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Notice Regarding Recognition of Extraordinary Loss and Revision to Earnings Forecast

GS Yuasa Corporation (Tokyo Stock Exchange: 6674; “GS Yuasa”) announces that consolidated subsidiary Lithium Energy Japan will recognize an extraordinary loss in the fiscal year ending March 31, 2015, as explained below.

Additionally, in consideration of recent business performance, GS Yuasa revises the full-year earnings forecast previously announced May 8, 2014, as explained below.

Details

1. Extraordinary loss

Despite Lithium Energy Japan’s progress in improving its earnings structure, following a review of the recoverability of fixed assets under current business conditions, the company has decided to recognize an impairment loss of approximately ¥4.5 billion in the fiscal year ending March 31, 2015.

Since GS Yuasa has a 51% shareholding in Lithium Energy Japan, after adjustment for minority interests in loss, the impact on GS Yuasa’s net income will be approximately ¥2.3 billion.

2. Revision to earnings forecast

Revision to consolidated earnings forecast for the year ending March 31, 2015 (April 1, 2014 ~ March 31, 2015)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	million yen 380,000	million yen 25,000	million yen 26,000	million yen 13,000	yen 31.49
Current forecast (B)	370,000	21,000	22,000	10,000	24.23
Change (B-A)	-10,000	-4,000	-4,000	-3,000	
Change (%)	-2.6	-16.0	-15.4	-23.1	
(Reference: Results for fiscal year ended March 31, 2014)	347,995	18,197	20,333	9,982	24.18

Reason for revision

The revision to net sales is due mainly to a decline in sales of lithium-ion automotive batteries and power supply systems for photovoltaic power generation. The revisions to operating income and ordinary income are due mainly to the income decline stemming from lower sales in the domestic industrial battery and power supply businesses. The downward revision to net income is due mainly to the revisions to operating and ordinary income, as well as the recognition of an extraordinary loss and recent estimates on expected tax payments.

In regard to the year-end dividend forecast, GS Yuasa has not changed the original forecast announced on May 8, 2014 (year-end dividend of ¥7 per share; full-year dividend of ¥10 per share).

Note: Earnings forecasts and other forward-looking statements presented herein are based on information available to GS Yuasa as of the date of this announcement. Actual financial performance may differ materially from these forecasts due to a variety of factors.