase of ¥6,990 million, or 5.5%. Overall automotive batteries segment income (before goodwill amortization) expanded by ¥1,798 million year on year, or 30.8%, to ¥7,638 million.

(Industrial Batteries and Power Supplies)

Net sales in the industrial batteries and power supplies segment in the first half of the fiscal year totaled ¥29,280 million, a year-on-year decline of ¥1,246 million, or 4.1%. Sales of forklift batteries were strong, but lower sales of power supply systems and the transfer of certain business to other companies produced the overall sales decline. Reflecting lower sales and other factors, segment income came to ¥604 million, ¥487 million or 44.6% less than in the first half of the previous fiscal year.

(Automotive Lithium-ion Batteries)

Net sales in the automotive lithium-ion batteries segment for the first six months of the fiscal year totaled ¥22,016 million, a year-on-year increase of ¥2,409 million, or 12.3%. Although sales of lithium-ion

batteries for hybrid vehicles were down year on year, sales of lithium-ion batteries for plug-in hybrid vehicles increased. However the segment fell into the red owing to higher prices of raw materials and an increase in product development expenses. The segment's operating loss came to ¥291 million, a deterioration of ¥516 million compared with the profit recorded a year earlier.

(Other)

Net sales in the other segment in the first half of the fiscal year totaled ¥10,138 million, a year-on-year increase of ¥3,053 million, or 43.1%, reflecting increased production of lithium-ion batteries for submarines. Segment income after adjustments of corporate expenses, etc., came to ¥288 million, an improvement of ¥380 million from the previous year's loss thanks to the positive impact from increased production of lithium-ion batteries for submarines, which offset higher R&D expenses.

(2) Financial Condition

Total assets as of September 30, 2018, amounted to ¥384,039 million, ¥5,176 million less than at the end of the previous fiscal year on March 31, 2018. The positive impact of increases in the market valuation of owned shares was offset by progress in the collection of trade accounts receivable and by the depreciation of fixed assets.

Liabilities are also lower than at the end of the previous fiscal year, down ¥2,504 million to ¥181,072 million. The drop was led by declines in trade accounts payable and payables, which offset an increase in borrowings.

Net assets totaled ¥202,966 million, a decrease of ¥2,671 million from the end of the previous fiscal year. The positive effect of an increase in the market valuation of owned shares and the posting of profit attributable to owners of parent was offset by dividends paid and a decrease in foreign currency translation adjustments due to forex rate fluctuations.

[Cash Flows]

Cash and cash equivalents as of September 30, 2018, amounted to ¥24,124 million, an increase of ¥4,347 million, or 22.0%, from the previous fiscal year-end.

Net cash provided by operating activities during the first six months amounted to ¥10,193 million, compared with ¥3,985 million in the first half of the previous fiscal year. The main contributors to the increase were profit before income taxes, depreciation and amortization, and the collection of trade accounts receivable, which combined to offset the impact of an increase in inventories and a decrease in trade accounts payable.

Net cash used in investing activities during the first six months totaled ¥8,869 million, compared with net cash used of ¥13,681 million a year earlier. The main cash outflows from investments were the purchase of property, plant, and equipment and the purchase of subsidiaries' shares.

Net cash provided by financing activities during the first six months amounted to ¥1,631 million, compared with net cash provided of ¥8,021 million a year earlier. The main cash inflow was from borrowings while the main outflow was from dividends paid.

(3) Note on Consolidated Earnings Forecast and Other Forward-looking Statements

The consolidated earnings forecast announced on May 8, 2018, has been revised as shown below. The downward revision to the sales forecast reflects lower sales volumes in overseas market than was initially expected. On the other hand, the upward revisions for profits take into account firm domestic sales of automotive batteries and the current downtrend in the prices of raw materials.

Full-Year Consolidated Earnings Forecast

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)	Profit per share (yen)
Previous outlook (A)	450,000	22,000	23,000	13,000	157.71
Revised outlook (B)	440,000	23,000	24,000	14,000	169.84
Change (B-A)	(10,000)	1,000	1,000	1,000	-
Change (%)	(2.2)	4.5	4.3	7.7	-
Results for year ended March 2018	410,951	21,920	21,387	11,449	138.90

Note: On October 1, 2018, the Company carried out a 1-for-5 reverse stock split. All profit per share figures in the above table show forecasts based on the number of shares outstanding after the reverse split.

5. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of March 31, 2018 Amount	(Millions of yen) As of September 30, 2018 Amount
Assets		
Current assets		
Cash and deposits	18,927	24,134
Notes and accounts receivable	79,919	67,779
Merchandise and finished goods	37,835	40,860
Work in process	16,621	17,948
Raw materials and supplies	15,286	14,013
Other	11,304	9,387
Allowance for doubtful receivables	(498)	(329)
Total current assets	179,395	173,794
Fixed assets		
Property, plant, and equipment		
Buildings and structures, net	50,449	50,013
Machinery and equipment, net	35,014	31,773
Land	24,047	23,757
Lease assets, net	777	711
Construction in progress	7,889	11,979
Other, net	4,669	4,186
Total property, plant, and equipment	122,846	122,422
Intangible assets		
Goodwill	4,349	4,023
Lease assets	843	851
Other	7,033	6,520
Total intangible assets	12,226	11,396
Investments and other assets		
Investment securities	56,685	58,666
Net defined benefit asset	12,096	11,661
Deferred tax assets	2,442	2,572
Other	3,895	3,903
Allowance for doubtful receivables	(438)	(431)
Total investments and other assets	74,683	76,371
Total fixed assets	209,756	210,190
Deferred assets	63	54
Total assets	389,216	384,039

	As of March 31, 2018 Amount	(Millions of yen) As of September 30, 2018 Amount
Liabilities		
Current liabilities		
Notes and accounts payable	36,504	35,519
Electronically recorded obligation	15,144	14,024
Short-term borrowings	17,464	8,641
Current portion of bonds with subscription rights to shares	25,000	25,000
Payables	8,804	6,807
Income taxes payable	3,005	2,288
Notes payable-facilities	140	328
Other	18,593	18,239
Total current liabilities	124,657	110,850
Long-term liabilities		
Bonds	10,000	10,000
Long-term debt	22,689	35,070
Lease obligations	1,223	1,147
Deferred tax liabilities	10,561	11,773
Deferred tax liabilities for land revaluation	1,042	1,042
Net defined benefit liability	6,351	4,159
Other	7,052	7,029
Total long-term liabilities	58,920	70,222
Total liabilities	183,577	181,072
Net assets		
Shareholders' equity		
Common stock	33,021	33,021
Capital surplus	55,313	55,313
Retained earnings	66,822	68,562
Less treasury stock, at cost	(1,387)	(1,387)
Total shareholders' equity	153,770	155,509
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	14,713	17,788
Deferred gain (loss) on derivatives under hedge accounting	(1)	(38)
Land revaluation surplus	2,397	2,397
Foreign currency translation adjustments	5,278	659
Remeasurements of defined benefit plans	(383)	(696)
Total accumulated other comprehensive income	22,005	20,110
Non-controlling interests	29,863	27,346
Total net assets	205,638	202,966
Total liabilities and net assets	389,216	384,039

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

(Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
	Amount	Amount
Net sales	184,208	195,415
Cost of sales	143,898	153,437
Gross profit	40,309	41,977
Selling, general and administrative expenses	34,323	35,021
Operating income	5,986	6,956
Non-operating income		
Interest and dividend income	483	428
Equity in earnings of equity method affiliates	156	995
Foreign exchange gain	228	-
Other	361	349
Total non-operating income	1,230	1,774
Non-operating expenses		
Interest expenses	454	350
Foreign exchange loss	-	389
Other	313	497
Total non-operating expenses	768	1,237
Ordinary income	6,447	7,492
Extraordinary income		
Gain on sales of fixed assets	116	214
Gain on sales of investment securities	-	8
Other	9	18
Total extraordinary income	125	242
Extraordinary loss		
Loss on disposal of fixed assets	55	239
Loss on sales of fixed assets	0	31
Other	29	11
Total extraordinary loss	85	281
Profit before income taxes	6,487	7,453
Income taxes	2,599	2,663
Profit	3,888	4,790
Profit attributable to non-controlling interests	1,338	1,335
Profit attributable to owners of parent	2,549	3,454

Consolidated Statements of Comprehensive Income

	Six Months ended September 30, 2017	(Millions of yen) Six Months ended September 30, 2018
	Amount	Amount
Profit	3,888	4,790
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	2,555	3,083
Deferred gain (loss) on derivatives under hedge accounting	2	(37)
Foreign currency translation adjustments	(102)	785
Remeasurements of defined benefit plans	(170)	(312)
Share of other comprehensive income of equity method affiliates	430	(2,420)
Total other comprehensive income	2,716	1,098
Comprehensive income	6,604	5,888
Components:		
Comprehensive income attributable to owners of parent	5,268	4,458
Comprehensive income attributable to non-controlling interests	1,335	1,430

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
	Amount	
Cash flows from operating activities		
Profit before income taxes	6,487	7,453
Depreciation and amortization	9,012	8,582
Amortization of goodwill	624	829
(Gain) loss on sales of investment securities	-	(8)
Increase (decrease) in allowance for doubtful receivables	(25)	(176)
Change in net defined benefit asset/liability	(2,001)	(1,884)
Interest and dividend income	(483)	(428)
Interest expenses	454	350
Foreign exchange (gain) loss	(32)	114
(Gain) loss on sales of fixed assets	(115)	(183)
Loss on disposal of fixed assets	55	239
Equity in (earnings) loss of equity method affiliates	(156)	(995)
(Increase) decrease in trade accounts receivable	6,528	11,052
(Increase) decrease in inventories	(10,526)	(6,170)
Increase (decrease) in trade accounts payable	(2,290)	(4,800)
Other – net	825	1,088
	Sub total	
	8,357	15,064
Interest and dividends received	1,259	720
Interest paid	(426)	(344)
Income taxes paid	(5,205)	(5,247)
Net cash provided by operating activities	3,985	10,193
Cash flows from investing activities		
Purchase of property, plant, and equipment	(10,456)	(7,449)
Proceeds from sales of property, plant, and equipment	147	350
Purchase of investment securities	(2,552)	-
Proceeds from sales of investment securities	-	602
Purchase of subsidiaries' shares	-	(2,811)
Payments for loans receivable	(0)	-
Collection of loans receivable	15	53
Other, net	(835)	385
Net cash used in investing activities	(13,681)	(8,869)

Cash flows from financing activities

Net increase (decrease) in short-term borrowings and commercial paper	2,996	(3,207)
Proceeds from long-term debt	989	12,696
Repayments of long-term debt	(1,754)	(3,536)
Proceeds from issuance of bonds	10,000	-
Purchase of treasury stock	(3)	(3)
Proceeds from disposal of treasury shares	-	3
Dividends paid	(2,890)	(2,878)
Dividends paid to non-controlling shareholders	(1,308)	(1,316)
Proceeds from issuance of consolidated subsidiary's shares to non-controlling shareholders	379	-
Other - net	(387)	(125)
Net cash provided by financing activities	8,021	1,631
Foreign currency translation adjustments on cash and cash equivalents	(172)	275
Net increase (decrease) in cash and cash equivalents	(1,847)	3,230
Cash and cash equivalents, beginning of term	24,673	19,776
Increase (decrease) in cash and cash equivalents resulting from changes to accounting periods of consolidated subsidiaries	-	1,093
Increase in cash and cash equivalents from newly consolidated subsidiary	-	24
Cash and cash equivalents, end of term	22,826	24,124

(4) Notes on the Consolidated Financial Statements

(Note on the going-concern assumption)

Not applicable

(Note on significant change in shareholders' equity)

Not applicable

(Use of accounting procedures specific to preparation of quarterly consolidated financial statements)

The Company calculates tax expense by rationally estimating its effective tax rate after application of tax-effect accounting method to profit before income taxes for the current fiscal year, which includes the first six months of the fiscal year under review, and multiplying profit before income taxes by said estimated effective tax rate.

(Segment and other information)

Segment Information

I. Six Months ended September 30, 2017 (April 1 to September 30, 2017)

1. Net sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment							
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total	Other (note)	Total
	Japan	Overseas	Subtotal					
Net sales								
Sales to outside customers	39,307	87,683	126,990	30,526	19,606	177,123	7,084	184,208
Inter-segment sales and transfers	689	2,820	3,509	8,638	167	12,316	(12,316)	-
Total	39,996	90,503	130,500	39,165	19,774	189,439	(5,231)	184,208
Segment income (loss)	2,040	3,799	5,839	1,091	225	7,156	(91)	7,064

Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment income adjustment. Segment income adjustment was minus 1,137 million yen, which includes minus 601 million yen elimination of inter-segment transactions and minus 535 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. The difference between the total segment income in the table above and operating income of 5,986 million yen on the consolidated income statements represents amortization of goodwill and other intangible assets of 1,078 million yen. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

II. Six Months ended September 30, 2018 (April 1 to September 30, 2018)

1. Net sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment							
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total	Other (note)	Total
	Japan	Overseas	Subtotal					
Net sales								
Sales to outside customers	41,420	92,560	133,981	29,280	22,016	185,277	10,138	195,415
Inter-segment sales and transfers	699	2,169	2,868	6,461	417	9,747	(9,747)	-
Total	42,119	94,729	136,849	35,741	22,433	195,025	390	195,415
Segment income (loss)	2,661	4,977	7,638	604	(291)	7,951	288	8,239

Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment income adjustment. Segment income adjustment was minus 929 million yen, which includes minus 418 million yen elimination of inter-segment transactions and minus 510 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. The difference between the total segment income in the table above and operating income of 6,956 million yen on the consolidated income statements represents amortization of goodwill and other intangible assets of 1,283 million yen. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

2. Changes to reportable segments

The GS Yuasa Group implemented "reorganization of the business structure in response to markets and customers" in the previous fiscal year ended March 31, 2018 and unified the domestic automotive batteries business and the overseas lead-acid storage batteries business into the automotive battery business. In line with this, the Group's reportable segments have been reorganized into Automotive Batteries-Japan, Automotive Batteries-Overseas, Industrial Batteries and Power Supplies, and Automotive Lithium-ion Batteries. Then, Automotive Batteries-Overseas included part of transactions for overseas industrial batteries which have been traded for some time; however, from the first three months of the fiscal year ending March 31, 2019, these transactions have been transferred to Industrial Batteries and Power Supplies segment.

Segment information for the first six months of the fiscal year ended March 31, 2018 has been restated to conform to the revised presentation.

(Additional information)

(Material change to the scope of equity method accounting)

During the first six months of the fiscal year ending March 31, 2019, Lithium Energy and Power GmbH & Co. KG was excluded from the scope of equity method accounting as the liquidation process of the affiliate has been finished. Furthermore, Lithium Energy and Power GmbH & CoKG was excluded from the scope of equity method accounting as the Company sold its shares.

(Changes to fiscal year-end date of consolidated subsidiaries and related matters)

From the first quarter of the fiscal year ending March 31, 2019, GS Battery Taiwan Co., Ltd. and other 15 consolidated subsidiaries have changed their fiscal year-end date to March 31. Those companies previously closed their financial statements at December 31, and the consolidated financial statements were prepared using their financial statements as of their fiscal year-end date with some necessary adjustments for important transactions that took place between the last year-end date of those companies and the consolidated year-end date.

The consolidation methods have also been changed for Tianjin GS Battery Co., Ltd. and other 11 consolidated subsidiaries which close their financial statements at December 31. Previously, the consolidated financial statements were prepared using their financial statements as of their fiscal year-end date with some necessary adjustments for important transactions that took place between the last year-end date of those companies and the consolidated year-end date (March 31). However, from the first quarter of the fiscal year ending March 31, 2019, the Company started using their financial statements provisionally closed at the consolidated fiscal year-end date to ensure more appropriate management information and disclosure of the quarterly financial statements.

With these changes, the consolidated earnings report for the first six months of the fiscal year ending March 31, 2019, comprise financial statements for the six months from April 1 to September 30, 2018.

For reference, profit/loss of these consolidated subsidiaries for the period of January 1 to March 31, 2018, have been included in retained earnings.

(Adoption of Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.)

With the adoption of Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) from the beginning of the first quarter of the fiscal year ending March 31, 2019, deferred tax assets are presented under “investments and other assets,” and deferred tax liabilities are presented under “long-term liabilities.”

6. Supplementary Information

(1) Quarterly profit/loss

Fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

	(Millions of yen)						
	Q1	Q2	Q3	Q4	Q2 YTD	Q3 YTD	Full year
	(Apr. – Jun.)	(Jul. – Sep.)	(Oct. – Dec.)	(Jan. – Mar.)	(Apr. – Sep.)	(Apr. – Dec.)	
Net sales	96,256	99,158	-	-	195,415	-	-
Operating income	2,917	4,038	-	-	6,956	-	-
Ordinary income	3,165	4,327	-	-	7,492	-	-
Profit attributable to owners of parent	1,430	2,023	-	-	3,454	-	-

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

	(Millions of yen)						
	Q1	Q2	Q3	Q4	Q2 YTD	Q3 YTD	Full year
	(Apr. – Jun.)	(Jul. – Sep.)	(Oct. – Dec.)	(Jan. – Mar.)	(Apr. – Sep.)	(Apr. – Dec.)	
Net sales	87,805	96,402	112,776	113,966	184,208	296,984	410,951
Operating income	2,876	3,109	7,734	8,198	5,986	13,721	21,920
Ordinary income	3,273	3,174	7,763	7,176	6,447	14,210	21,387
Profit attributable to owners of parent	1,254	1,295	3,668	5,231	2,549	6,218	11,449

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

	(Millions of yen)						
	Q1	Q2	Q3	Q4	Q2 YTD	Q3 YTD	Full year
	(Apr. – Jun.)	(Jul. – Sep.)	(Oct. – Dec.)	(Jan. – Mar.)	(Apr. – Sep.)	(Apr. – Dec.)	
Net sales	75,364	83,535	95,428	105,277	158,899	254,328	359,605
Operating income	2,988	4,184	7,501	8,431	7,173	14,674	23,106
Ordinary income	2,875	3,774	8,007	7,887	6,650	14,657	22,545
Profit attributable to owners of parent	1,840	2,271	4,460	3,656	4,111	8,572	12,229

Fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

	(Millions of yen)						
	Q1	Q2	Q3	Q4	Q2 YTD	Q3 YTD	Full year
	(Apr. – Jun.)	(Jul. – Sep.)	(Oct. – Dec.)	(Jan. – Mar.)	(Apr. – Sep.)	(Apr. – Dec.)	
Net sales	81,642	89,507	94,159	100,301	171,149	265,308	365,610
Operating income	3,109	3,705	7,338	7,756	6,814	14,153	21,909
Ordinary income	3,044	4,004	7,220	7,146	7,049	14,269	21,416
Profit attributable to owners of parent	951	2,665	3,010	2,402	3,616	6,627	9,030

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

	(Millions of yen)						
	Q1	Q2	Q3	Q4	Q2 YTD	Q3 YTD	Full year
	(Apr. – Jun.)	(Jul. – Sep.)	(Oct. – Dec.)	(Jan. – Mar.)	(Apr. – Sep.)	(Apr. – Dec.)	
Net sales	82,321	89,199	94,940	103,298	171,521	266,462	369,760
Operating income	3,109	4,492	5,762	7,548	7,602	13,365	20,914
Ordinary income	3,763	5,039	6,430	7,124	8,802	15,233	22,357
Profit attributable to owners of parent	2,342	2,856	3,331	1,513	5,198	8,530	10,043

(2) Overview of Results for the Six Months ended September 30, 2018

(Millions of yen unless otherwise stated)

	Six months ended			Change (b) – (a)	Full year ended/ending		
	September 30, 2016	September 30, 2017 (a)	September 30, 2018 (b)		March 31, 2017	March 31, 2018	March 31, 2019 (forecast)
Net sales	158,899	184,208	195,415	11,206	359,605	410,951	440,000
Automotive Batteries-Japan	22,151	39,307	41,420	2,112	67,598	89,240	94,000
Automotive Batteries-Overseas	83,134	87,683	92,560	4,877	170,613	187,625	210,000
Industrial Batteries and Power Supplies	30,834	30,526	29,280	(1,246)	72,765	72,187	75,500
Automotive Lithium-ion Batteries	18,532	19,606	22,016	2,409	39,305	44,784	44,000
Other	4,247	7,084	10,138	3,053	9,323	17,113	16,500
Operating income	7,173	5,986	6,956	970	23,106	21,920	23,000
Operating income before amortization of goodwill	-	7,064	8,239	1,174	24,185	24,076	25,500
Automotive Batteries-Japan	1,137	2,040	2,661	621	5,676	6,143	7,000
Automotive Batteries-Overseas	5,275	3,799	4,977	1,177	10,460	9,407	10,500
Industrial Batteries and Power Supplies	1,614	1,091	604	(487)	8,701	6,917	7,500
Automotive Lithium-ion Batteries	(534)	225	(291)	(516)	45	1,320	500
Other	(319)	(91)	288	380	(699)	287	-
Ordinary income	6,650	6,447	7,492	1,044	22,545	21,387	24,000
Profit attributable to owners of parent	4,111	2,549	3,454	904	12,229	11,449	14,000
Profit attributable to owners of parent before amortization of goodwill	-	3,717	4,760	1,043	13,699	13,894	16,500
Profit per share (yen)	9.96	30.89	42.02	11.13	29.63	138.90	169.84
Interim dividend per share (yen)	3.00	3.00	3.00	-	10.00	10.00	-
Purchase of treasury stock (plan for next fiscal year)	-	-	-	-	999	1,000	-
Capital investment	7,705	5,507	8,053	2,546	19,909	15,223	30,000
Depreciation/amortization	7,346	8,223	7,744	(478)	15,241	16,506	17,000
Research and development expenses	4,374	4,840	4,390	(450)	9,533	11,170	12,000
Cash flows from operating activities	8,108	3,985	10,193	6,207	34,846	21,934	-
Cash flows from investing activities	(21,077)	(13,681)	(8,869)	4,812	(32,912)	(20,810)	-
Cash flows from financing activities	8,983	8,021	1,631	(6,389)	(3,715)	(6,702)	-
Cash and cash equivalents, end of term	21,766	22,826	24,124	★ 4,347	24,673	19,776	-
Total assets	339,893	374,713	384,039	★ (5,176)	370,508	389,216	-
Net assets	166,915	191,022	202,966	★ (2,671)	188,155	205,638	-
Total debt	84,110	86,693	78,712	★ 3,558	74,257	75,153	-
Equity ratio (%)	42.4	43.8	45.7	★ 0.5	43.6	45.2	-
Return on equity (%) (profit before amortization of goodwill)	-	-	-	-	8.7	8.2	-
Net assets per share (yen)	348.79	1,986.85	2,136.56	★ (1.89)	391.83	2,138.45	-
Overseas sales ratio (%)	56.8	51.6	52.2	★ 2.3	51.1	49.9	-
Number of employees, end of term (persons)	14,407	14,857	14,275	★ (310)	14,710	14,585	-
Number of consolidated subsidiaries	55	55	55	★ (1)	55	56	-
Japan	22	22	22	★ -	22	22	-
Overseas	33	33	33	★ (1)	33	34	-

* The asterisks indicate change over the end of the previous fiscal year. (March 31, 2018).

- Notes: 1. From the fiscal year ended March 31, 2017 forward, operating income for each segment represents operating income before amortization of goodwill.
2. On October 1, 2018, the Company carried out a 1-for-5 reverse stock split. Profit per share and net assets per share were calculated assuming that the reverse stock split was effected at the beginning of the fiscal year ended March 31, 2018 (April 1, 2017). In addition, interim dividend per share for the fiscal year ending March 31, 2019 is presented as "—."