

# Fiscal year Ended March 31, 2023 (FY2022) Result Briefing



## **FY2022 Financial Results**

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## **FY2022 Financial Results**

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# Point of FY2022 Financial Results

## FY2022 Financial Results (Apr. – Mar.)

	FY2021	<b>FY2022</b>	Difference	Change
Net sales	432.1 billion yen	<b>517.7</b> billion yen	+85.6 billion yen	+19.8 %
Operating income	22.7 billion yen	<b>31.5</b> billion yen	+8.8 billion yen	+39.0 %
Operating income before amortization of goodwill	23.9 billion yen	<b>32.1</b> billion yen	+8.2 billion yen	+34.5 %
Ordinary income	24.7 billion yen	<b>24.2</b> billion yen	-0.5 billion yen	-1.9 %
Profit	8.5 billion yen	<b>13.9</b> billion yen	+5.4 billion yen	+64.5 %
Profit before amortization of goodwill	9.5 billion yen	<b>14.4</b> billion yen	+4.9 billion yen	+52.0 %

### Performance Trends

- Net sales and operating income mainly reflects an increase in sales volume of lithium-ion batteries for hybrid vehicles and the effect of the consolidation of Turkish site as well as the effect of yen depreciation on foreign exchange rate.
- Ordinary profit remained at the same level as the previous year despite deterioration in the share of profit from entities accounted for using the equity method such as the site in China and increased interest expenses.
- Profit attributable to owners of parent increased due mainly to the recording of non-current assets, gain on sale of investment securities, etc.

# 1. Net Sales, Profits

	FY2021	FY2022	Change	(YoY%)	(Billion yen) [Reference] Nov. 2022 forecast
Net sales	432.1	<b>Record</b> 517.7	+85.6	(+19.8%)	520.0
Operating income	22.7	<b>Record</b> 31.5	+8.8	(+39.0%)	28.0
(Operating income ratio)	5.2%	6.1%	+0.9P		5.4%
Operating income before amortization of goodwill	23.9	<b>Record</b> 32.1	+8.2		29.0
(Operating income ratio before amortization of goodwill)	5.5%	6.2%	+0.7P		5.6%
Ordinary income	24.7	24.2	-0.5	(-1.9%)	28.0
Extraordinary income	2.4	6.9	+4.5		-
Extraordinary loss	7.8	4.0	-3.8		-
Profit before income taxes	19.2	27.1	+7.9		-
Income taxes	6.7	8.6	+1.9		-
Profit attributable to non-controlling interests	4.1	4.6	+0.5		-
Profit	8.5	<b>Record</b> 13.9	+5.4	(+64.5%)	12.0
(Profit ratio)	2.0%	2.7%	+0.7P		2.3%
Profit before amortization of goodwill	9.5	14.4	+4.9		13.0
(Profit ratio before amortization of goodwill)	2.2%	2.8%	+0.6P		2.5%
Domestic lead price quote (¥10,000/t)	31.64	34.66	+3.02		34.0
LME (US\$/t)	2,283	2,105	-178		1,950
Exchange rate (¥/US\$)	113.04	136.00	+22.96		142.5
Annual dividend (¥/share)	¥50	¥50 (Plan)	± ¥0		¥50 (Plan)
Purchase of treasury stock	-	-	-		-
Total return ratio	42.4%	27.9%	-14.5P		-
Return on equity (ROE)	4.6%	6.5%	+1.9P		-
Return on invested capital (ROIC)	9.7%	11.4%	+1.7P		-

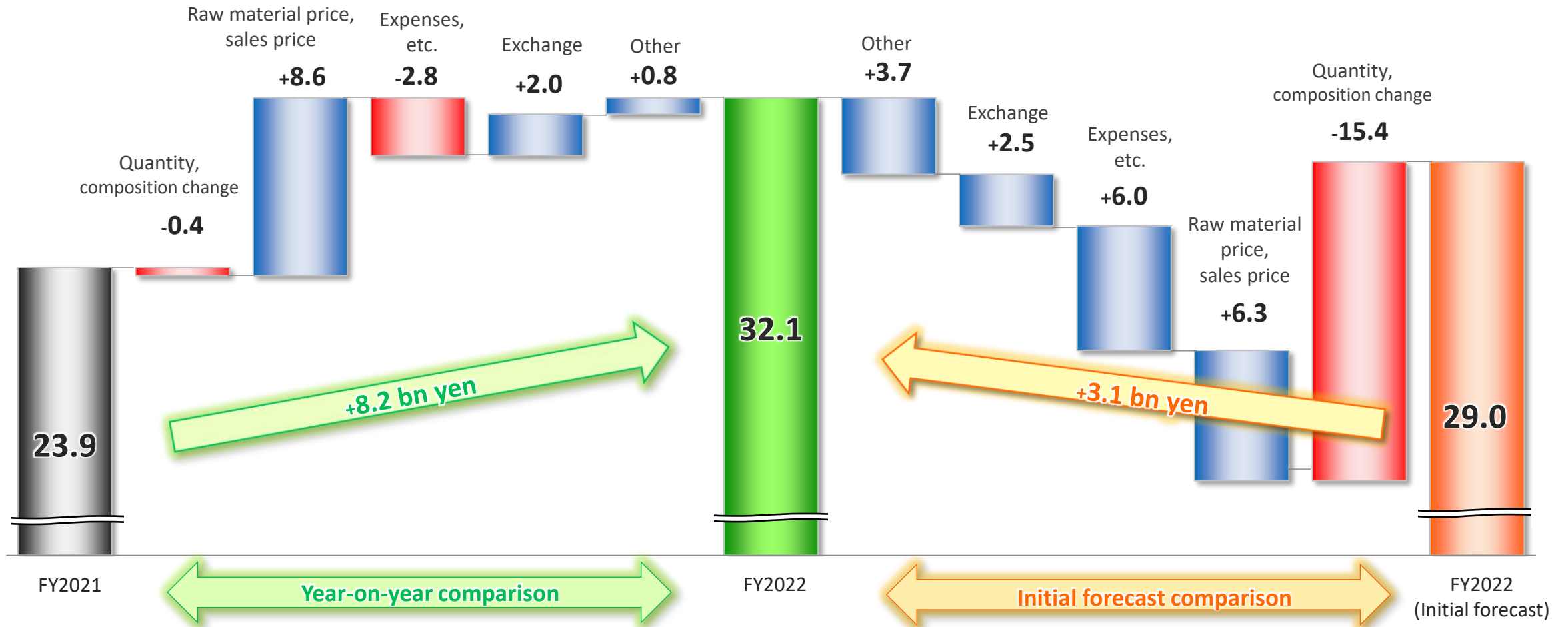
Notes: 1. ROE and total return ratio are based on profit before amortization of goodwill.

2. ROIC is calculated as follows: Invested capital (fixed assets [excl. goodwill amortization] + working capital) / Operating income before amortization of goodwill. Invested capital is the average of amount at beginning and end of term.

# 1. Net Sales, Profits

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

(Billion yen)



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

# 1. Net Sales, Profits

Factors for Non-operating Income / Loss and Extraordinary Income / Loss Change (Year-on-year comparison)  
(Billion yen)

	FY2021	FY2022	
<b>Operating income</b>	22.7	31.5	
<b>Non-operating income</b>	4.0	2.4	
<b>Non-operating loss</b>	2.0	9.6	<ul style="list-style-type: none"> <li>➤ Interest expenses -3.3 billion yen (Converting our site in Turkey into a consolidated subsidiary and increase in interest-bearing debt)</li> <li>➤ Share of loss of entities accounted for using equity method -2.8 billion yen (Of which, losses due to business restructuring -5.1 billion yen)</li> <li>➤ Foreign exchange losses -1.7 billion yen (Primary due to differential loss due to the depreciation of the Turkish lira)</li> </ul>
<b>Ordinary income</b>	24.7	24.2	
<b>Extraordinary income</b>	2.4	6.9	<ul style="list-style-type: none"> <li>➤ Gain on sales of non-current assets +2.9 billion yen (Sale of idle assets)</li> <li>➤ Gain on sales of investment securities +2.2 billion yen (Reduction of policy shareholdings, etc.)</li> </ul>
<b>Extraordinary loss</b>	7.8	4.0	<ul style="list-style-type: none"> <li>➤ Impairment loss -2.9 billion yen (Impairment loss by restructuring 12V LiB business)</li> </ul>
<b>Net income before income taxes</b>	19.2	27.1	

## 2. Segment Results

(Billion yen)

		FY2021		FY2022		Change		[Reference] Nov. 2022 forecast	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: pp)	Net sales	Operating income (Op. income ratio: %)
Auto- motive Batteries	Japan	81.5	5.9 (7.2)	87.8	6.5 (7.5)	+6.3	+0.6 (+0.3)	88.0	5.0 (5.7)
	Overseas	186.7	10.0 (5.3)	247.3	13.3 (5.4)	+60.6	+3.3 (+0.1)	240.0	14.0 (5.8)
Industrial Batteries and Power Supplies		99.5	5.8 (5.8)	99.2	8.8 (8.9)	-0.3	+3.0 (+3.1)	108.0	9.0 (8.3)
Automotive Lithium-ion Batteries		47.6	1.7 (3.5)	65.4	2.0 (3.0)	+17.8	+0.3 (-0.5)	69.0	1.0 (1.4)
Specialized Batteries and Others		16.8	0.6 (3.4)	18.0	1.4 (7.7)	+1.2	+0.8 (+4.3)	15.0	0.0 (-)
Total		432.1	23.9 (5.5)	517.7	32.1 (6.2)	+85.6	+8.2 (+0.7)	520.0	29.0 (5.6)

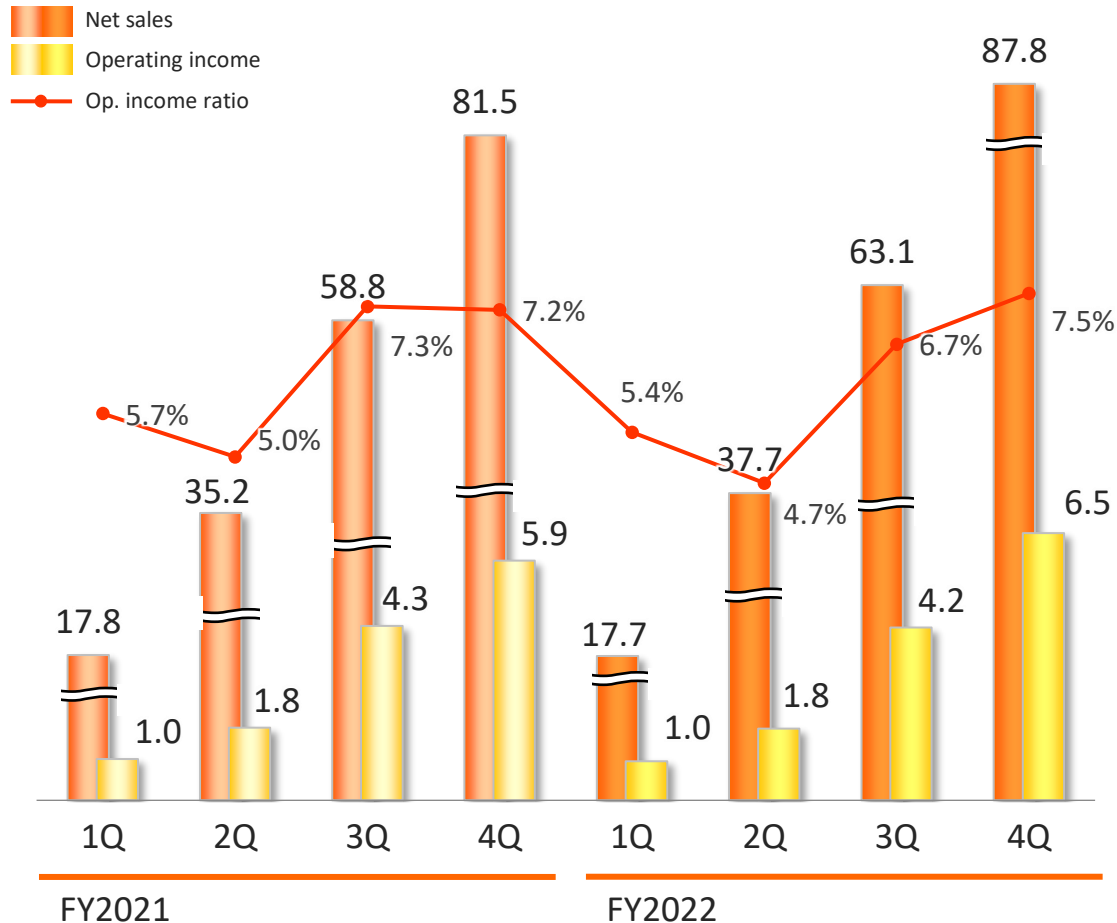
Note : Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.



## 2. Segment Results (Automotive Batteries (Japan))

### Automotive Batteries (Japan)

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



### Sales and profit increased

FY2022 Sales Overview (Apr-Mar)

- [For new automobiles] ↗  
Sales increased because production of new automakers gradually recovered due to mitigation of semiconductor shortage and correction of selling price progressed
- [For replacement] ↗  
Sales increased due to revision of selling price, etc. although sales volume decreased

### Profit Change Factors (Apr-Mar)

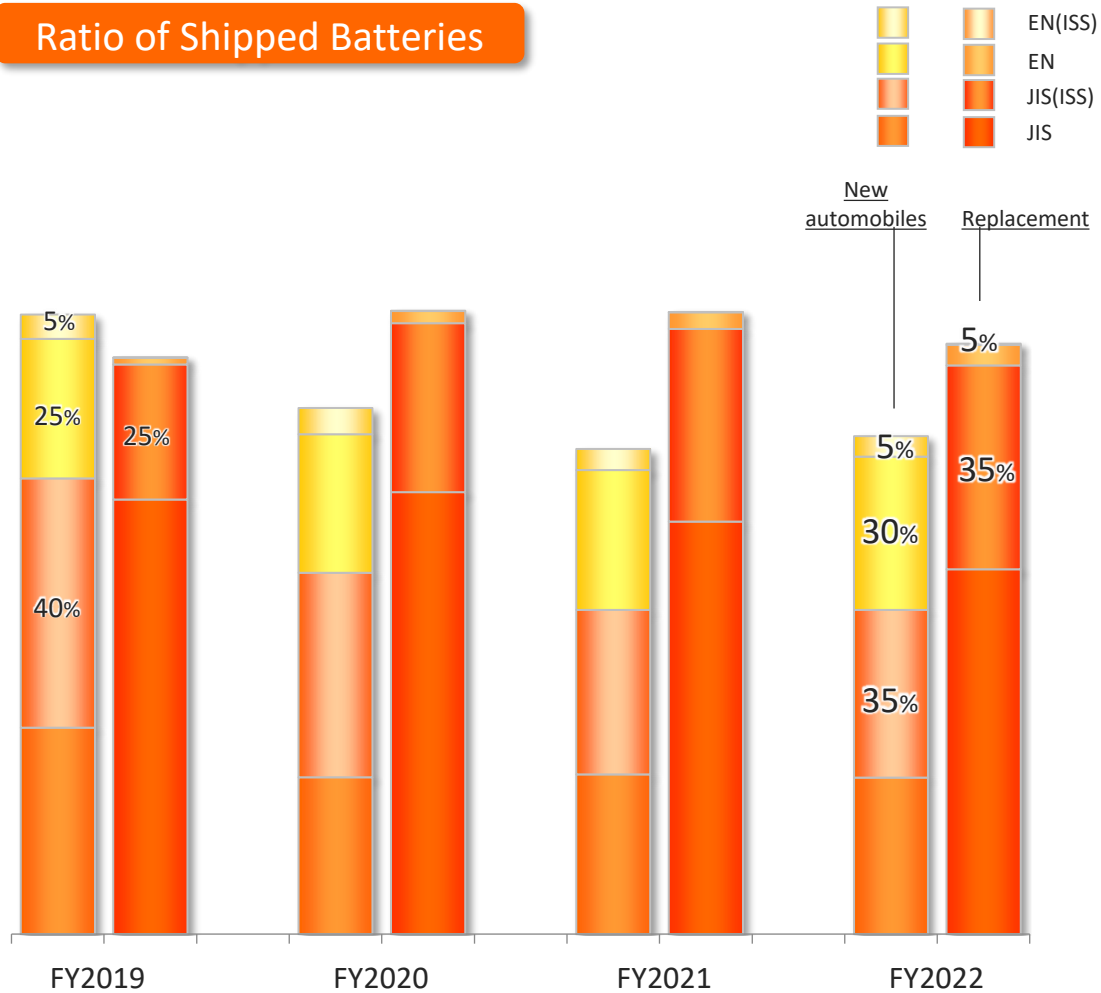
Quantity, composition change	-1.1	Decrease due to change of sales composition of products
Raw material prices, sales prices	+1.7	Increase due to revision of selling price
Streamlining, expenses, etc.	+0.1	

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

## 2. Segment Results (Automotive Batteries (Japan))

### Ratio of Shipped Batteries for New Automobiles and Replacement / Market share

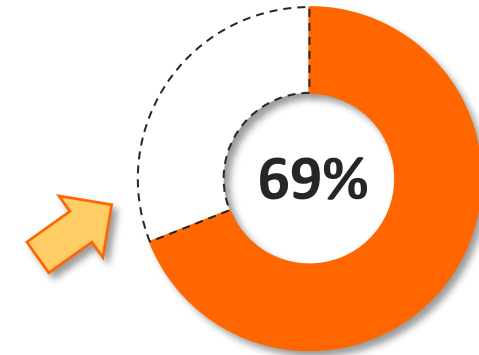
#### Ratio of Shipped Batteries



#### Market Share (FY2022 / Group total)

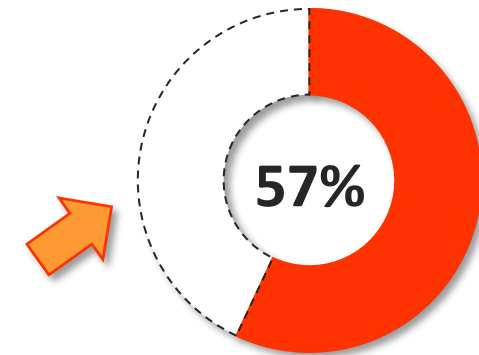
For new automobiles

71%  
(FY2019)



For Replacement

57%  
(FY2019)

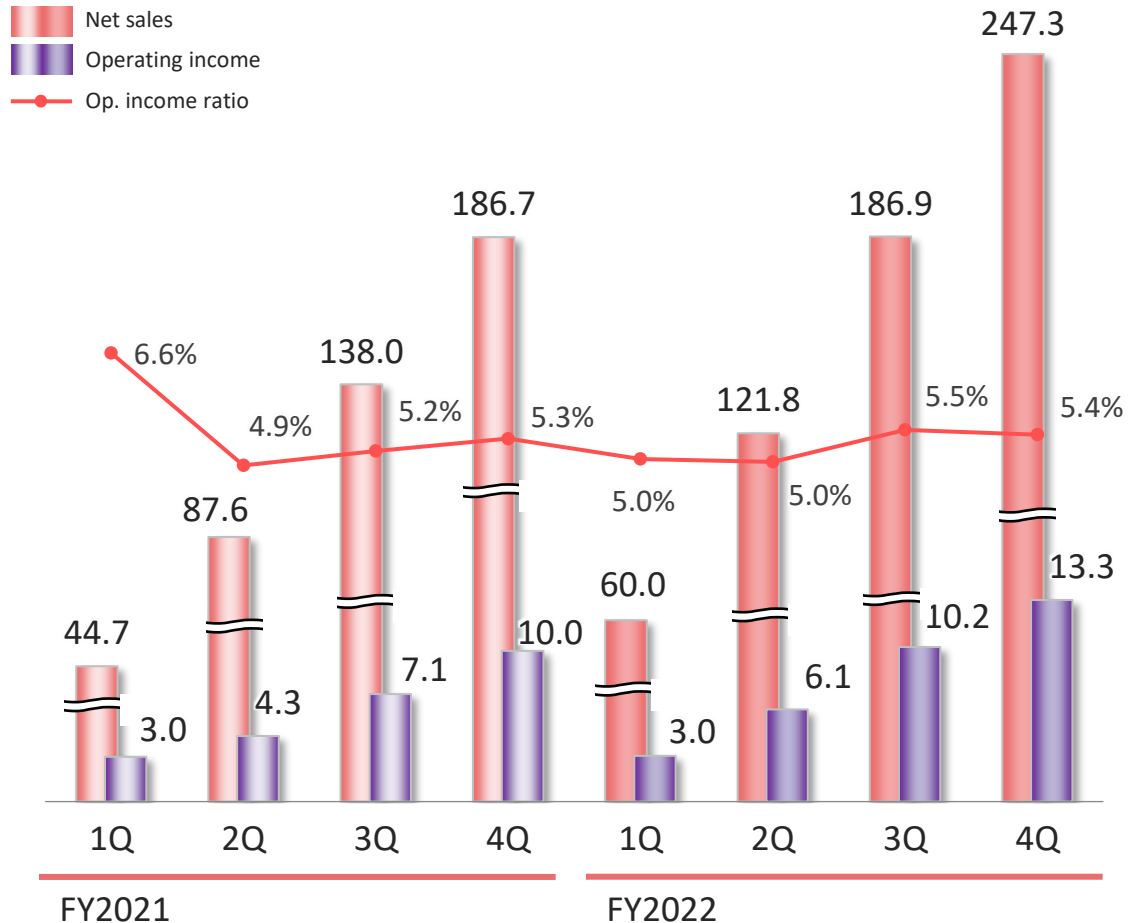


\*In-house research (excluding imported batteries)

## 2. Segment Results (Automotive Batteries (Overseas))

### Automotive Batteries (Overseas)

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



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

### Sales and profit increased

FY2022 Sales Overview (Apr-Mar)

- [Southeast Asia] Sales volume of automotive batteries performed well although batteries for motorcycles decreased
- [China] Sales volume of automotive batteries decreased due to the impact of Zero-COVID policy
- [Europe] Sales volume increased due to consolidation of Turkish site
- [Raw materials and foreign exchanges] Sales increased due to revision of selling price accompanied by surging raw material prices and the impact of weaker yen

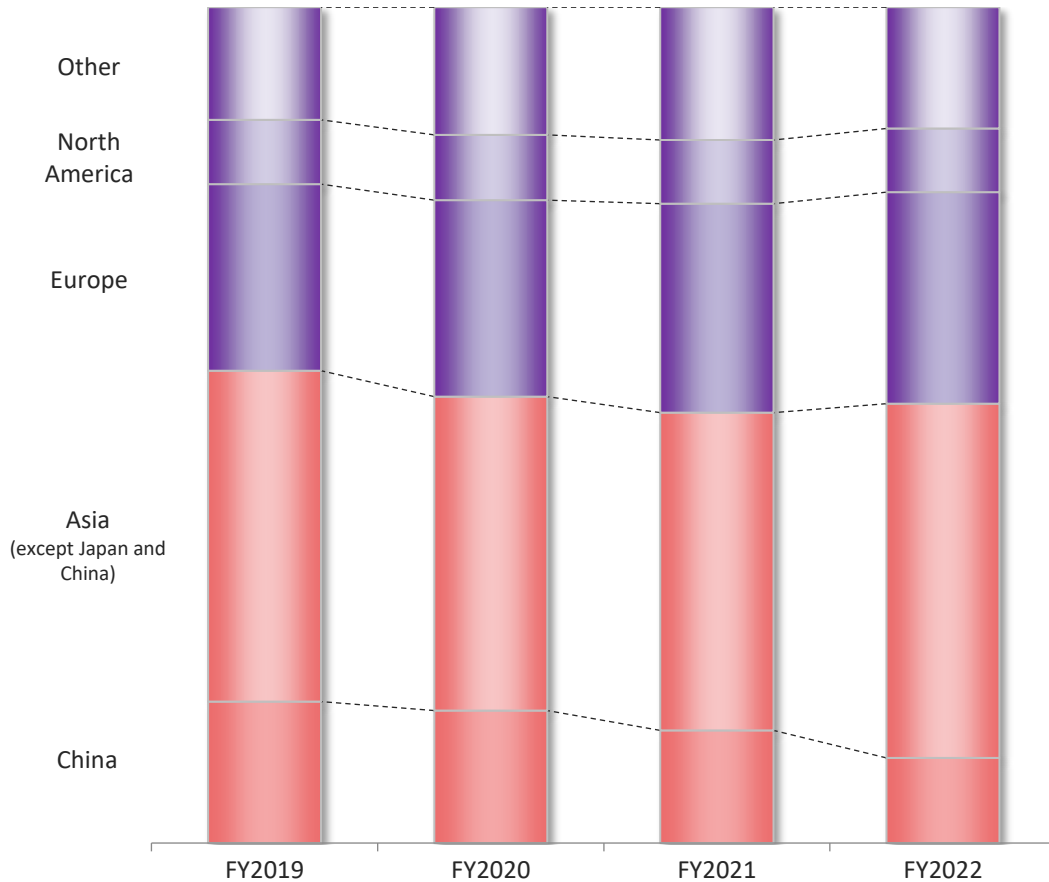
### Profit Change Factors (Apr-Mar)

Quantity, composition change	-3.1	Decrease in sales volume primarily in China
Raw material prices, sales prices	+4.8	Increase due to reflection of selling price of rising cost
Expenses, etc.	-0.3	Increase in distribution costs and electricity expenses, etc.
Exchange	+2.0	Impact of weaker yen

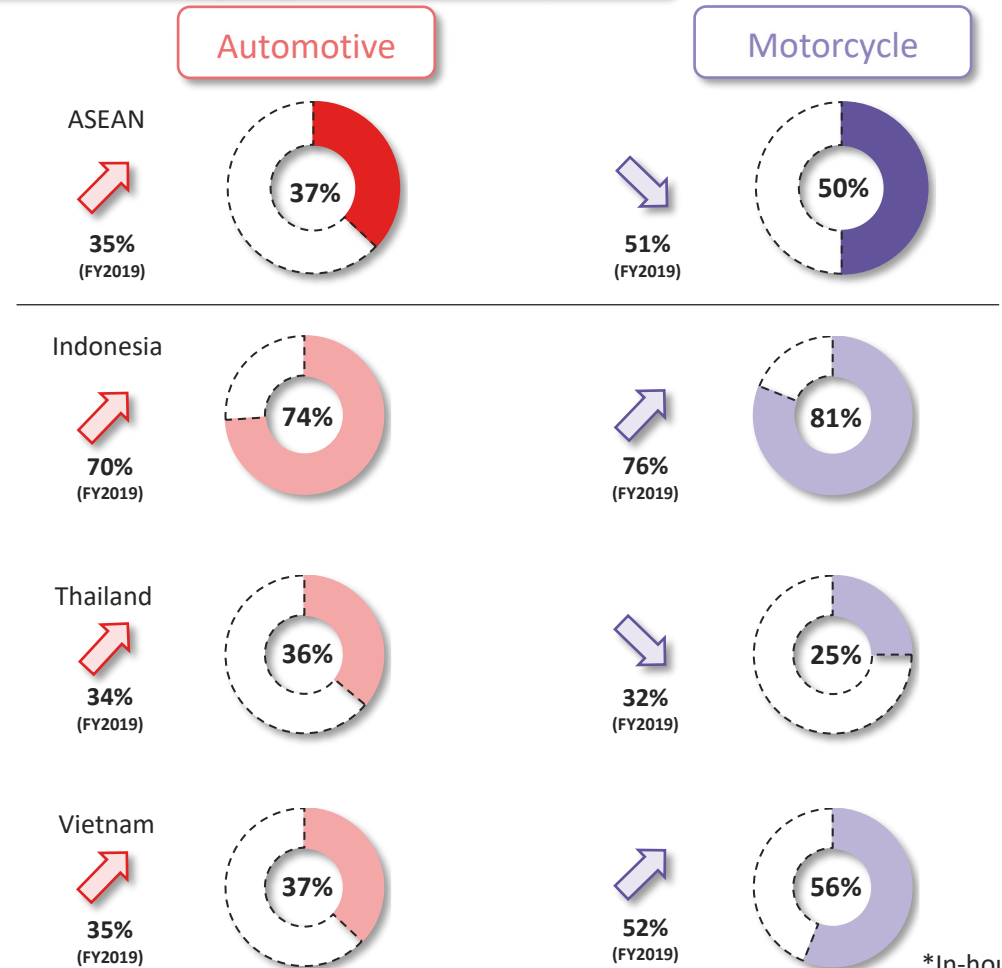
# 2. Segment Results (Automotive Batteries (Overseas))

## Sales / Market share by region

Sales by Region (include industrial)



Market share by region (FY2022/Group total)

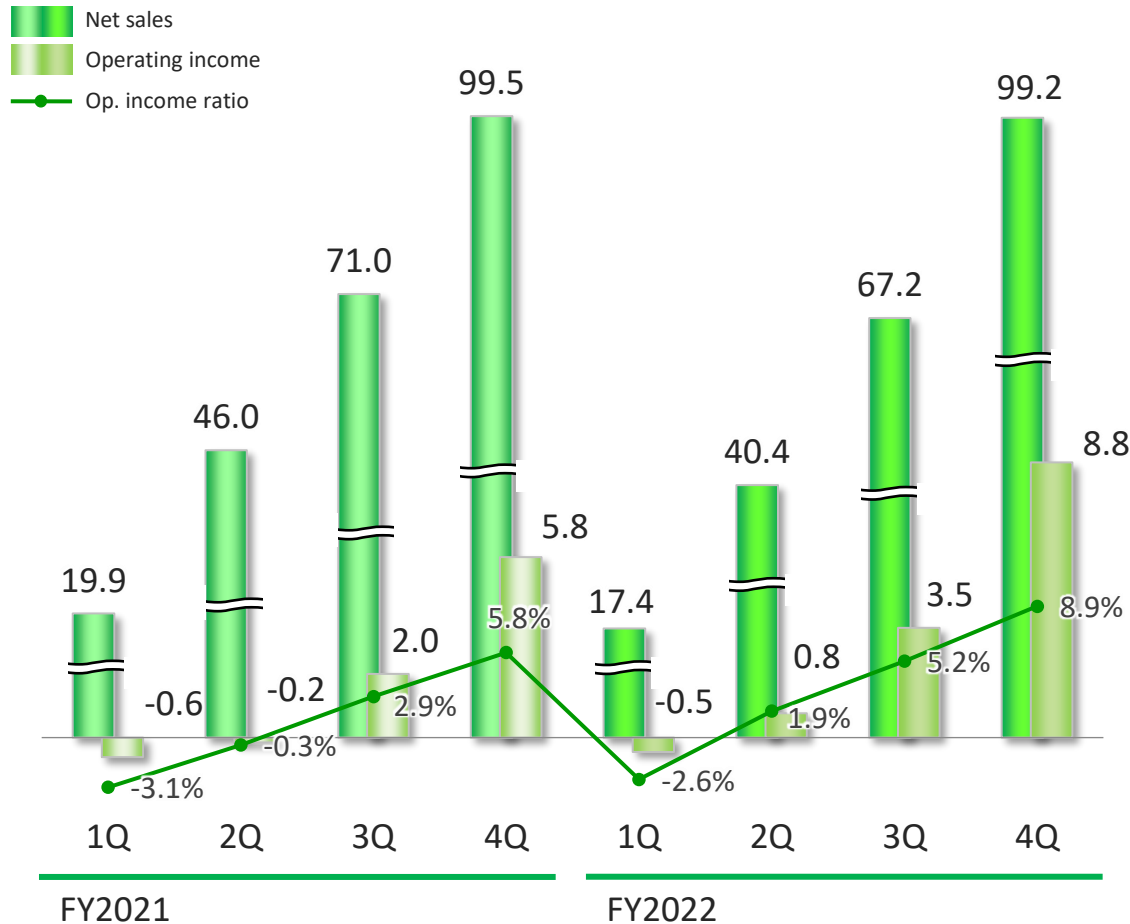


\*In-house research

## 2. Segment Results (Industrial Batteries and Power Supplies)

### Industrial Batteries and Power Supplies

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



### Sales declined, profit increased

FY2022 Sales Overview (Apr-Mar)

- [Emergency field (Japan)] Sales of backup batteries and power supplies increased primarily for government agencies due to increase in sales volume and revision of selling price
- [Regular field (Japan)] Sales of lithium-ion batteries for business offices and grid connection are increasing although supply of lithium-ion batteries for grid connection for large wind power generation in Hokkaido completed in the previous fiscal year and sales decreased
- [For forklifts (Global)] Sales volume progressed well

### Profit Change Factors (Apr-Mar)

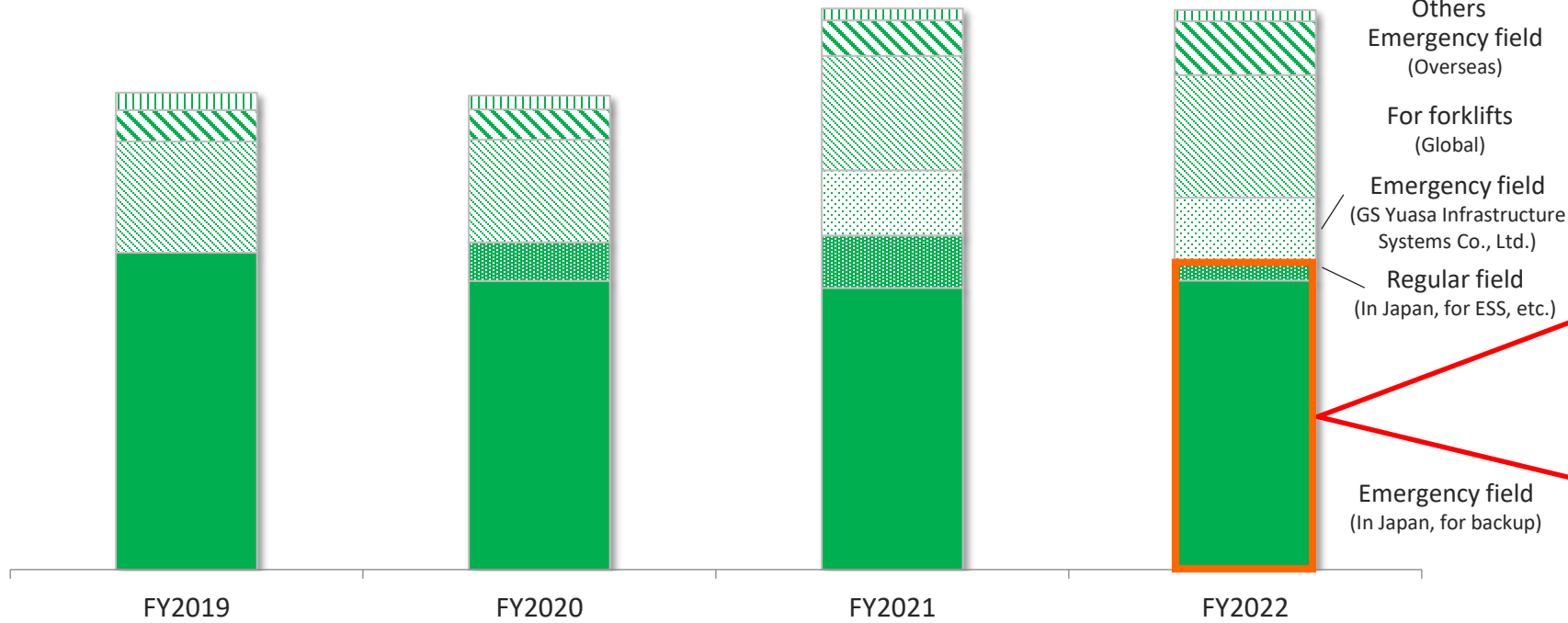
Quantity, composition change	+1.8	Impact of project of wind power generation in Hokkaido in the previous fiscal year
Raw material prices, sales prices	+0.9	Increase due to revision of selling price
Streamlining, expenses, etc.	+0.3	Decrease in distribution costs, etc.

## 2. Segment Results (Industrial Batteries and Power Supplies)

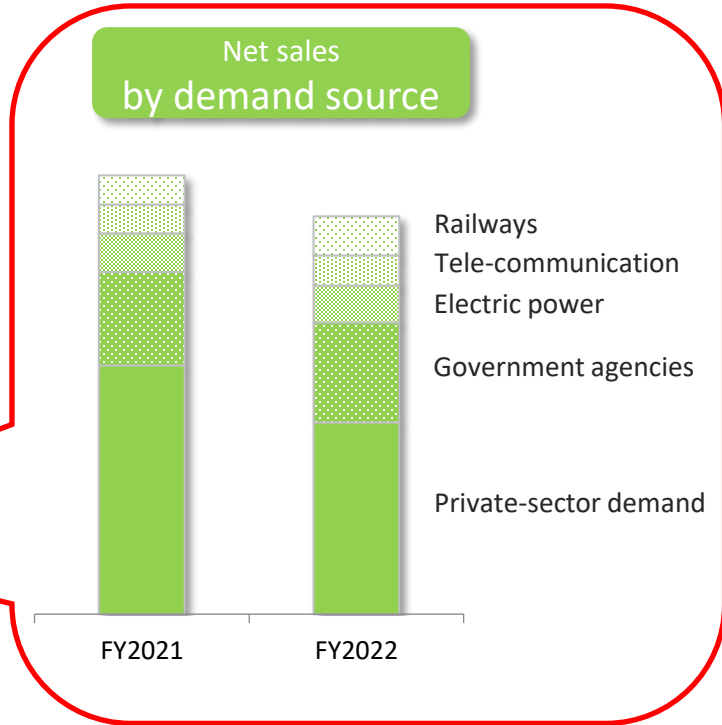
### Net sales by model and demand source



#### Net sales by model



#### Net sales by demand source



Some consolidated subsidiaries in the automotive batteries (overseas) business were transferred

Supplied world-class storage battery facilities (FY2020/2021)



\*Image

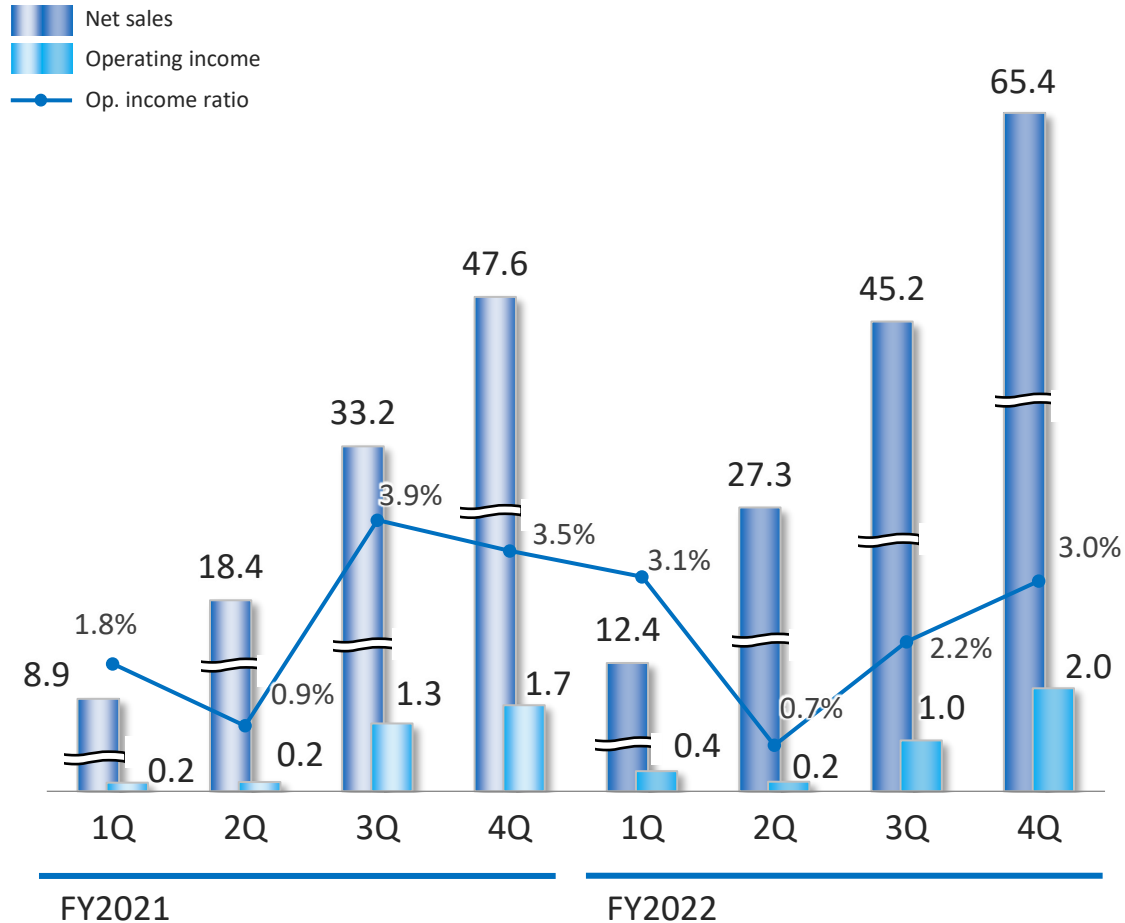
Acquired social infrastructure business from Sanken Electric Co., Ltd. (GS Yuasa Infrastructure Systems Co., Ltd.)

Note: As of FY2022, subsegments of this segment were changed and "For forklifts" in "Overseas" was changed to "For forklifts (global)." Therefore, subsegments of FY2019-2021 were restated according to the modified subsegments.

## 2. Segment Results (Automotive Lithium-ion Batteries)

### Automotive Lithium-ion Batteries

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



### Sales and profit increased

FY2022 Sales Overview (Apr-Mar)

- [For HEVs] Sales increased due to increase in sales volume and revision of selling price accompanied by surging raw material prices, etc.
- [For PHEVs] Sales increased due to revision of selling price accompanied by surging raw material prices, etc. although sales volume decreased due to the impact of semiconductor shortage

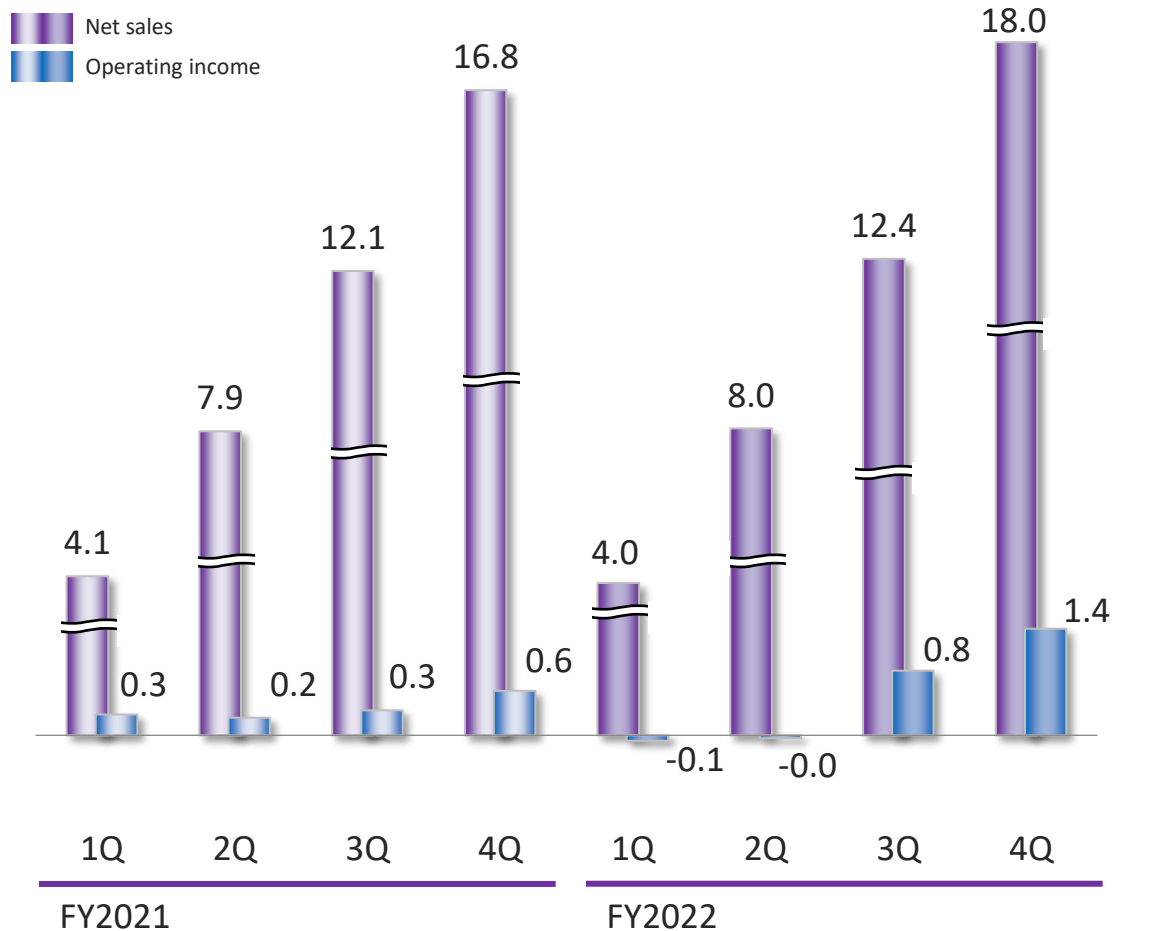
### Profit Change Factors (Apr-Mar)

Quantity, composition change	+2.0	Increase in sales of LiB for HEVs
Raw material prices, sales prices	+1.2	Increase due to revision of selling price
Streamlining, expenses, etc.	-2.9	Increase in cost accompanied with operation of BEC No.2 plant and R&D cost of BEVs

## 2. Segment Results (Specialized Batteries and Others)

### Specialized Batteries and Others

#### Net Sales, Operating income



### Sales and profit increased

#### FY2022 Sales Overview (Apr-Mar)

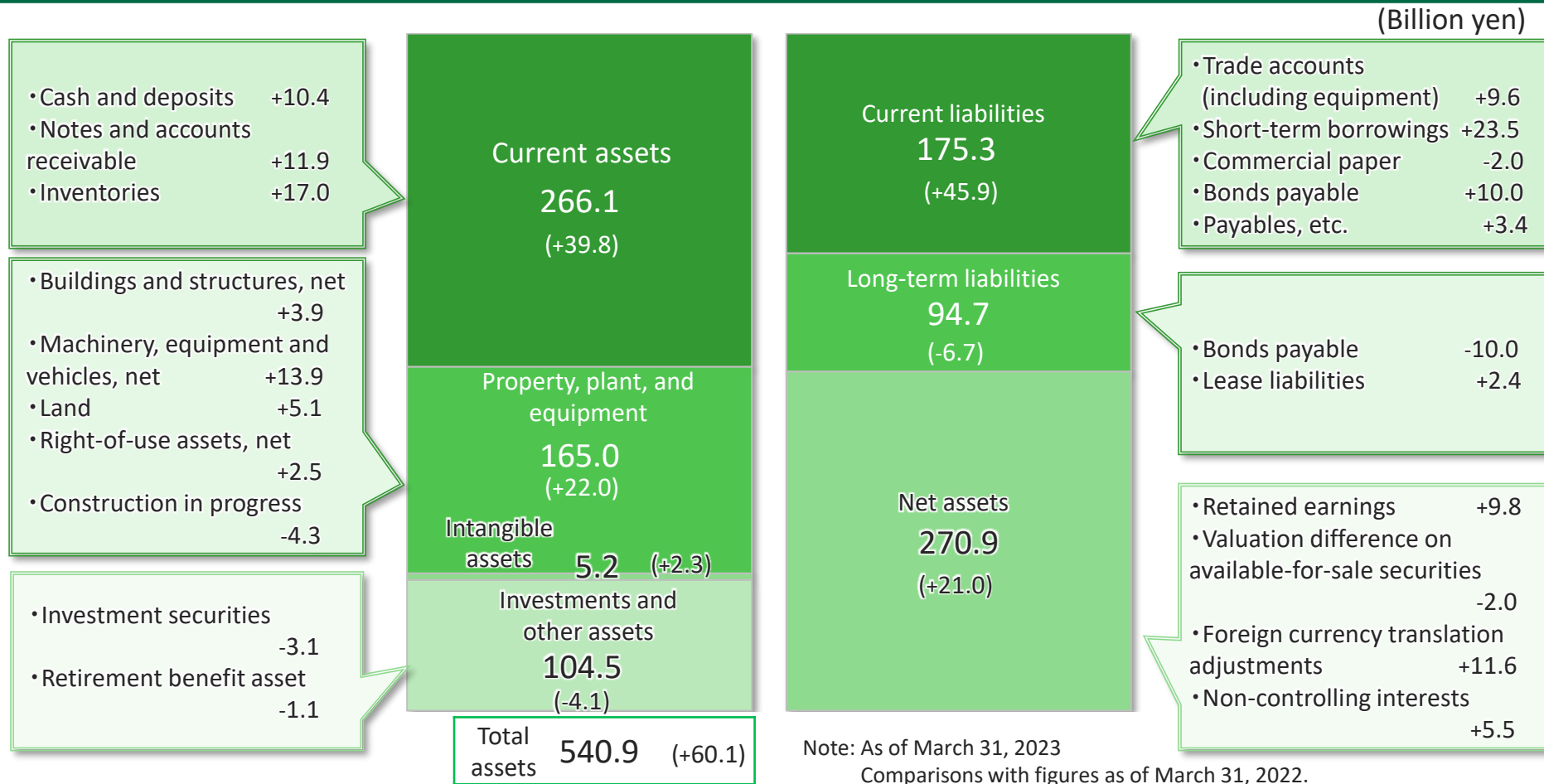
- [Lithium-ion batteries for submarines] Supply trial products of lithium-ion batteries for next-generation submarines
- [Lithium-ion batteries for aircrafts] Sales volume of batteries for airlines (for replacement) primarily increased

#### Profit Change Factors (Apr-Mar)

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



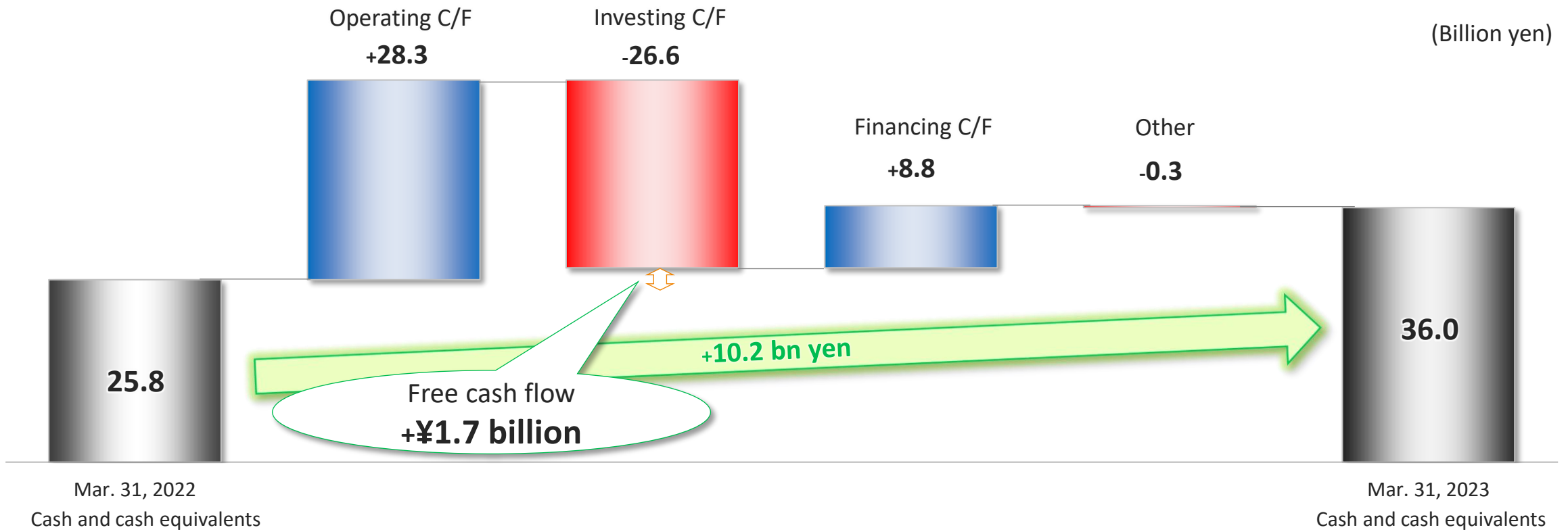
# 3. Balance Sheet



Note: As of March 31, 2023  
Comparisons with figures as of March 31, 2022.

	3/31/2022	3/31/2023
Equity ratio	44.8%	42.6%
ROE (return on equity)	4.6%	6.5%
Total borrowings	¥82.5bn	¥103.7bn

# 4. Cash Flow Statements



## Highlights

- Operating cash flow improved significantly from ¥12.9 billion in the previous fiscal year and totaled ¥28.3 billion because of ensuring ¥27.1 billion profit before income taxes
- Investing cash flow came to -¥26.6 billion due to capital investment for BEC No.2 plant, etc.
- Free cash flow came to +¥1.7 billion and allocated to shareholder returns, etc. and conducting borrowing

# 5. Capital Investment, Depreciation, R&D Costs

(Billion yen)

		FY2021	FY2022	Change
<b>Capital Investment</b>		28.6	32.8	+4.2
Automotive Batteries	Japan	3.8	2.8	-1.0
	Overseas	5.3	11.0	+5.7
Industrial Batteries and Power Supplies		1.3	4.3	+3.0
Automotive Lithium-ion Batteries		11.0	7.2	-3.8
Others		7.2	7.7	+0.5
<b>Depreciation</b>		16.8	21.0	+4.2
Automotive Lithium-ion Batteries		3.1	4.1	+1.0
<b>R&amp;D Costs</b>		12.4	12.6	+0.2
(Ratio of R&D expenses to net sales)		2.9%	2.4%	-0.5P

### Major capital investment projects

- Increase due to consolidation of Turkish site and investment for increased production in Thailand site
- Introduction of the latest equipment in Industrial Batteries and Power Supplies business

# **FY2023 Financial Forecast & Initiatives**

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# Point of FY2023 Financial Forecast

## FY2023 Financial Forecast (Apr. – Mar.)

	FY2022 Actual	<b>FY2023 Forecast</b>	Difference	Change
Net sales	517.7 billion yen	<b>580.0</b> billion yen	+62.3 billion yen	+12.0 %
Operating income	31.5 billion yen	<b>33.0</b> billion yen	+1.5 billion yen	+4.8 %
Operating income before amortization of goodwill	32.1 billion yen	<b>34.0</b> billion yen	+1.9 billion yen	+6.0 %
Ordinary income	24.2 billion yen	<b>27.0</b> billion yen	+2.8 billion yen	+11.5 %
Profit	13.9 billion yen	<b>14.0</b> billion yen	+0.1 billion yen	+0.5 %
Profit before amortization of goodwill	14.4 billion yen	<b>15.0</b> billion yen	+0.6 billion yen	+3.9 %

### Forecast of FY2023

- In projections for the business environment, we expect the situation of uncertainty, particularly in the first half, to continue because of the continuing inflation. However, we perceive ongoing expansion for the business activities toward the realization of carbon neutrality.
- As the initial year for the Sixth Medium-term Management Plan, we aim to secure revenues through increasing sales volume of batteries for HEVs or regular field such as ESS, promoting measures to revise sales prices and measures to cut costs in response to various cost rises.

# 1. Net Sales, Profits Forecast

	FY2022 Actual	FY2023 Forecast	Change	(Billion yen) (YoY%)
Net Sales	517.7	580.0	+62.3	(+12.0%)
Operating income (Operating income ratio)	31.5 6.1%	33.0 5.7%	+1.5 -0.4P	(+4.8%)
Operating income before amortization of goodwill (Operating income ratio before amortization of goodwill)	32.1 6.2%	34.0 5.9%	+1.9 -0.3P	
Ordinary income	24.2	27.0	+2.8	(+11.5%)
Profit (Profit ratio )	13.9 2.7%	14.0 2.4%	+0.1 -0.3P	(+0.5%)
Profit before amortization of goodwill (Profit ratio before amortization of goodwill)	14.4 2.8%	15.0 2.6%	+0.6 -0.2P	
Domestic lead price quote	¥346,600/t	¥346,000/t	-¥600/t	
LME	\$US 2,105/t	\$US 2,100/t	-\$US 5/t	
Exchange rate	¥136.00/\$US	¥135.0/\$US	-¥1.00/\$US	
Dividend	50 yen/share(plan)	50 yen/share(forecast)	±0 yen/share	
Purchase of treasury stock (amount planned for the next fiscal year)	-	-	-	
Total return ratio	27.9%	-	-	
ROE (return on equity)	6.5%	6.3%	-0.2P	
Return on invested capital (ROIC)	11.4%	11.5%	+0.1P	

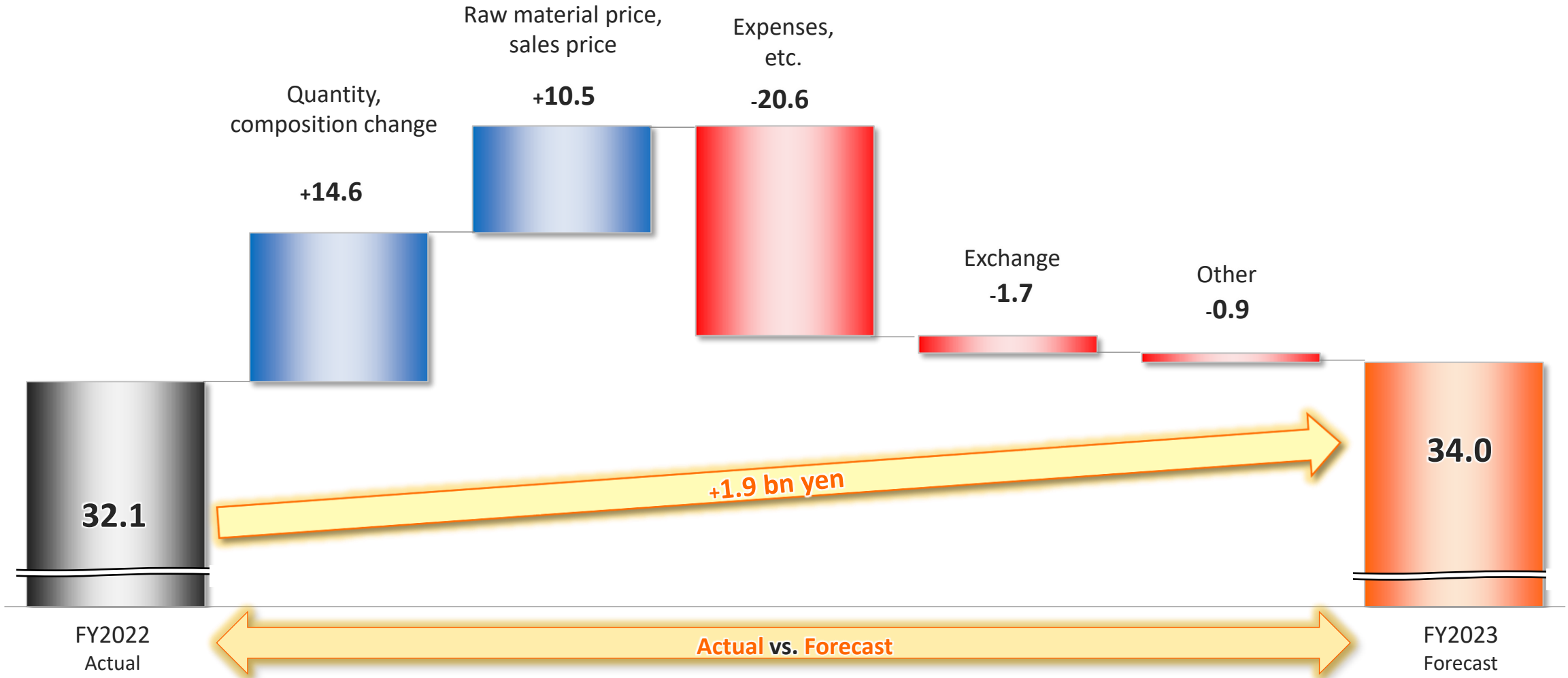
Notes: 1. ROE and total return ratio are based on profit before amortization of goodwill.

2. ROIC is calculated as follows: Invested capital (fixed assets [excl. goodwill amortization] + working capital) / Operating income before amortization of goodwill. Invested capital is the average of amount at beginning and end of term.

# 1. Net Sales, Profits Forecast

## Factors for Operating Income Change (Actual vs. Forecast)

(Billion yen)



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

## 2. Segment Results Forecast

(Billion yen)

		FY2022 Actual		FY2023 Forecast		Change	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: pp)
Automotive Batteries	Japan	87.8	6.5 (7.5)	94.0	5.5 (5.9)	+6.2	-1.0 (-1.6)
	Overseas	247.3	13.3 (5.4)	252.0	15.0 (6.0)	+4.7	+1.7 (+0.6)
Industrial Batteries and Power Supplies		99.2	8.8 (8.9)	111.0	9.0 (8.1)	+11.8	+0.2 (-0.8)
Automotive Lithium-ion Batteries		65.4	2.0 (3.0)	103.0	4.0 (3.9)	+37.6	+2.0 (+0.9)
Specialized Batteries and Others		18.0	1.4 (7.7)	20.0	0.5 (2.5)	+2.0	-0.9 (-5.2)
Total		517.7	32.1 (6.2)	580.0	34.0 (5.9)	+62.3	+1.9 (-0.3)

### Assumption of financial forecast (Apr. – Mar.)

- Production of automobiles is expected to increase due to mitigation of semiconductor shortage
- Regarding trends in lead price, LME is progressing stable but domestic lead prices are expected to remain high due to the impact of yen depreciation (LME:2,105US\$/t ⇒ 2,100US\$/t、 Domestic basis of lead price:¥346,600/t ⇒ ¥346,000/t)
- Regarding foreign exchanges, the yen is expected to continue to weaken (¥136.00/US\$ ⇒ ¥135.00/US\$)
- Continue to revise selling price due to rising raw material price, etc.

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

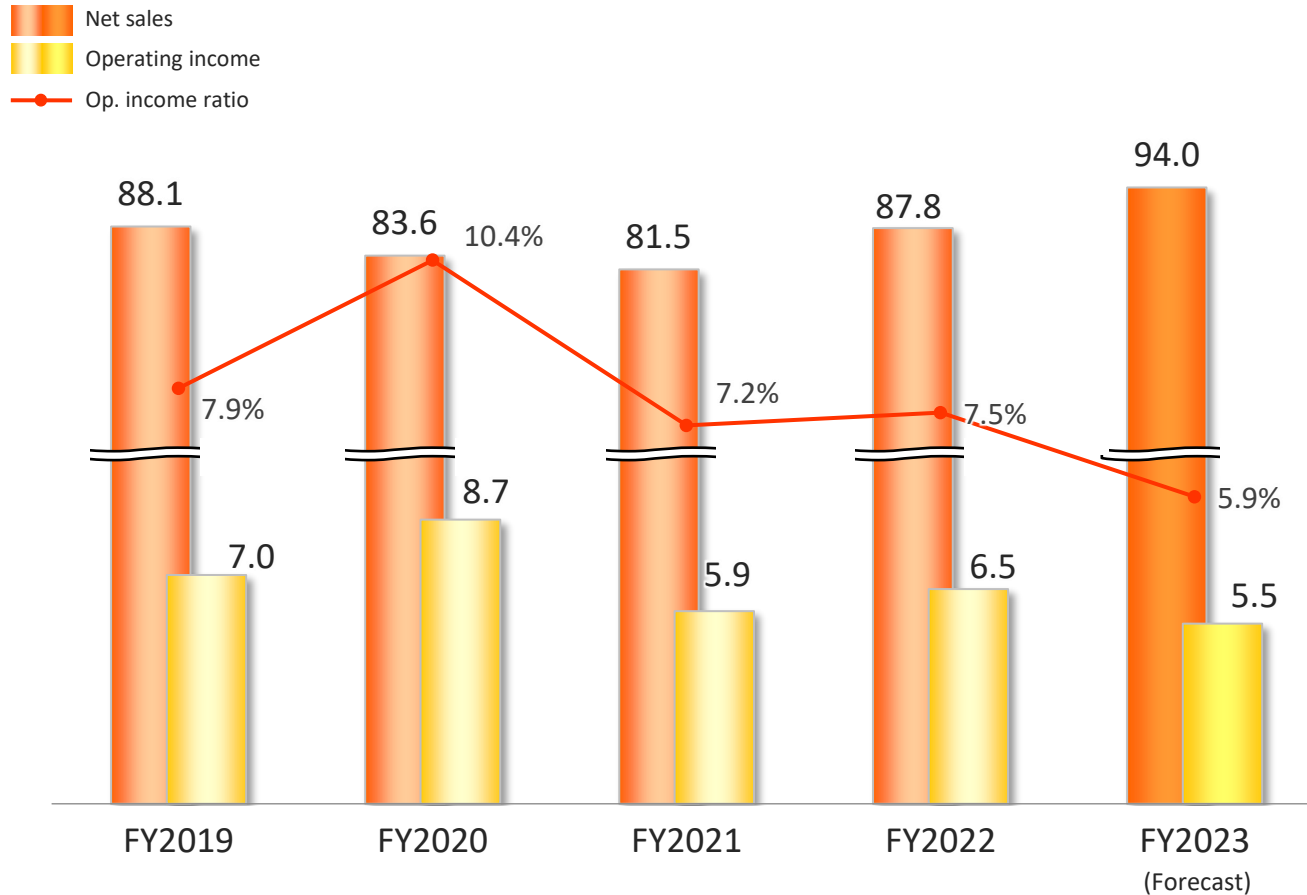


# 2. Segment Results Forecast (Automotive Batteries (Japan))

## Automotive Batteries (Japan)

Sales will increase, profit will decline

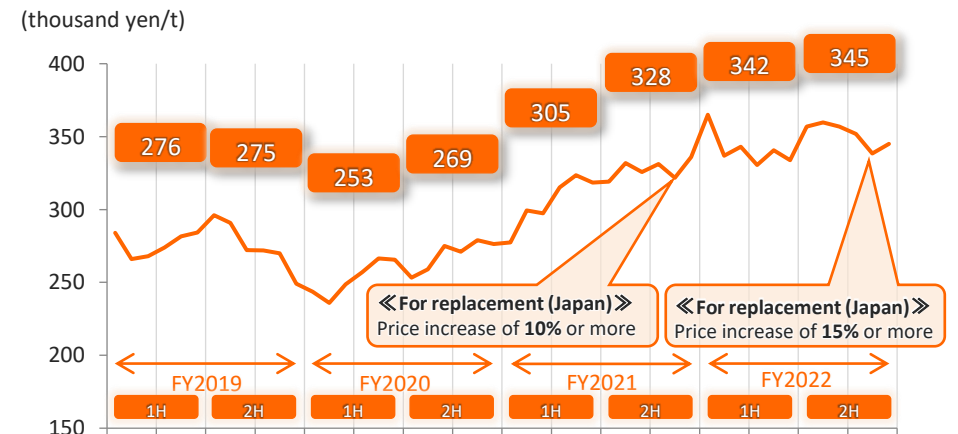
Net Sales, Operating income, Op. income ratio (Billion yen)



FY2023 Forecast of Performance Trends (Apr-Mar)

- [For new automobiles] Price pass-through is expected to continue in addition to increase in sales volume due to mitigation of semiconductor shortage impact
- [For replacement] Promote price pass-through although sales volume will decrease due to the recovery of new automobiles

Domestic lead acid quote (performance indicators)



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

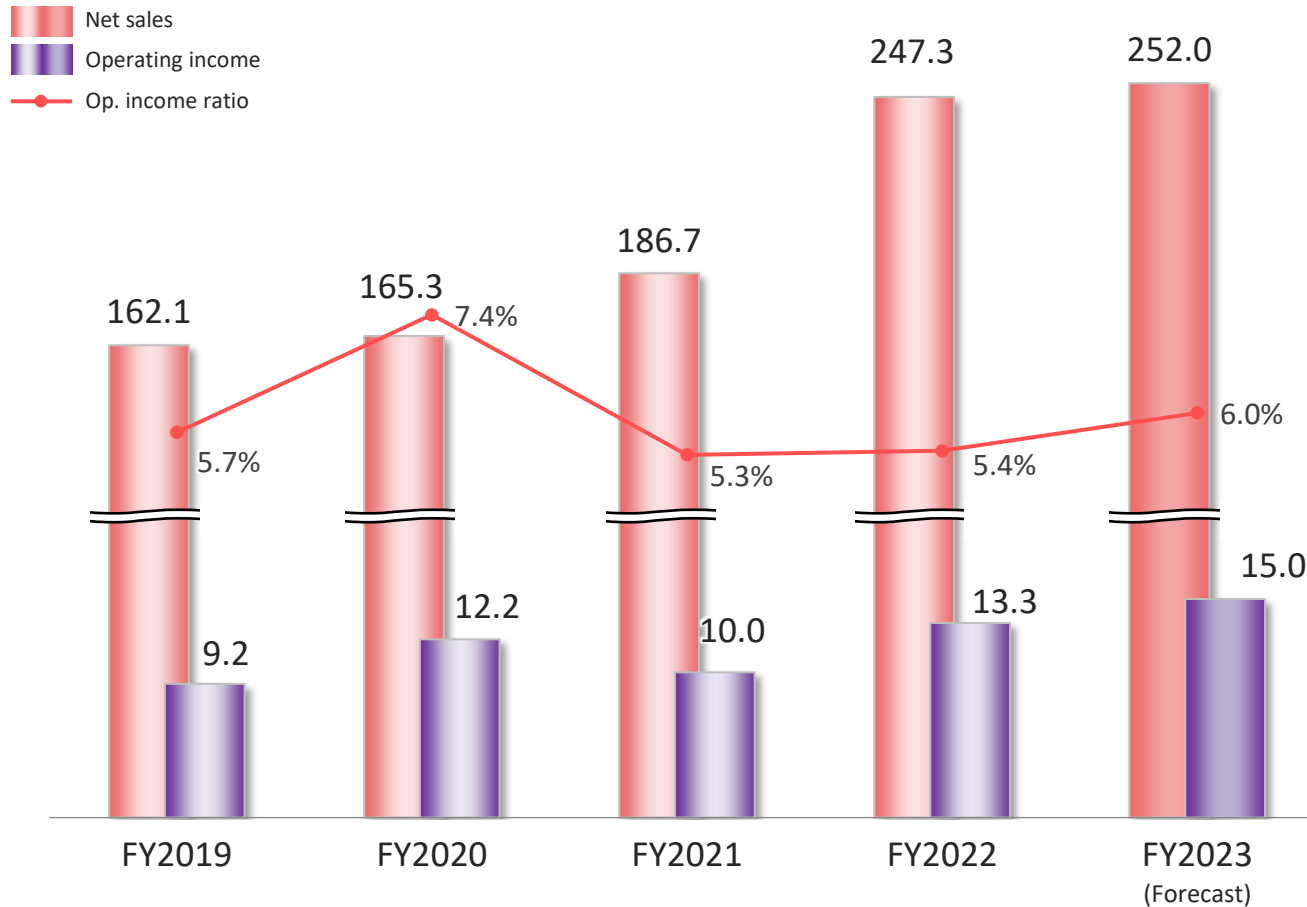
## 2. Segment Results Forecast (Automotive Batteries (Overseas))

### Automotive Batteries (Overseas)

Sales and profit will increase

#### Net Sales, Operating income, Op. income ratio

(Billion yen)

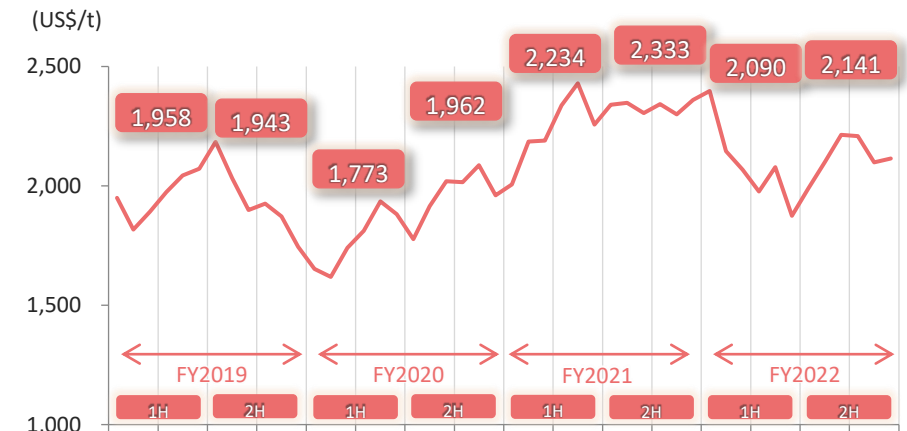


Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

#### FY2023 Forecast of Performance Trends (Apr-Mar)

- [Southeast Asia] Sales volume will increase primarily in Thailand and Indonesia
- [China] Promote a fundamental review of our business
- [Europe] Promote price pass-through although sales volume will decrease

#### LME (performance indicators)



## 2. Segment Results Forecast (Automotive Batteries)

### Strategies of Automotive Batteries Business



#### Southeast Asia

##### □ In Thailand

Strengthen as the second value-added supply base after Japan, including exports to the Mekong Economic Zone

Thailand



Sales volume

FY2023  
4.5 million  
units / year



FY2025  
**5 million**  
units / year

##### □ In Indonesia

Prepare as a core base for motorcycle supply

- Launch of new model line
- Promote rationalization (Automation of production lines, etc.)

##### □ In Vietnam

Maintain and expand automotive and motorcycle business and differentiate from competitors

- Start-up equipment for improving production efficiency



#### Japan

Improvement of profitability through setting appropriate selling prices

##### □ For new automobiles

Contract to adjust selling prices reflecting domestic basis of lead price (Sliding lead price system)

##### □ For replacement

Shipped from February 1st, 2023

Lead-acid batteries for automobiles

price increase of **15% or more**

Reflect rising infrastructure costs, logistics costs, etc. in addition to lead price to selling price of batteries for new automobiles and replacement



#### China

Promote fundamental review of business

## 2. Segment Results Forecast (Industrial Batteries and Power Supplies)

### Industrial Batteries and Power Supplies

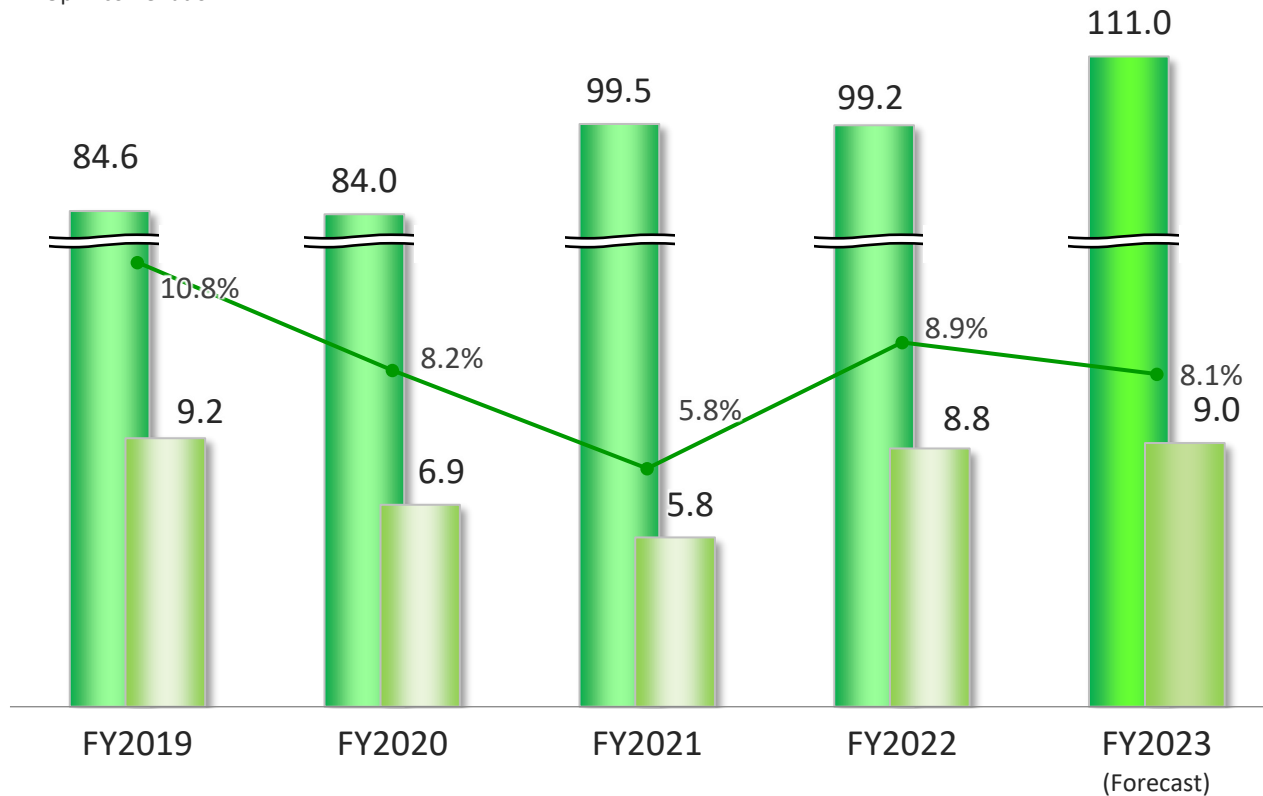
Sales and profit will increase

Net Sales, Operating income, Op. income ratio

(Billion yen)

FY2023 Forecast of Performance Trends (Apr-Mar)

■ Net sales  
■ Operating income  
—●— Op. income ratio



- [Emergency field (Japan)]  
Increase in sales volume due to recovery in private demand and improvement in long delivery times for components, revision of selling price increase are expected
- [Regular field (Japan)]  
Sales of ESS for renewable energy will increase due to increase in project of subsidies
- [For forklifts (Global)]  
In Japan, revision of selling price is expected  
Overseas, sales volume will increase

# 2. Segment Results Forecast (Industrial Batteries and Power Supplies)

## Strategies of Regular Field

### FY2023 Estimated Budget for Renewable Energies

- Project to accelerate the introduction of renewable energy through the introduction of grid storage batteries, etc. and rationalization of the power distribution network, etc.

Accelerate introducing renewable energies in order to achieve carbon neutrality in 2050

#### Business overview

FY2023 Budget request

**10 billion yen**

- Support for introduction of grid storage batteries, etc.
- Support for planning and demonstration
- Community symbiosis-type renewable energy commendation project

- Subsidy to promote demand-side-led introduction of solar power generation

Promote the expansion of introduction through a demand-side-driven introduction model because the use of renewable energy is required for business activities, such as RE100.

#### Business overview

FY2023 Budget request

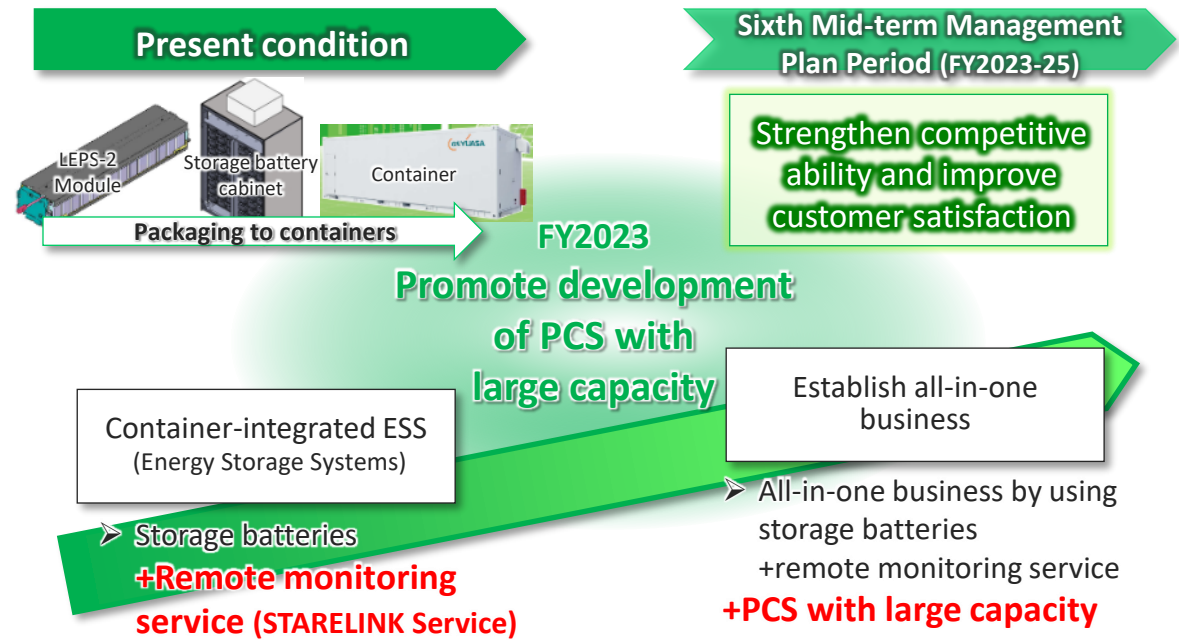
**16.5 billion yen**

Support for installation of solar power generation equipment when demand-side who wish to use renewable energy and install solar power generation equipment on their own and conclude a long-term contract for its use ⇒ Support will be expanded to storage batteries combined facilities from FY2023.

Source: Ministry of Economy, Trade and Industry, "Outline of FY2023 Request for Estimates of Natural Resources and Energy"

### Growing importance of storage batteries

For achieving carbon neutrality in 2050, the importance of energy storage systems (ESS) is increasing.



Subsidies related to renewable energies are expanding on the demand-side, grid connection, etc.

Utilize expanding opportunities

Regular field

Increase capacity approx. **3 times**

(compared to FY2022)

(Capacity target approx. 300MWh)

Sixth Mid-term Management Plan Period (FY2023-25)

Strengthen competitive ability and improve customer satisfaction

## 2. Segment Results Forecast (Automotive Lithium-ion Batteries)

### Automotive Lithium-ion Batteries

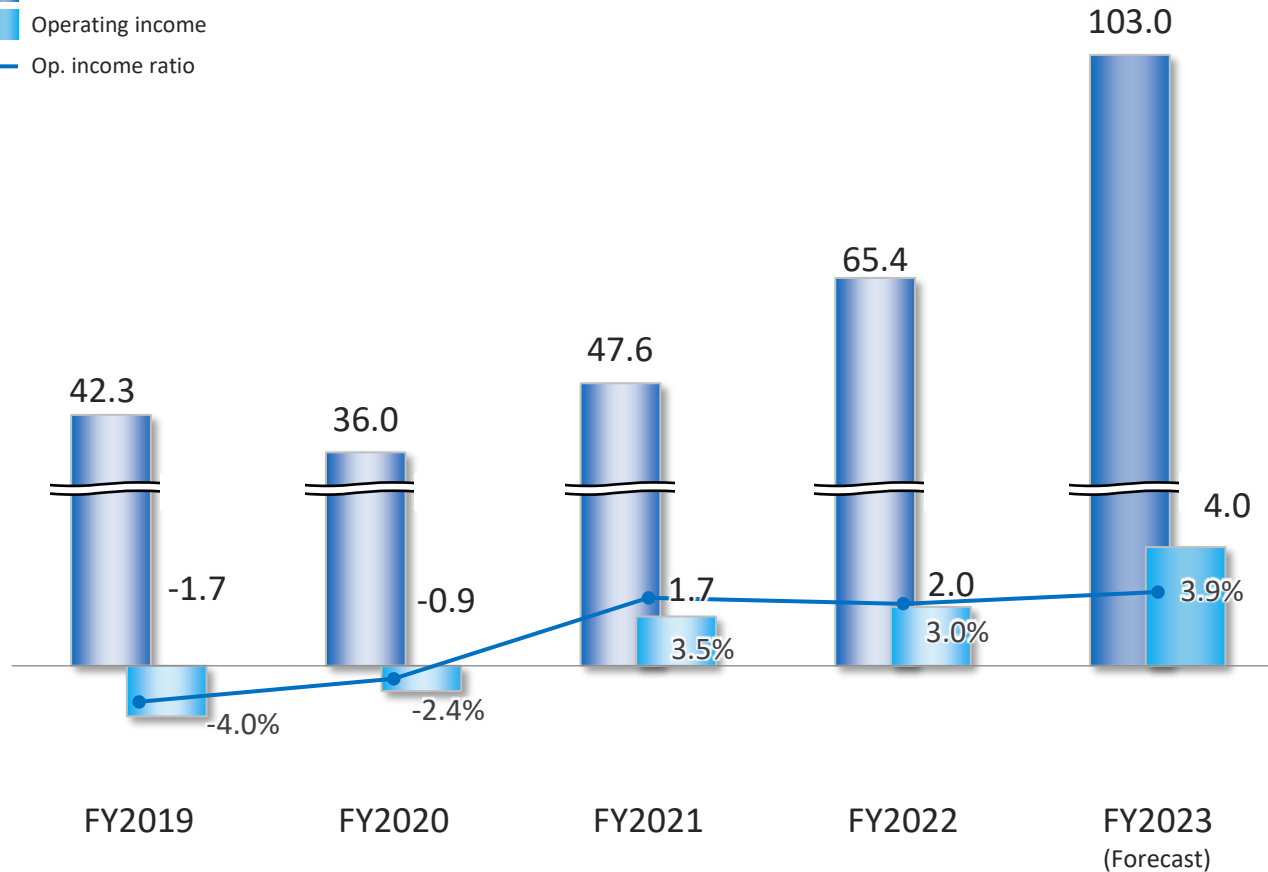
### Sales and profit will increase

Net Sales, Operating income, Op. income ratio

(Billion yen)

FY2023 Forecast of Performance Trends (Apr-Mar)

Net sales  
 Operating income  
 Op. income ratio



- [For HEVs]  
Sales volume will increase due to easing the semiconductor shortage and the number of car models adopted will increase
- [For PHEVs]  
Sales volume will increase due to easing the semiconductor shortage
- [For BEVs]  
Prepare for establishment of joint venture R&D company with Honda
- [For ESS]  
ESS for renewable energy will increase



## 2. Segment Results Forecast (Automotive Lithium-ion Batteries)

Regarding the Signing of a Joint Venture Agreement to Establish New Company, Honda · GS Yuasa EV Battery R&D Co., Ltd.



### Overview of new company

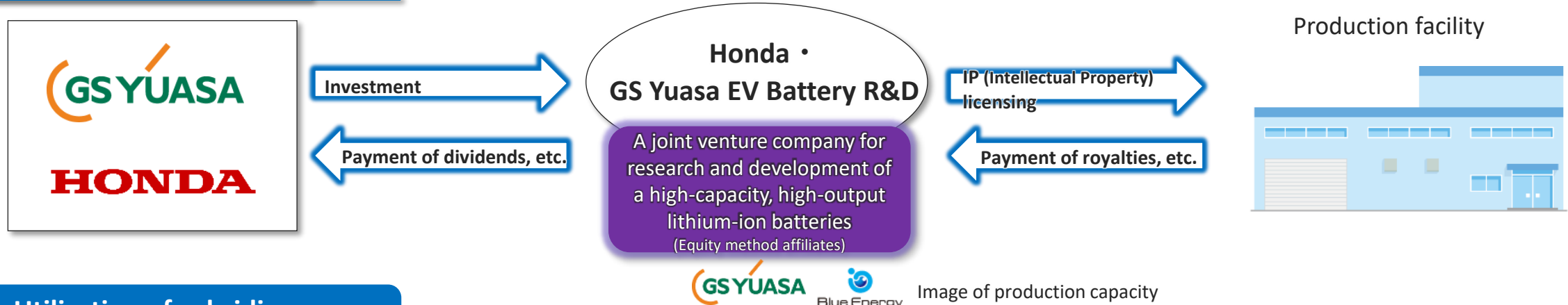
Name	Honda · GS Yuasa EV Battery R&D Co., Ltd.
Address	1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto
Capital	Amount of capital at establishment: 2 billion yen Amount of capital reserve at establishment: 2 billion yen
Investors	GS Yuasa International Ltd. 50%, Honda Motor Co., Ltd. 50%

### A broad scope of collaborations

- Research and development of a high-capacity, high-output lithium-ion battery, primarily for EV use, and the required production methods
- Establishment and management of intellectual properties including patents related to the joint research and development
- Planning for products that utilize technologies resulting from the joint research and development, and planning for the required sales channels
- Designing of an efficient production operation including the supply chain for key raw materials

## 2. Segment Results Forecast (Automotive Lithium-ion Batteries)

### Strategy of batteries for BEVs



### Utilization of subsidies

(Supply Security Plan for Storage Batteries)

<b>Business name</b>	GS Yuasa International Ltd., Honda Motor Co., Ltd., Blue Energy Co., Ltd.		
<b>Total amount</b>	Approx. 434.1 billion yen	<b>Amount of subsidy</b>	Approx. 158.7 billion yen (maximum)
<b>Production scale</b>	20GWh (in Japan)		
<b>Articles</b>	Automotive and stationary lithium-ion batteries		
<b>Contents</b>	Conduct R&D on high-capacity, high-output storage batteries and develop manufacturing technologies for mass production. Also, invest in mass production and start operation of production line in April 2027. (Full-scale mass production will begin in October 2027). The production line will be launched sequentially through 2030, and mass production will begin.		

### FY2023

#### «Sixth Mid-Term Management Plan (FY2023-2025)»

- Establish a joint venture company for research and development (Honda • GS Yuasa EV Battery R&D)
- Research and development of a high-capacity, high-output lithium-ion batteries
- Prepare production for batteries for BEVs and ESS (Consider in Shiga Prefecture, etc.)

#### <FY2027>

- Start operation from April
- Started full-scale mass production from October

#### <-FY2030>

- Set up production lines sequentially

#### <-FY2035>

- Aim to increase production ability to exceed 20GWh



## 2. Segment Results Forecast (Specialized Batteries and Others)

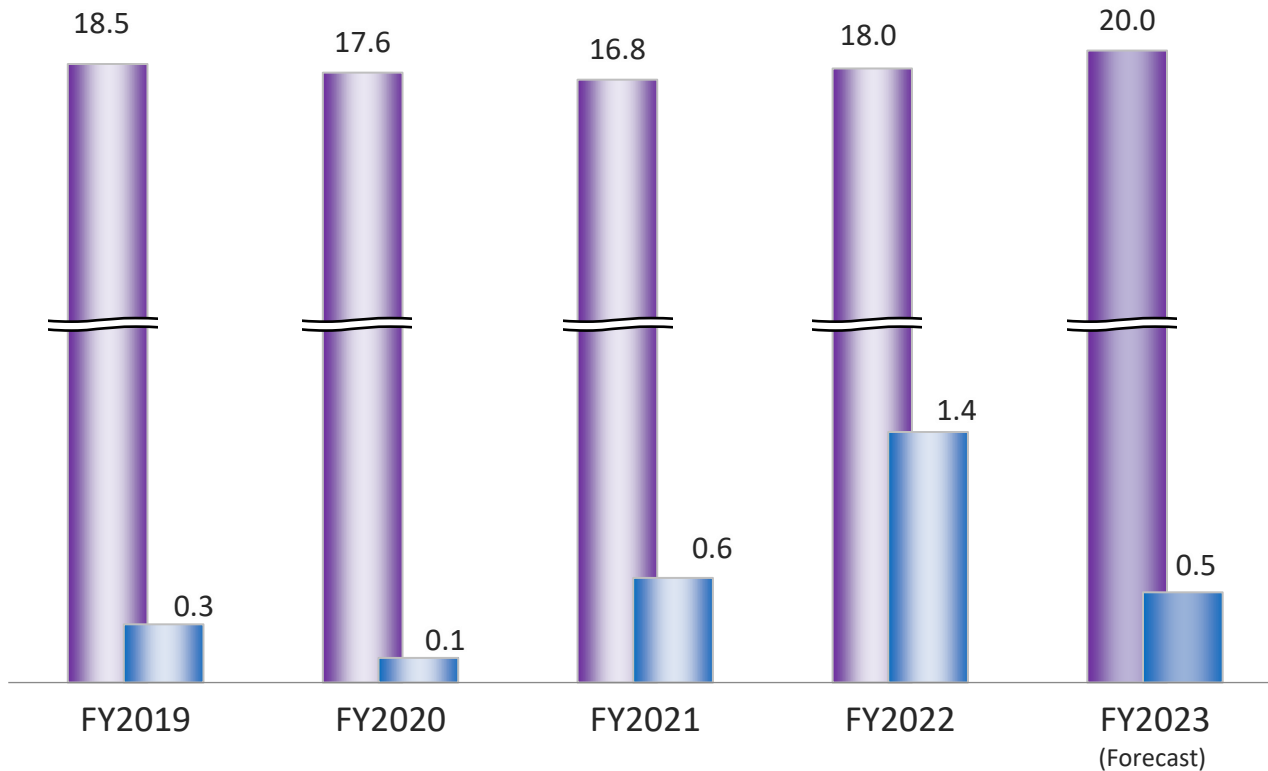
### Specialized Batteries and Others

Sales will increase, profit will decline

#### Net Sales, Operating income

(Billion yen)

Net sales  
Operating income



#### FY2023 Forecast of Performance Trends (Apr-Mar)

- [Lithium-ion batteries for submarines]  
Sales will slight decrease due to soaring raw material prices, despite continued stable orders
- [Lithium-ion batteries for aircrafts]  
Despite the impact of raw material price hikes, sales to airlines (for replacement) remained strong due to increased demand

### 3. Capital Investment, Depreciation, R&D Costs

(Billion yen)

		FY2022 Actual	FY2023 Forecast	Change
<b>Capital Investment</b>		32.8	51.0	+18.2
Automotive Batteries	Japan	2.8	4.0	+1.2
	Overseas	11.0	6.5	-4.5
Industrial Batteries and Power Supplies		4.3	2.5	-1.8
Automotive Lithium-ion Batteries		7.2	17.0	+9.8
Others		7.7	21.0	+13.3
<b>Depreciation</b>		21.0	21.0	±0.0
Automotive Lithium-ion Batteries		4.1	4.5	+0.4
<b>R&amp;D Costs</b>		12.6	14.0	+1.4
(Ratio of R&D expenses to net sales)		2.4%	2.4%	±0.0P

#### Major investment projects

- Maintenance and renewal of facilities in Automotive Batteries Business and Industrial Batteries Business
- Investment to increase production for Blue Energy No.2 plant and strengthen capacity of Lithium Energy Japan
- Land acquisition for production of batteries for BEVs

# 4. Financial Status

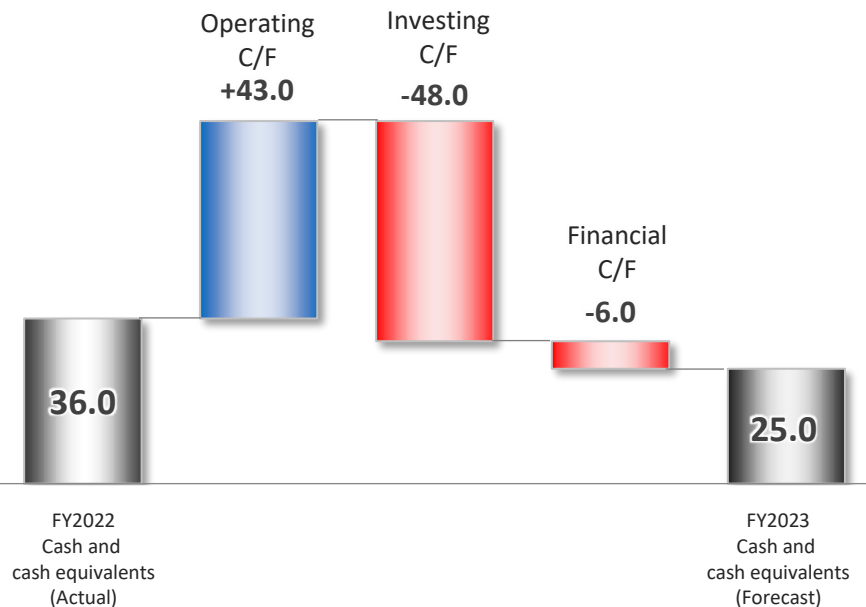
## About financial security

- Total assets will increase due to establishment of joint venture company with Honda and additional capital investment for Blue Energy No.2 plant although inventories will be reduced  
⇒ Maintain financial security

## Balance sheet and cash flow statements (Forecast) (End of FY2023)

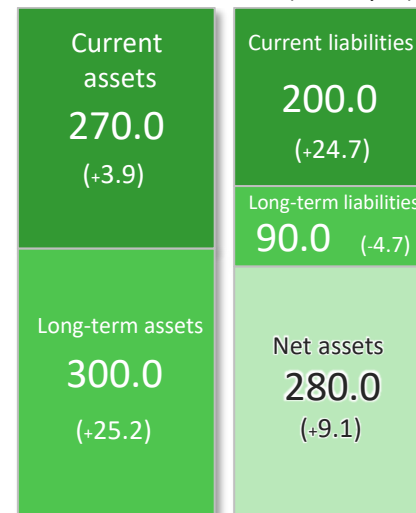
Cash flow statements (Forecast)  
(FY2023)

(Billion yen)



Balance sheet (Forecast)  
(End of FY2023)

(Billion yen)



Note: Comparisons with figures as of March 31, 2023.

Financial indicators	FY2022 (Actual)	FY2023 (Forecast)	Sixth Mid-Term Management Plan target
Interest-bearing debt to operating cash flow ratio	<b>3.7 years</b>	<b>2.5 years</b>	<b>About 3 years</b>
Equity ratio	<b>42.6%</b>	<b>43.0%</b>	<b>Maintain 40% or more</b>
Return on equity (ROE)	<b>6.5%</b>	<b>6.3%</b>	<b>8% or more</b>
Return on invested capital (ROIC)	<b>11.4%</b>	<b>11.5%</b>	<b>10% or more</b>
Debt	<b>103.7 billion yen</b>	<b>Less than 100.0 billion yen</b>	-

Note 1: ROE refers to operating income before amortization of goodwill and ROIC refers to profit before amortization of goodwill

Note 2: Financial indicators "Debt" is total liabilities

Note 3: ROIC is calculated as follows: Invested capital (fixed assets [excl. goodwill amortization] + working capital) / Operating income before amortization of goodwill.  
Invested capital is the average of amount at beginning and end of term.

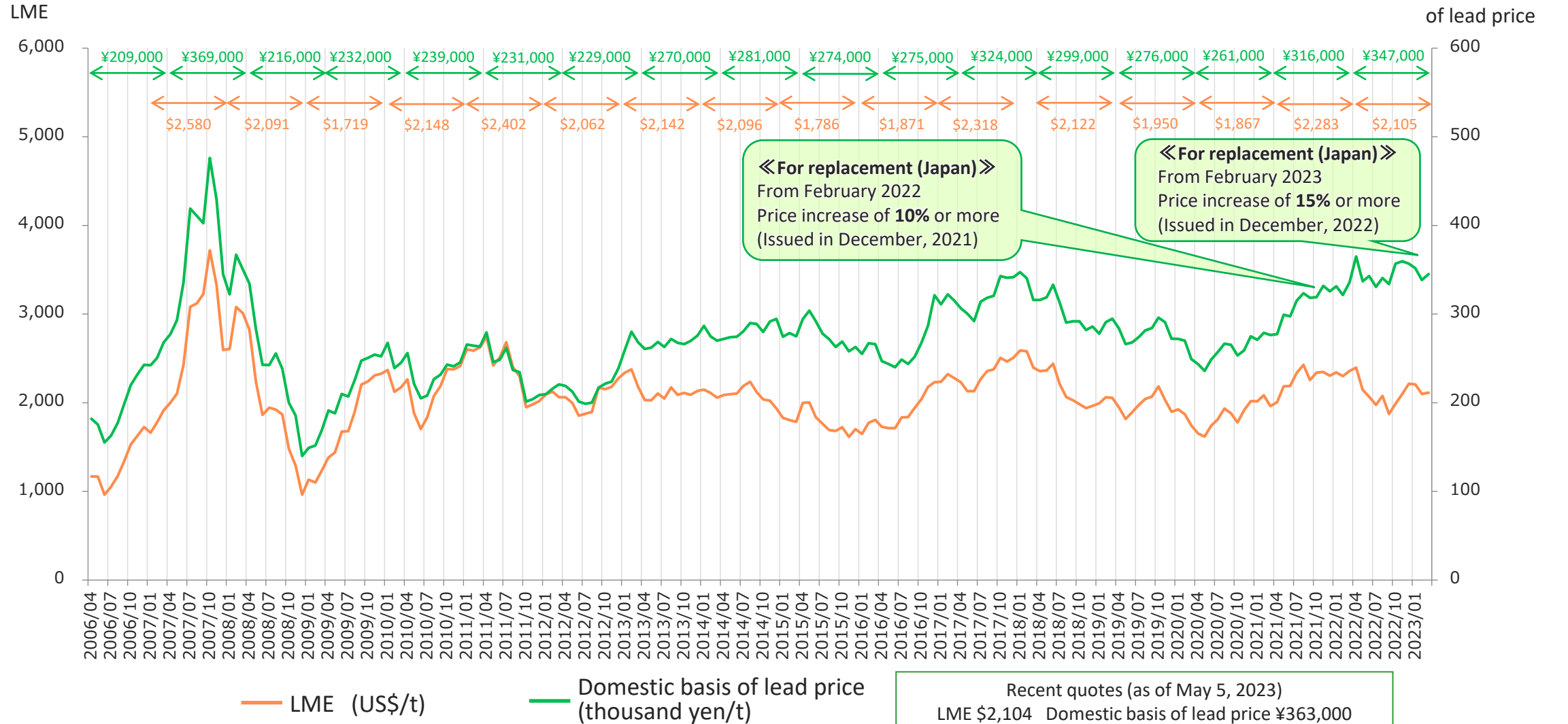
Although this document has been prepared with information believed to be correct, GS Yuasa Corporation does not guarantee the accuracy or the completeness of such information. Also, the information herein contains forward-looking statements regarding the Company's plans, outlooks, strategies and results for the future. All the forward-looking statements are based on judgments derived from information available to the Company at the time of release. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented herein.



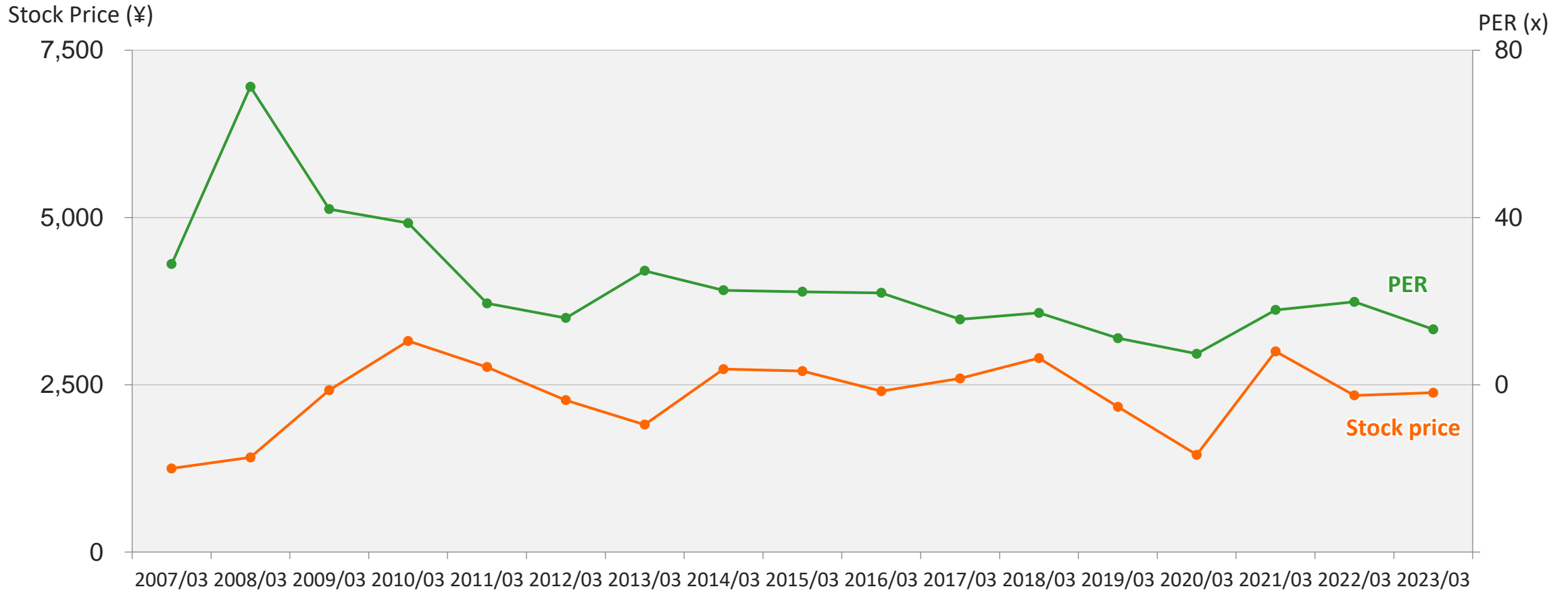
## Reference

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## Raw Materials Prices



## Stock Price, Price to Earnings Ratio (PER)



- Notes: 1. Closing price on the last trading day of March.  
 2. PER is based on profit before amortization of goodwill.  
 3. GS Yuasa carried out a five-to-one reverse stock split of its common stock upon changing the number of shares per trading unit from 1,000 to 100 shares (effective date Oct. 1, 2018), and Stock Price and PER take into account the share consolidation.

	Fiscal year	2018	2019	2020	2021	2022
Operating income ratio	(%)	6.1	6.1	7.0	5.5	6.2
Return on equity (ROE)	(%)	9.0	9.0	7.2	4.6	6.5
Return on invested capital (ROIC)	(%)	11.3	10.9	12.0	9.7	11.4
Earnings per share (EPS)	(¥)	194.58	195.92	167.72	118.02	179.47
Dividend per share	(¥)	50	50	50	50	50 (planned)
Purchase of treasury stock (amount planned for the next fiscal year)	(¥bn)	1.4	1.5	0.0	0.0	0.0
Total return ratio	(%)	34.3	34.9	29.8	42.4	27.9

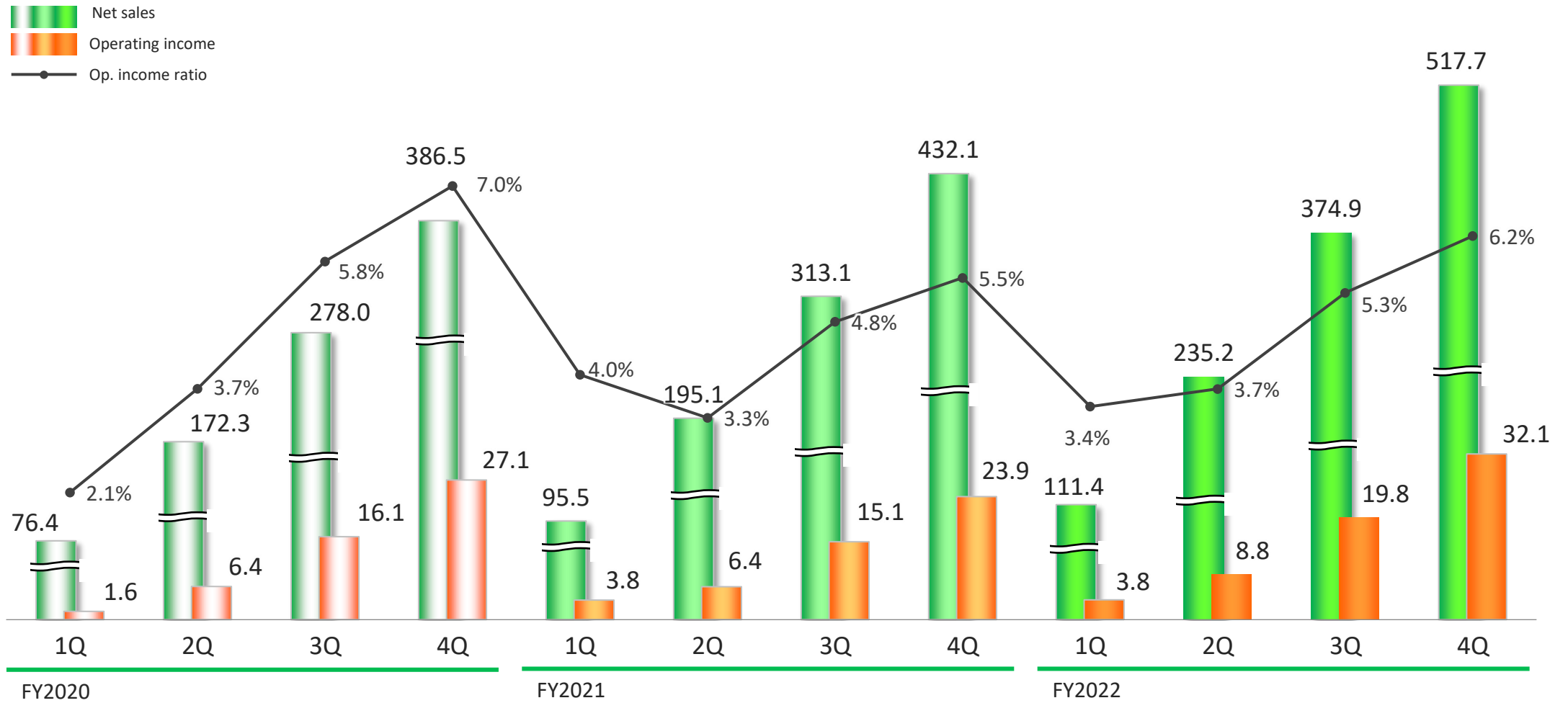
	Fiscal year	2018	2019	2020	2021	2022
Total borrowings	(¥bn)	66.9	64.5	65.4	82.5	103.7
D/E ratio	(x)	0.42	0.42	0.41	0.50	0.55
Equity ratio	(%)	46.4	45.8	46.8	44.8	42.6
Debt to cash flow ratio	(year)	2.2	2.2	2.2	7.0	3.7

- Notes: 1. The above indices for FY2016 onward are based on profit before amortization of goodwill (operating income, profit).  
 2. ROIC is calculated as follows: Operating income before amortization of goodwill ÷ invested capital (fixed assets [excl. goodwill amortization] + working capital). Invested capital is the average of amount at beginning and end of term.  
 3. GS Yuasa carried out a five-to-one reverse stock split of its common stock upon changing the number of shares per trading unit from 1,000 to 100 shares (effective date Oct. 1, 2018), and EPS and Dividend per share take into account the share consolidation.



## Net Sales, Operating Income, Op. Income Ratio

(Billion yen)



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

## External ratings of Sustainability activities

### Sustainability evaluations

( As of April 30, 2023 )

	ESG rating by MSCI (U.S.)* <sup>1</sup>	ESG rating by FTSE (English)* <sup>2</sup>	CSR assessment by Toyo Keizai Inc.* <sup>3</sup>				CDP (English) assessments* <sup>4</sup>
			HR utilization	Environment	Corporate governance	Sociality	
2023	BBB	3.6	AAA	AAA	AA	AAA	A-
2022	BBB	3.6	AA	AAA	AA	AA	A-
2021	A	3.6	AAA	AAA	AA	AA	B
2020	A	3.4	AA	AAA	AA	AA	B
2019	A	3.2	AA	AA	AA	AA	B

\*1: ESG rating of MSCI (U.S.) is done by Japan ESG Select Leaders Index and is seven-grade evaluation of AAA, AA, A, BBB, BB, B and CCC. (Rating Update : June)

\*2: ESG rating of FTSE (English) is five-grade evaluation of 1, 2, 3, 4, 5. (Rating Update : June)

\*3: Toyo Keizai Inc.'s CSR assessment is five-grade evaluation of AAA, AA, A, B and C. (Rating Update : November)

\*4: CDP (English) is eight-grade evaluation of A, A-, B, B-, C, C-, D, D-. (Rating Update : September)

### Evaluation, certification and accreditation for GS Yuasa's Sustainability-related efforts



- Selected as a certified company of the Company with Excellent Health Management 2022 by the Ministry of Economy, Trade and Industry



- Received the highest rank "particularly excellent in terms of initiatives for employees' health" from DBJ Employees' Health Management Rating



- Received Platinum Kurumin certification as a company that supports child care by the Ministry of Health, Labour and Welfare