May 8, 2014

GS Yuasa Corporation
Consolidated Earnings Report for the Year ended March 31, 2014 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange	Securities code: 6674
URL: http://www.gs-yuasa.com/us	
Representative: Makoto Yoda, President	
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Scheduled dates	
Ordinary general meeting of shareholders:	June 27, 2014
Dividend payout:	June 30, 2014
Filing of statutory financial report (*Yukashoken hokokusho*):	June 27, 2014

Supplementary materials to fiscal year-end earnings report available:	Yes
Fiscal year-end earnings presentation held:	Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2014	347,995	26.8	18,197	86.2	20,333	65.9	9,982	73.1
Year ended March 31, 2013	274,509	(3.8)	9,775	(39.0)	12,258	(31.9)	5,767	(50.8)

Note: Comprehensive income: Year ended March 31, 2014: ¥ 14,376 million, 70.2%
Year ended March 31, 2013: ¥ 8,447 million, 3.1%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended March 31, 2014	24.18	24.16	7.5	6.4	5.2
Year ended March 31, 2013	13.97	-	4.8	4.3	3.6

Reference: Equity in earnings of equity-method affiliates:
Year ended March 31, 2014: ¥ 1,956 million
Year ended March 31, 2013: ¥ 2,843 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2014	340,462	154,702	41.0	337.82
March 31, 2013	290,368	141,189	43.2	303.65

Reference: Total equity: As of March 31, 2014: ¥139,454 million
As of March 31, 2013: ¥125,352 million

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2014	19,704	(9,786)	589	23,392
Year ended March 31, 2013	19,069	(29,249)	3,839	11,210

2. Dividends

	Dividend per share					Total dividends paid (full year)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End-Q1	End-Q2	End-Q3	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2013	-	0.00	-	6.00	6.00	2,476	42.9	2.1
Year ended March 31, 2014	-	0.00	-	8.00	8.00	3,302	33.1	2.5
Year ending March 31, 2015 (forecast)	-	3.00	-	7.00	10.00		31.8	

3. Earnings Forecast for the Year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30, 2014	180,000	21.7	7,000	87.2	7,500	47.7	4,000	31.4	9.69
Year ending March 31, 2015	380,000	9.2	25,000	37.4	26,000	27.9	13,000	30.2	31.49

***Notes**

(1) Changes affecting the status of material subsidiaries (scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with revisions to accounting and other standards: Yes
2) Changes other than 1) above: Yes
3) Changes in accounting estimates: Yes
4) Retrospective restatement: None

Note: This relates to “changes in accounting policy not easily distinguished from changes in accounting estimates” stipulated in Article 14-7 of the *Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements*. For details, see “(5) Notes on the Consolidated Financial Statements” in section “6. Consolidated Financial Statements” on page 17.

(3) Number of shares issued (common stock)

	March 31, 2014	March 31, 2013
1) Number of shares issued (including treasury stock)	413,574,714	413,574,714
2) Number of shares held in treasury	773,397	753,540

	Year ended March 31, 2014	Year ended March 31, 2013
3) Average number of shares outstanding during the period	412,812,857	412,826,181

(Reference) Non-consolidated Financial Results
Year ended March 31, 2014 (April 1 2013 to March 31, 2014)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2014	5,936	23.7	5,037	29.6	6,223	33.5	5,527	32.5
Year ended March 31, 2013	4,800	0.3	3,887	2.5	4,663	10.8	4,171	11.6

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2014	13.39	13.38
Year ended March 31, 2013	10.11	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio*	Net assets per share
	million yen	million yen	%	yen
March 31, 2014	161,809	121,269	74.9	293.77
March 31, 2013	151,657	118,255	78.0	286.46

Reference: Total equity: As of March 31, 2014: ¥ 121,269 million
As of March 31, 2013: ¥ 118,255 million

*Equity ratio = Net assets ÷ Total assets

*Audit Status

This report is not subject to the audit requirements of Japan’s Financial Instruments and Exchange Act. As of the release date of this report, an audit of the consolidated financial statements in accordance with the Act is underway.

*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. For information related to the earnings forecast, see “(1) Results of Operations” in section “4. Qualitative Information on Quarterly Financial Results” on page 4.

4. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

1). Overview

In the fiscal year ended March 31, 2014, the Japanese economy demonstrated moderate recovery, as corporate earnings improved and personal consumption rose prior to the consumption tax hike amid the continuation of a weak yen and high stock prices supported by fiscal and financial stimulus measures.

Reviewing the global economy, despite a temporary government shutdown, the U.S. economy continued its recovery on the strength of higher exports and robust personal consumption. In Europe, although southern European economies suffered from weak internal demand and high unemployment, Germany and other economies demonstrated signs of recovery. In Asia, China maintained its growth rate as a result of exports and firm internal demand. Overall, therefore, the global economy demonstrated moderate recovery during the fiscal year.

In this environment, the GS Yuasa Group's consolidated net sales for the fiscal year ended March 31, 2014 totaled ¥347,995 million, an increase of ¥73,485 million, or 26.8%, compared with the previous fiscal year. The increase was primarily the result of higher sales of lithium-ion automotive batteries and power supply systems in Japan, the conversion of Thai equity-method affiliates into consolidated subsidiaries from the second quarter, and the impact of exchange rates.

In terms of profitability, operating income increased ¥8,422 million compared with the previous fiscal year, or 86.2%, to ¥18,197 million. The increase was primarily the result of strong sales of lithium-ion automotive batteries and power supply systems, along with the improved profitability in both the overseas operations segment and the other segment. Ordinary income increased by ¥8,074 million year on year, or 65.9%, to ¥20,333 million as a result of the recording of equity in earnings of equity method affiliates and foreign exchange gain. Net income increased by ¥4,214 million year on year, or 73.1%, to ¥9,982 million, reflecting a loss on product recall recorded in relation to some lithium-ion automotive batteries, which were manufactured by a subsidiary and contained imperfections, a gain on sales of investment securities, income taxes and the recording of minority interests in net loss.

2). Business Segment Results

(Domestic Automotive Batteries)

Net sales in the domestic automotive batteries segment totaled ¥58,414 million for fiscal year ended March 31, 2014, an increase of ¥1,420 million, or 2.5%, compared with the previous fiscal year. While automotive components sales decreased, sales of new vehicle lead-acid batteries increased, mainly batteries for idle-stop vehicles. Segment income declined ¥621 million, or 15.8%, to ¥3,310 million, mainly as a result of the higher costs for lead, a key raw material.

(Domestic Industrial Batteries and Power Supplies)

Net sales in the domestic industrial batteries and power supplies segment for the fiscal year totaled ¥81,838 million, an increase of ¥6,991 million, or 9.3% from the previous fiscal year. This was primarily the result of strong demand for power supplies for solar power generation equipment and lead-acid batteries for forklifts. Segment income totaled ¥12,199 million, a year-on-year increase of ¥1,385 million, or 12.8%, as a result of increased profits accompanying increased sales, which outweighed the higher lead costs.

(Overseas Operations)

Net sales in the overseas operations segment for the fiscal year totaled ¥165,755 million, an increase of ¥44,473 million, or 36.7%, from the previous fiscal year. The growth was mainly the result of converting Thai equity-method affiliates into consolidated subsidiaries and the impact of exchange rates. Segment income totaled ¥8,996 million, a year-on-year increase of ¥2,615 million, or 41.0%, as the benefits of higher sales and the impact of exchange rates outweighed the impact of higher costs for lead, a key raw material.

(Lithium-ion Batteries)

Net sales in the lithium-ion batteries segment for the fiscal year totaled ¥32,929 million, an increase of ¥22,104 million, or 204.2%, from the previous year, driven by higher sales of lithium-ion batteries for plug-in hybrid and hybrid passenger vehicles. Although segment loss totaled ¥7,243 million, this marks an improvement of ¥4,005 million from the previous fiscal year as a result of improved profitability on higher sales.

(Other)
Net sales in the other segment for the fiscal period totaled ¥9,057 million, a year-on-year decrease of ¥1,504 million, or 14.2%. After adjustment for corporate expenses, segment income totaled ¥936 million, a year-on-year improvement of ¥1,037 million, mainly as a result of the improved profitability of specialty batteries, membranes, and lighting equipment.

(Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2015)
The Japanese economy is expected to demonstrate an underlying moderate recovery trend. Although a reactive decline is expected following a demand surge prior to the April 2014 consumption tax increase, a rebound is forecast from summer. In the United States, despite concerns over fiscal issues and the weakening impact of quantitative easing, economic growth is expected to accelerate due to continued recovery of personal consumption. In Europe, the economic recovery is expected to continue, albeit at a slow rate of growth. In China, although concerns over economic slowdown persist, the economy is expected to continue growing at an annual rate of more than 7%. Overall, therefore, the global economy is expected to demonstrate solid growth.

Amid this business environment, in the second year of the Third Mid-Term Management Plan, the Group will strive to achieve further growth by leveraging its firm business foundation. The Group will aim to expand and improve profitability in the existing business segments of domestic automotive batteries, domestic industrial batteries and power supplies, and overseas operations, while stabilizing the management foundation of the lithium-ion batteries segment.

In consideration of the above factors, the Group has set consolidated financial targets of ¥380 billion in net sales, ¥25 billion in operating income, ¥26 billion in ordinary income, and ¥13 billion in net income for the fiscal year ending March 31, 2015.

(2) Financial Condition
(Analysis of assets, liabilities, net assets, and cash flows)
1. Assets, liabilities, and net assets
Total assets increased by ¥50,093 million from the end of the previous fiscal year to ¥340,462 million at the end of the fiscal year (March 31, 2014), as a result of increases in trade accounts receivable and inventories accompanying increased sales of lithium-ion automotive batteries, and the conversion of Siam GS Battery Co., Ltd. and Siam GS Sales Co., Ltd. into consolidated subsidiaries.

Liabilities increased ¥36,581 million to ¥185,760 million. The Company issued ¥25 billion in convertible bonds to secure long-term funds and used a portion of the funds to repay interest-bearing debt, while trade accounts payable increased accompanying increased production of lithium-ion automotive batteries.

Net assets at March 31, 2014 totaled ¥154,702 million, an increase of ¥13,512 million from the end of the previous fiscal year due to the booking of net income and an increase in foreign currency translation adjustments, which outweighed dividend payments.

2. Status of Cash Flows
Cash and cash equivalents as of March 31, 2014 amounted to ¥23,392 million, an increase of ¥12,181 million, or 108.7%, from the previous fiscal year-end. The main factors affecting cash flows are described below.

Cash Flows from Operating Activities
Net cash provided by operating activities in the fiscal year ended March 31, 2014 amounted to ¥19,704 million, compared with net cash provided of ¥19,069 million in the previous fiscal year, mainly as a result of contributions from both income before income taxes and minority interests and depreciation and amortization, which offset an increase in trade accounts payable and the payment of income taxes.

Cash Flows from Investing Activities
Net cash used in investing activities in the year ended March 31, 2014 totaled ¥9,786 million, compared with net cash used of ¥29,249 million in the previous year. Although there were a gain on sales of investment securities and inflows of cash and deposits from the conversion of Siam GS Battery Co., Ltd. and Siam GS Sales Co., Ltd. into consolidated subsidiaries, this was outweighed by outflows for the purchase of property, plant, and equipment.

Cash Flows from Financing Activities
Net cash provided by financing activities in the year ended March 31, 2014 amounted to ¥589 million, compared with net cash provided of ¥3,839 million in the previous year, reflecting the issuance of convertible bonds, primarily to repay debt.

(Reference) Trends in Cash Flow-Related Indices
The following are trends in consolidated cash flow indices for the GS Yuasa Group.

	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Equity ratio (%)	41.3	43.2	41.0
Equity ratio on a market-capitalization basis (%)	67.3	54.2	66.3
Ratio of interest-bearing liabilities to cash flow (years)	8.0	4.0	4.2
Interest coverage ratio (%)	5.35	12.65	16.54

(Calculation methods)
Equity ratio: Total equity / Total assets
Equity ratio on a market-capitalization basis: Market capitalization / Total assets
Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities / Interest payments
*All indices are calculated using consolidated financial data.
*Market capitalization is calculated by multiplying the fiscal year-end share price by the total number of outstanding shares (after deducting treasury stock).
*Calculations involving cash flow use cash flows from operating activities shown on the consolidated cash flow statement. Interest-bearing liabilities include all liabilities recorded on the consolidated balance sheets for which interest is paid. From the fiscal year ended March 31, 2014, interest-free convertible bonds are also included. In addition, calculations involving interest expenses use interest payments shown on the consolidated statements of cash flows.
*Regarding the ratio of interest-bearing liabilities to cash flow and the interest coverage ratio, ratios are not calculated for years with negative cash flow from operating activities.

(3) Basic Policy on Profit Distribution and Dividends for the Year Ended March 31, 2014 and the Year Ending March 31, 2015

GS Yuasa considers the return of profits to shareholders to be a priority management issue. As a general policy, GS Yuasa decides the level of dividends based on a comprehensive analysis of consolidated earnings results, the financial condition, and the dividend payout ratio. Internal reserves are used to improve future earnings by maintaining and enhancing investments and competitiveness. Based on these initiatives, GS Yuasa aims to continue its growth into the future and secure long-term stable returns to shareholders.

For the fiscal year ended March 31, 2014, GS Yuasa plans to pay a year-end dividend of ¥8 per share, ¥2 per share more than the previous fiscal year, in consideration of the rise in profit levels and the achievement of the targets set at the start of the fiscal year. The payout ratio will therefore be 33.1%.

For the year ending March 31, 2015, GS Yuasa plans to pay an interim dividend of ¥3 per share and a year-end dividend of ¥7 per share, for an annual dividend of ¥10 per share on the assumption that the consolidated earnings targets are achieved.

5. Management Policy

(1) Basic Management Policy
GS Yuasa is striving to improve its earnings power by leveraging the technological capabilities and cost performance of its existing business segments, while expanding its business globally through opportunities in new growth markets. At the same time, using the profit of existing businesses, the Company is striving to stabilize the management foundation of new business segments (lithium-ion batteries and new energy). To meet its management goals and enable sustainable growth, the GS Yuasa Group is aiming to achieve its Corporate Vision of “Innovation and Growth” to realize new growth for the entire Group.

(2) Target Management Indices
On July 30, 2013, GS Yuasa unveiled the following profit and management index targets (consolidated basis) as part of its Third Mid-Term Management Plan. Although net sales were slightly lower than the target, the operating income and operating income margin both surpassed the targets.

Third Mid-Term Management Plan, Targets for the Fiscal Year Ended March 31, 2014:
Net Sales: ¥350 billion Operating income: ¥16 billion Profit Margin: 4.6%

Actual Results for the Fiscal Year Ended March 31, 2014
Net Sales: ¥347.9 billion Operating income: ¥18.1 billion Profit Margin: 5.2%

For the fiscal year ending March 31, 2015, GS Yuasa has set the following targets which are slightly lower than the targets announced under the Third Mid-Term Management Plan. Although the Japanese and overseas economies are expected to demonstrate a moderate recovery, the Japanese economy is expected to be impacted by a certain amount of reactionary decline following a demand surge prior to the consumption tax increase.

Targets for the Fiscal Year Ending March 31, 2015
Net Sales: ¥380 billion Operating income: ¥25 billion Profit Margin: 6.6%

Third Mid-Term Management Plan Targets for the Fiscal Year Ending March 31, 2015
Net Sales: ¥400 billion Operating income: ¥28 billion Profit Margin: 7.0%

(3) Medium- to Long-Term Management Strategy
The Company has established the following Corporate Vision and Management Vision
[Corporate Vision]
Innovation and Growth: We are committed to the people, society and global environment through innovation and growth of our employees and business entities.
[Management Vision]
We are committed to delivering security and comfort to our customers around the globe through advanced technologies developed in the field of stored energy solutions.

In the Third Mid-Term Management Plan, the GS Yuasa Group will aim to contribute to the creation of low environmental burden, low carbon, and disaster prevention and reduction society by leveraging the battery and power supply technologies it has developed over the years. On the basis of the Corporate Vision “Innovation and Growth,” the Group will leverage all of its capabilities to achieve the following management policy.

Management Policy
"With the aim of becoming an energy device company that offers comfort and security to customers around the world, we will take a leap forward to become the New GS Yuasa through expansion of business domain and continuous growth."
(1) Strengthen the foundations of new businesses (lithium-ion batteries and new energy field)
(2) Improve our position in the global market
(3) Further enhance earning power of existing businesses

(4) Issues to Address
Reviewing the business environment surrounding GS Yuasa, in Japan, although the government’s fiscal and financial measures have propped up the economy to a certain extent, there is concern over a reactionary decline in demand from April following a demand surge prior to the consumption tax increase. There are also expectations of an early start to active investments in preparations for the 2020 Tokyo Olympics. Reviewing the global economy, developed countries continue to post low inflation, and there is a risk that the contraction of quantitative easing in the United States will undermine the growth of emerging economies. As a result, although the global economy continues to recovery from the financial crisis, economic growth remains dull.

In March 2014, GS Yuasa celebrated the 10th anniversary of its April 2004 business integration, and April 2014 marks the company’s 11th business term.

The fiscal year ending March 31, 2015 marks the second year of the Third Mid-Term Management Plan. As a manufacturing company, quality remains the most important factor in securing a trusted relationship with customers. GS Yuasa will position this fiscal year as a time to reaffirm this important principle while promoting business to ensure the achievement of targets for the fiscal year ending March 31, 2016, the final year of the Third Mid-Term Management Plan.

Reviewing the business segment strategies, in the domestic automotive batteries segment, competition is intensifying amid growth in demand for eco-car batteries. GS Yuasa will aim to solidify its position as the technology leader in the field, while expanding market share.

In the domestic industrial batteries and power supplies segment, amid the transformation to an environmental society, GS Yuasa will take measure to expand its new energies business and seek to strengthen earnings power.

In the overseas segment, GS Yuasa will expand its business domain and scope. The company will fortify its China business strategy and leverage its strengths to expand business in ASEAN markets.

In the lithium-ion battery segment, GS Yuasa will seek to bolster departmental collaboration and secure new business opportunities to establish a sound business foundation and achieve profitability as early as possible.

The R&D and technology departments will focus on its initiatives for next-generation technologies and the development of proprietary technologies. In addition, through close cooperation with the operational departments, the R&D and technology departments will strive to strengthen its foundation as a company which can succeed based on superior technological capabilities.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
	Amount	Amount
Assets		
Current assets		
Cash and deposits	11,223	17,760
Notes and accounts receivable	62,239	76,475
Marketable securities	-	5,644
Merchandise and finished goods	24,666	30,592
Work in process	10,110	13,702
Raw materials and supplies	8,172	12,114
Deferred tax assets	2,962	3,474
Other	9,651	8,751
Allowance for doubtful receivables	(324)	(303)
Total current assets	128,703	168,211
Fixed assets		
Property, plant, and equipment		
Buildings and structures, net	47,357	54,799
Machinery and equipment, net	29,682	42,925
Land	20,762	21,892
Lease assets, net	3,121	2,368
Construction in progress	11,671	2,622
Other, net	2,440	4,568
Total property, plant, and equipment	115,037	129,177
Intangible assets		
Lease assets	636	455
Other	1,711	1,935
Total intangible assets	2,347	2,390
Investments and other assets		
Investment securities	37,271	35,497
Investments in capital	837	901
long-term loans receivable	53	57
Prepaid pension cost	3,121	-
Net defined benefit asset	-	616
Deferred tax assets	1,257	1,479
Other	2,294	2,603
Allowance for doubtful receivables	(571)	(564)
Total investments and other assets	44,265	40,591
Total fixed assets	161,650	172,159
Deferred assets		
Bond issuance cost	-	90
Other	14	-
Total deferred assets	14	90
Total assets	290,368	340,462

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable	27,104	42,740
Short-term borrowings	37,684	21,662
Commercial paper	4,000	-
Payables	13,795	18,202
Income taxes payable	2,495	5,925
Notes payable-facilities	1,368	4,306
Provision for directors' bonuses	27	84
Other	12,027	14,215
Total current liabilities	98,504	107,135
Long-term liabilities		
Convertible Bonds	-	25,000
Long-term debt	29,990	33,471
Lease obligations	2,987	2,027
Deferred tax liabilities	4,048	5,253
Deferred tax liabilities for land revaluation	1,218	1,213
Provision for retirement benefits	6,775	-
Provision for directors' retirement benefits	63	51
Net defined benefit liability	-	5,739
Other	5,590	5,867
Total long-term liabilities	50,674	78,624
Total liabilities	149,179	185,760
Net assets		
Shareholders' equity		
Common stock	33,021	33,021
Capital surplus	54,880	54,880
Retained earnings	34,974	42,488
Less treasury stock, at cost	(315)	(326)
Total shareholders' equity	122,559	130,063
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	6,987	6,804
Deferred gain (loss) on derivatives under hedge accounting	(62)	(20)
Land revaluation surplus	1,427	1,418
Foreign currency translation adjustments	(5,559)	3,808
Remeasurements of defined benefit plans	-	(2,620)
Total accumulated other comprehensive income	2,792	9,390
Minority interests	15,836	15,247
Total net assets	141,189	154,702
Total liabilities and net assets	290,368	340,462

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2013 Amount	Year ended March 31, 2014 Amount
Net sales	274,509	347,995
Cost of sales	214,159	272,567
Gross profit	60,350	75,428
Selling, general and administrative expenses	50,575	57,230
Operating income	9,775	18,197
Non-operating income		
Interest income	100	244
Dividend income	304	314
Equity in earnings of equity method affiliates	2,843	1,956
Foreign exchange gain	303	791
Other	1,087	998
Total non-operating income	4,639	4,305
Non-operating expenses		
Interest expenses	1,430	1,174
Other	725	995
Total non-operating expenses	2,156	2,169
Ordinary income	12,258	20,333
Extraordinary income		
Gain on sales of fixed assets	366	40
Gain on sales of investment securities	-	1,498
Gain on government subsidy	5,769	-
Gain on contribution of securities to retirement benefit trust	-	1,442
Other	49	327
Total extraordinary income	6,185	3,308
Extraordinary loss		
Loss on disposal of fixed assets	385	329
Loss on sales of fixed assets	32	15
Loss on reduction of fixed assets	5,769	-
Loss on revaluation of investment securities	28	-
Impairment loss	2,661	30
Loss on product recall	-	6,700
Other	1,276	706
Total extraordinary loss	10,153	7,781
Income before income taxes and minority interests	8,290	15,859
Income taxes		
Current	5,559	9,233
Deferred	2,579	1,915
Total income taxes	8,139	11,148
Income (loss) before minority interests	151	4,710
Minority interests in net earnings (loss)	(5,615)	(5,271)
Net income	5,767	9,982

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2013 Amount	Year ended March 31, 2014 Amount
Income (loss) before minority interests	151	4,710
Other comprehensive income		
Net unrealized gain on available-for-sale securities	1,604	(212)
Deferred gain (loss) on derivatives under hedge accounting	(130)	42
Foreign currency translation adjustments	4,561	7,436
Share of other comprehensive income of equity method affiliates	2,260	2,399
Total other comprehensive income	8,296	9,665
Comprehensive income	8,447	14,376
Components:		
Comprehensive income attributable to owners of the parent	13,511	19,209
Comprehensive income attributable to minority interests	(5,063)	(4,833)

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	33,021	54,880	32,516	(312)	120,105
Changes during term					
Cash dividends			(3,302)		(3,302)
Net income			5,767		5,767
Purchase of treasury stock				(3)	(3)
Increase resulting from merger			20		20
Reversal of land revaluation surplus			(27)		(27)
Net changes other than shareholder's equity					
Total changes during term	-	-	2,457	(3)	2,454
Balance at end of term	33,021	54,880	34,974	(315)	122,559

	Accumulated other comprehensive income						Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	5,365	68	1,400	(11,812)	-	(4,978)	21,094	136,221
Changes during term								
Cash dividends								(3,302)
Net income								5,767
Purchase of treasury stock								(3)
Increase resulting from merger								20
Reversal of land revaluation surplus								(27)
Net changes other than shareholder's equity	1,621	(130)	27	6,253	-	7,771	(5,257)	2,514
Total changes during term	1,621	(130)	27	6,253	-	7,771	(5,257)	4,968
Balance at end of term	6,987	(62)	1,427	(5,559)	-	2,792	15,836	141,189

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	33,021	54,880	34,974	(315)	122,559
Changes during term					
Cash dividends			(2,476)		(2,476)
Net income			9,982		9,982
Purchase of treasury stock				(10)	(10)
Increase resulting from merger					-
Reversal of land revaluation surplus			9		9
Net changes other than shareholder's equity					
Total changes during term	-	-	7,514	(10)	7,503
Balance at end of term	33,021	54,880	42,488	(326)	130,063

	Accumulated other comprehensive income						Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	6,987	(62)	1,427	(5,559)	-	2,792	15,836	141,189
Changes during term								
Cash dividends								(2,476)
Net income								9,982
Purchase of treasury stock								(10)
Increase resulting from merger								-
Reversal of land revaluation surplus								9
Net changes other than shareholder's equity	(182)	42	(9)	9,367	(2,620)	6,597	(589)	6,008
Total changes during term	(182)	42	(9)	9,367	(2,620)	6,597	(589)	13,512
Balance at end of term	6,804	(20)	1,418	3,808	(2,620)	9,390	15,247	154,702

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	8,290	15,859
Depreciation and amortization	13,718	13,430
Impairment loss	2,661	30
Amortization of goodwill	5	10
(Gain) loss on valuation of investment securities	28	-
(Gain) loss on sales of investment securities	-	(1,498)
Gain on bargain purchase	-	(87)
Increase (decrease) in allowance for doubtful receivables	(81)	(73)
Increase (decrease) in liability for retirement benefits	(421)	-
Increase (decrease) in net defined benefit liability	-	(693)
Interest and dividend income	(405)	(558)
Interest expenses	1,430	1,174
Foreign exchange (gain) loss	(94)	(31)
(Gain) loss on securities contribution to employees' retirement benefits trust	-	(1,442)
(Gain) loss on sales of fixed assets	(334)	(24)
Loss on disposal of fixed assets	385	329
Loss on reduction of fixed assets	5,769	-
Equity in (earnings) loss of equity method affiliates	(2,843)	(1,956)
(Increase) decrease in trade accounts receivable	(77)	(8,267)
(Increase) decrease in inventories	254	(6,075)
Increase (decrease) in trade accounts payable	(1,585)	10,682
Other - net	(3,072)	5,004
Sub total	23,629	25,810
Interest and dividends received	1,111	1,301
Interest paid	(1,508)	(1,191)
Income taxes paid	(4,162)	(6,215)
Net cash provided by operating activities	19,069	19,704

Cash flows from investing activities		
Purchase of property, plant, and equipment	(38,931)	(15,223)
Proceeds from sales of property, plant, and equipment	500	406
Purchase of investment securities	(1,003)	(924)
Proceeds from sales of investment securities	120	2,952
Purchase of subsidiaries' shares	(199)	(16)
Proceeds from sales of subsidiaries' shares	-	231
Proceeds from purchase of subsidiaries' shares resulting in change in scope of consolidation	-	3,281
Payments for loans receivable	(45)	(29)
Collection of loans receivable	49	165
Proceeds from subsidy	10,642	-
Other, net	(381)	(632)
Net cash used in investing activities	(29,249)	(9,786)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings and commercial paper	12,829	(9,264)
Proceeds from long-term debt	15,700	3,808
Repayments of long-term debt	(14,971)	(14,372)
Purchase of lease assets	(5,124)	-
Proceeds from issuance of convertible bonds	-	25,034
Purchase of treasury stock	(3)	(10)
Dividends paid	(3,303)	(2,471)
Dividends paid to minority shareholders	(272)	(1,125)
Proceeds from stock issuance to minority shareholders	272	-
Other - net	(1,285)	(1,008)
Net cash provided by (used in) financing activities	3,839	589
Foreign currency translation adjustments on cash and cash equivalents	1,053	1,673
Net increase (decrease) in cash and cash equivalents	(5,286)	12,181
Cash and cash equivalents, beginning of term	16,476	11,210
Increase in cash and cash equivalents resulting from merger	20	-
Cash and cash equivalents, end of term	11,210	23,392

(5) Notes on the Consolidated Financial Statements

(Note on the Going-concern Assumption)

Not applicable

(Basis of Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: Fifty-seven (57) companies

Names of major consolidated subsidiaries:

GS Yuasa International Ltd.

GS Yuasa Battery Ltd.

GS Yuasa Technology Ltd.

Siam GS Battery Co., Ltd. and Siam GS Sales Co., Ltd. are included in the scope of consolidation because the Company underwrote the third party allocation of newly issued shares of Siam GS Battery Co., Ltd.

GS Yuasa Finance Netherlands B.V. and Yuasa (Tianjin) New Energy Tech Ltd. are included in the scope of consolidation because they were newly established in the fiscal year ended March 31, 2014.

Yuasa Assessoria e Consultoria Ltda., Yuasa Automotive Batteries (Europe) Ltd., and YTTL Technology Ltd. were consolidated subsidiaries of the Company in the fiscal year ended March 31, 2013, but were liquidated and have therefore been excluded from consolidation.

(2) Number of non-consolidated subsidiaries: Nine (9) companies

Names of major non-consolidated subsidiaries:

PT. Trimitra Baterai Prakasa

(Reason for excluding from the consolidation)

These non-consolidated subsidiaries are small in scale and have no material impact on consolidated financial statements in terms of their total assets, net sales, net income/loss (amounts attributable to the equity), and retained earnings (amounts attributable to the equity).

2. Application of the equity method

(1) Non-consolidated subsidiaries and affiliates accounted for under the equity method: Twenty-four (24) companies

Names of major non-consolidated subsidiaries and affiliates accounted for under the equity method:

Yuasa M&B

Sebang Global Battery Co., Ltd.

PT.GS Battery

(2) Eight non-consolidated subsidiaries and ten affiliates are not accounted for under the equity method because they are insignificant in terms of their impact on the Company's net income/loss (amounts attributable to the equity) and retained earnings (amounts attributable to the equity), as well as in terms of their importance to the Group.

(3) For equity method-applied companies with fiscal year-end dates that differ from the consolidated fiscal year-end date, this financial statements use each company's fiscal year-end date.

3. Fiscal year-end date of consolidated subsidiaries and related matters

GS Battery Taiwan Co., Ltd.

GS Battery (Tianjin) Co., Ltd.

Yuasa Battery (Guangdong) Co., Ltd.

GS Battery (U.S.A) Inc.

Yuasa Battery Inc.

Yuasa Battery Europe Ltd. and twenty-six (26) other companies

The fiscal year-end date for the thirty-two (32) companies above is December 31. Consolidated financial statements were prepared using their financial statements as of the consolidated fiscal year-end date instead of using their financial statements provisionally closed at the consolidated fiscal year-end date. However, for important transactions that took place between the last year-end date of those companies and the consolidated year-end date, adjustments necessary for consolidation were performed.

The fiscal year-end date for other consolidated subsidiaries is March 31, which is the same as the consolidated fiscal year-end date.

4. Accounting standards

(1) Valuation standards and methods for principal assets

1) Securities

i. Subsidiaries' and affiliates' shares:

The moving-average cost method

ii. Available-for-sale securities

For which market quotations are available:

The market value method based on the market price at fiscal year-end

(The differences between market price and acquisition cost are incorporated into net assets in full. Costs of securities sold are computed with the moving-average cost method.)

For which market quotations are not readily available:

The moving-average cost method is used

2) Derivatives

The market value method is used

3) Inventories

Merchandise and finished goods, work in process, raw materials and supplies:

The gross average method is mainly used (for the book value on the balance sheets, a treatment of devaluation based on reduction of profitability is applied).

(2) Depreciation/amortization of principal fixed assets

1) Property, plant, and equipment (except for lease assets):

The straight-line method is used.

Assets held by the Company or its domestic consolidated subsidiaries with acquisition price of 100 thousand yen or more and less than 200 thousand yen are depreciated using the straight-line method over three years.

The principal useful lives are as follows.

Buildings and structures: seven (7) to fifty (50) years

Machinery, equipment and vehicles: four (4) to seventeen (17) years

(Changes in accounting policy)

The Company and its consolidated subsidiaries in Japan previously applied the declining balance method for depreciation of property, plant, and equipment excluding buildings. The Company, however, reviewed the relation between output and corresponding facility maintenance costs including depreciation and concluded that it is more appropriate to allocate depreciation expense equally over the estimated usable life of the assets. Furthermore, in light of an effort to unify accounting policies with those applied by overseas consolidated subsidiaries that are of increasing importance, effective the fiscal year ended March 31, 2014, the depreciation method was switched to the straight-line method.

Due to this change, in the fiscal year ended March 31, 2014, operating income, ordinary income, and income before income taxes and minority interests were each 3,925 million yen higher compared with what would have been under the previous accounting method.

2) Intangible assets (except for lease assets)

The straight-line method is mainly used.

3) Lease assets

(Finance leases for which ownership of the leased assets does not transfer to the lessees)

These assets are depreciated with the straight-line method assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

Lease transactions entered into on or before March 31, 2008 are accounted for in the same manner as operating leases.

(3) Amortization method for deferred assets

1) Organization cost: Amortized with the straight-line method over five (5) years
2) Business commencement expenses: Amortized with the straight-line method over five (5) years
3) Stock issuance cost: Amortized mainly with the straight-line method over three (3) years
4) Bond issuance cost: Amortized with the straight-line method over the bond redemption period (five (5) years).

(4) Accounting standards for principal provisions and allowances

1) Allowance for doubtful receivables

The Company and its domestic consolidated subsidiaries set aside allowances for the amount not expected to be recovered from doubtful receivables based on the historical loan-loss ratio. For loans and receivables requiring special attention, a specific reserve is established after an analysis of individual receivables. Foreign consolidated subsidiaries set aside allowances for doubtful receivables mainly estimated through analysis of individual receivables.

2) Provision for directors' bonuses

To prepare for the payment of bonuses to directors, a reserve is appropriated based on the amount expected to be paid out in the consolidated fiscal year under review.

3) Provision for directors' retirement benefits

To provide for the payment of retirement benefits for directors and executive officers, the necessary amount at the end of the fiscal year is recorded in accordance with internal regulations of certain consolidated subsidiaries.

(5) Accounting treatment for retirement benefits

To prepare for the payment of employee retirement benefits, net defined benefit liability is recorded in the amount calculated by subtracting the value of plan assets from the amount of retirement benefit obligations estimated on March 31, 2014.

1) The method for attributing expected pension benefits to periods of employee service

For calculation of retirement benefit obligations, the straight-line attribution method is used to attribute expected pension benefits for the period up to the end of the fiscal year under review (March 31, 2014).

2) Actuarial gains and losses, prior service cost, and transition obligations

Transition obligations (1,016 million yen) are amortized using mainly the straight-line method over fifteen (15) years. As an exception, however, some consolidated subsidiaries that have established retirement benefit trusts expense it in full.

Prior service cost is amortized when incurred using mainly the straight-line method over a stipulated period (14 years) within the average remaining service periods of employees who will receive the benefits.

Actuarial gains and losses are amortized from the fiscal year that starts after the accrual of the gains or losses using the straight-line method over a certain number of years (mainly 10 to 14 years) within the average remaining service periods of the employees who will receive the benefits.

Unrecognized actuarial gains and losses, unrecognized prior service cost, and unamortized transition obligations are recorded in the net assets under the account "remeasurements of defined benefit plans" after being adjusted with tax effects.

(6) Standards for translating principal assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency denominated claims and liabilities are translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date. Currency translation gains or losses are recorded on the income statement as such.

The assets and liabilities of foreign consolidated subsidiaries are also translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date, while their revenues and expenses are translated into Japanese yen at the average rate for the period. Any translation gains or losses are recorded in the net assets under the account "foreign currency translation adjustments" and "minority interests" under net assets.

(7) Standards for recording revenue

Sales are recorded on the delivery basis. The percentage-of-completion method is applied to construction contracts for which the outcome of the construction activity was deemed certain. The percentage of completion is estimated based on the cost-to-cost method that uses the percentage of construction cost incurred during the period relative to the total construction cost as the percentage of completion at the end of the period. Other works are applied with the completed-contract method.

(8) Accounting method for principal hedges

1) Hedge accounting

Deferred hedge accounting is adopted. Exchange forward contracts that meet specific conditions are converted at a preset rate, while interest rate swap contracts that meet specific conditions are handled with a specific accounting method.

2) Hedging instruments and Hedged transactions

Hedging instrument: Interest rate swaps, exchange forward contracts, and commodity price swaps

Hedged transaction: Interest payable on borrowed money, foreign currency denominated claims and liabilities, trade accounts payable

3) Hedging policy

i. In accordance with internal rules and in order to reduce the risk of interest rate fluctuations, the Company utilizes interest rate swap hedging instruments in which the contract amounts, conditions for receiving and paying interests, and contract terms match those for the hedged transactions.

ii. The Company utilizes exchange forward contracts to reduce risks associated with future interest rate fluctuations against import/export transactions conducted in the ordinary business process.

iii. The Company utilizes commodity swaps to reduce price fluctuation risks for lead, the principal raw material for its business.

4) Method for evaluating effectiveness of hedges

The Company evaluates the effectiveness of hedges by comparing the accumulated change in market values of a hedging instrument and of the targeted hedged transaction over the period from the commencement of a hedge transaction to the time for evaluation. For interest rate swaps which adopt a specific accounting method, evaluation is omitted.

(9) Amortization method and period for goodwill

In principal, goodwill is amortized over five (5) years on a pro-rata basis.

(10) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand, and short-term investments with maturities of three months or less at the date of acquisition and that represent a minor risk of fluctuation in value.

(11) Other important information on preparation of the Consolidated Financial Statements

Accounting method for consumption tax and other taxes:

Consumption tax and other taxes are excluded from transaction amounts.

(Changes in Accounting Policy)

(Accounting standards for retirement benefits)

Effective from March 31, 2014, the Company adopted the *Accounting Standard for Retirement Benefits* (ASBJ Statement No. 26, May 17, 2012) and the *Guidance on Accounting Standard for Retirement Benefits* (ASBJ Guidance No. 25, May 17, 2012, hereinafter "*Guidance on Retirement Benefits*"), except for the main clause of Article 35 of the *Accounting Standard for Retirement Benefits* and the main clause of Article 67 of the *Guidance on Retirement Benefits*. In accord with this, accounting treatments for retirement benefits have been changed to record "net defined benefit liability" in the amount of retirement benefit obligations less the value of pension plan assets. Unrecognized actuarial gain/loss and unrecognized prior service cost are also included in "net defined benefit liability."

The Accounting Standard for Retirement Benefits and its guidance are applied with transitional treatments stipulated in paragraph 37 of the *Accounting Standard for Retirement Benefits*. As of March 31, 2014, impact of this change was reflected in "remeasurements of defined benefit plans" under accumulated other comprehensive income.

As a result, as of March 31, 2014, net defined benefit asset of 616 million yen and net defined benefit liability of 5,739 million yen were recorded, while accumulated other comprehensive income was 2,620 million yen lower.

For the record, net assets per share was 6.35 yen lower.

(Segment and Other Information)

Segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

In the GS Yuasa Group, principal consolidated subsidiaries conduct businesses under the control of the domestic divisions based on types of products or the division that controls the foreign business operations.

The Group's 4 reportable segments are therefore based on these divisions and comprise the Domestic Automotive Batteries segment, the Domestic Industrial Batteries and Power Supplies segment, the Overseas Operations segment, and the Lithium-ion Batteries segment.

The Domestic Automotive Batteries segment consists of the manufacturing and marketing of lead-acid batteries for automobiles. The Domestic Industrial Batteries and Power Supplies segment consists of the manufacturing and marketing of industrial batteries and power supplies. The Overseas Operations segment consists of the manufacturing and marketing of batteries overseas. The Lithium-ion Batteries segment consists of the manufacturing and marketing of lithium-ion batteries for automobiles.

2. Calculation of net sales, income/loss, assets, and other amounts by reportable segment

Accounting methods applied in the reportable segments are largely in line with those presented under "Basis of Preparation of Consolidated Financial Statements."

Reportable segment income is based on operating income.

Intersegment sales or transfers are mainly based on market price and cost of manufacturing.

3. Net sales, income/loss, assets, and other amounts by reportable segment

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segment						
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total	Other (note)	Total
Net sales							
Sales to outside customers	55,648	72,427	119,885	10,597	258,558	15,951	274,509
Inter-segment sales and transfers	1,345	2,419	1,397	226	5,389	(5,389)	-
Total	56,994	74,847	121,282	10,824	263,948	10,561	274,509
Segment income (loss)	3,931	10,813	6,380	(11,249)	9,876	(100)	9,775
Segment assets	20,445	43,693	103,069	60,332	227,540	62,827	290,368
Other items							
Depreciation/amortization	848	1,021	2,639	6,050	10,560	3,158	13,718
Investment in equity-method affiliates	769	44	19,229	-	20,044	-	20,044
Increase in PP&E and intangible assets	641	1,078	4,154	25,054	30,928	2,722	33,650

Notes: 1. "Other" comprises a) businesses that are not included in reportable segment such as lighting operation and b) segment income adjustments.

2. Adjustments are as follows:

(1) Adjustment for segment income was minus 2,200 million yen, which includes minus 1,288 million yen elimination of inter-segment transactions and minus 912 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) Adjustment for segment assets was 49,464 million yen, which includes minus 72,082 million yen elimination of inter-segment claims and debts, 121,546 million yen of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, and assets allocated to administrative departments and laboratory facilities.

(3) Adjustment for depreciation/amortization was 2,761 million yen consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in PP&E and intangible assets was 2,406 million yen consisting of the acquisition price of PP&E and intangible assets classified as corporate assets.

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segment						
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total	Other (note)	Total
Net sales							
Sales to outside customers	56,905	79,242	164,252	32,501	332,901	15,094	347,995
Inter-segment sales and transfers	1,508	2,596	1,503	428	6,036	(6,036)	-
Total	58,414	81,838	165,755	32,929	338,938	9,057	347,995
Segment income (loss)	3,310	12,199	8,996	(7,243)	17,261	936	18,197
Segment assets	21,040	49,918	132,303	59,195	262,457	78,004	340,462
Other items							
Depreciation/amortization	590	762	4,026	5,007	10,387	3,042	13,430
Investment in equity-method affiliates	846	61	18,339	714	19,962	-	19,962
Increase in PP&E and intangible assets	1,118	1,698	5,802	6,980	15,599	3,280	18,880

Notes: 1. “Other” comprises a) businesses that are not included in reportable segment such as lighting operation and b) segment income adjustments.

2. Adjustments are as follows:

(1) Adjustment for segment income was minus 2,144 million yen, which includes minus 1,245 million yen elimination of inter-segment transactions and minus 899 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) Adjustment for segment assets was 63,759 million yen, which includes minus 68,044 million yen elimination of inter-segment claims and debts, 131,803 million yen of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, and assets allocated to administrative departments and laboratory facilities.

(3) Adjustment for depreciation/amortization was 2,770 million yen consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in PP&E and intangible assets was 2,906 million yen consisting of the acquisition price of PP&E and intangible assets classified as corporate assets.

3. Change in Reportable Segments and Other Changes

(Change in depreciation of property, plant, and equipment)

The Company and consolidated subsidiaries in Japan previously applied the declining balance method for depreciation of property, plant, and equipment excluding buildings. The Company, however, reviewed the relation between output and corresponding facility maintenance costs including depreciation and concluded that it is more appropriate to allocate depreciation expense equally over its estimated usable life of the assets. Furthermore, in light of an effort to unify accounting policies with those adopted by overseas consolidated subsidiaries that are of increasing importance, effective the fiscal year ended March 31, 2014, the depreciation method was switched to the straight-line method.

Due to this change, in the fiscal year ended March 31, 2014, segment income was 276 million yen higher in the Domestic Automotive Batteries segment, and 358 million yen higher in the Domestic Industrial Batteries and Power Supplies segment compared with what would have been under the previous accounting method, while the loss in the Lithium-ion Batteries segment was 2,627 million yen lower than what would have been under the previous accounting method.

(Per Share Information)

Year ended March 31, 2013		Year ended March 31, 2014	
Net assets per share	303.65 yen	Net assets per share	337.82 yen
Net income per share	13.97 yen	Net income per share	24.18 yen
Diluted net income per share	-	Diluted net income per share	24.16 yen

Note: Bases for calculation of net income per share and Diluted net income per share are as follows:

	Year ended March 31, 2013	Year ended March 31, 2014
Net income per share		
Net income (millions of yen)	5,767	9,982
Amount not attributable to common stock shareholders (millions of yen)	―	-
Net income (loss) attributable to common stock (millions of yen)	5,767	9,982
Average number of common stock shares during term (thousands of shares)	412,826	412,812
Diluted net income per share		
Adjustments to net income (millions of yen)	-	-
(Of which, office costs (excluding tax))	-	-
Increase in the number of common stock (thousands of shares)	-	402
(Of which, convertible bonds)	-	402
Residual securities that are not dilutive and not included in the calculation for diluted net income per share	-	-

(Significant Subsequent Events)
Not applicable

7. Production, Order Intake and Sale

(1) Production results

Production results by segment for the year ended March 31, 2014

(Millions of yen, unless otherwise stated)

	Year ended March 31, 2014	Year-on-year change
	Amount	%
Domestic Automotive Batteries	36,392	115.2
Domestic Industrial Batteries and Power Supplies	50,618	106.6
Overseas Operations	111,652	116.8
Lithium-ion Batteries	41,452	176.4
Total reportable segments	240,115	121.2
Other	10,805	106.4
Total	250,920	120.4

Notes: 1. The figures above are amounts before the application of accounting treatment for inter-segment transfer and based on the cost of production

2. Exclusive of consumption taxes.

(2) Order intake

Not applicable, because except for certain products such as large size batteries and large scale power supplies, the GS Yuasa Group manufactures products based mainly on a make-to-stock strategy.

(3) Sales results

Sales results by segment for the year ended March 31, 2014

(Millions of yen, unless otherwise stated)

	Year ended March 31, 2014	Year-on-year change
	Amount	%
Domestic Automotive Batteries	56,905	102.3
Domestic Industrial Batteries and Power Supplies	79,242	109.4
Overseas Operations	164,252	137.0
Lithium-ion Batteries	32,501	306.7
Total reportable segments	332,901	128.8
Other	15,094	94.6
Total	347,995	126.8

Notes: 1. Inter-segment transactions are offset and therefore eliminated.

2. Exclusive of consumption taxes.

8. Other

(1) Corporate Officer Changes (scheduled for June 27, 2014)

1. Change of President

   Not applicable

2. Change of Representative Director

   Not applicable

3. Other Officer Changes

   Change of title (The following will be confirmed at the meeting of Board of Directors held after the general meeting of shareholders scheduled on June 27, 2014)

   Managing Director: Shinji Tatsumi (current: Director)

   Managing Director: Toshiyuki Nakagawa (current: Director)

[Reference]

(1) Quarterly income/loss

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	65,632	82,278	92,557	107,526	147,911	240,468	347,995
Operating income	1,609	2,130	6,022	8,435	3,739	9,762	18,197
Ordinary income	2,658	2,421	6,290	8,963	5,079	11,369	20,333
Net income	127	2,917	1,866	5,070	3,045	4,912	9,982

Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	62,900	64,581	68,396	78,631	127,481	195,878	274,509
Operating income	1,426	2,630	2,405	3,311	4,057	6,463	9,775
Ordinary income	1,927	3,025	3,207	4,099	4,952	8,159	12,258
Net income	1,062	2,085	2,371	248	3,147	5,519	5,767

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	60,348	71,546	73,358	80,180	131,895	205,253	285,434
Operating income	812	3,985	4,129	7,103	4,797	8,927	16,030
Ordinary income	1,186	3,881	4,934	7,989	5,067	10,002	17,991
Net income	131	2,344	3,251	6,005	2,476	5,727	11,733

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	59,229	68,793	69,417	75,073	128,022	197,440	272,514
Operating income	2,241	3,872	5,841	5,633	6,114	11,955	17,589
Ordinary income	2,079	3,750	6,365	5,318	5,829	12,195	17,513
Net income	815	1,798	5,427	3,681	2,613	8,041	11,722

Fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	48,917	60,442	63,595	74,269	109,360	172,955	247,224
Operating income	(2,243)	2,156	4,235	7,373	(87)	4,148	11,521
Ordinary income	(2,293)	2,340	4,032	6,092	47	4,079	10,171
Net income	(2,412)	740	2,096	6,064	(1,672)	423	6,487

Overview of Results for the Year ended March 31, 2014

(Millions of yen unless otherwise stated)

	8th term Year ended March 31, 2012	9th term Year ended March 31, 2013 (a)	10th term Year ended March 31, 2014 (b)	Year-on year Change (b) – (a)	Year-on year change (%)	11th term Year ending March 31, 2015
Net sales	285,434	274,509	347,995	73,485	26.8	380,000
Domestic Automotive Batteries	58,784	55,648	56,905	1,257	2.3	52,000
Domestic Industrial Batteries and Power Supplies	68,464	72,427	79,242	6,815	9.4	86,000
Overseas Operations	120,906	119,885	164,252	44,367	37.0	181,000
Lithium-ion Batteries	20,974	10,597	32,501	21,903	206.7	52,000
Other	16,303	15,951	15,094	(857)	(5.4)	9,000
Operating income	16,030	9,775	18,197	8,422	86.2	25,000
Domestic Automotive Batteries	4,266	3,931	3,310	(621)	(15.8)	3,000
Domestic Industrial Batteries and Power Supplies	9,640	10,813	12,199	1,385	12.8	12,500
Overseas Operations	6,006	6,380	8,996	2,615	41.0	11,000
Lithium-ion Batteries	(3,265)	(11,249)	(7,243)	4,005	-	(3,000)
Other	(617)	(100)	936	1,037	-	1,500
Ordinary income	17,991	12,258	20,333	8,074	65.9	26,000
Net income (loss)	11,733	5,767	9,982	4,214	73.1	13,000
Net income per share (yen)	28.42	13.97	24.18	10.21	73.1	31.49
Dividend per share (yen)	8.00	6.00	8.00	2.00	33.3	10.00
Capital investment	38,849	33,159	18,570	(14,588)	(44.0)	17,000
Depreciation/amortization	11,228	13,264	12,939	(324)	(2.4)	14,000
Research and development expenses	6,250	6,228	6,495	267	4.3	7,300
Cash flows from operating activities	8,287	19,069	19,704	634	-	-
Cash flows from investing activities	(28,660)	(29,249)	(9,786)	19,462	-	-
Cash flows from financing activities	13,152	3,839	589	(3,249)	-	-
Cash and cash equivalents, end of term	16,476	11,210	23,392	12,181	108.7	-
Total assets	278,426	290,368	340,462	50,093	17.3	-
Net assets	136,221	141,189	154,702	13,512	9.6	-
Total debt	56,124	71,674	80,134	8,459	11.8	-
Equity ratio (%)	41.3	43.2	41.0	(2.2)	-	-
Return on equity (%)	10.5	4.8	7.5	2.7	-	-
Net assets per share (yen)	278.87	303.65	337.82	34.17	11.3	-
Overseas sales ratio (%)	43.40	44.40	48.50	4.10	9.2	-
Number of employees, end of term (persons)	12,265	12,599	13,609	1,010	8.0	-
Number of consolidated subsidiaries	59	56	57	1	-	-
Japan	27	24	24	-	-	-
Overseas	32	32	33	1	-	-