May 12, 2022

GS Yuasa Corporation
Consolidated Earnings Report for the Year ended March 31, 2022 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange Securities code: 6674
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Scheduled dates
Ordinary general meeting of shareholders: June 29, 2022
Dividend payout: June 30, 2022
Filing of statutory financial report (*Yukashoken hokokusho*): June 29, 2022

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, 2022 (April 1, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2022	432,133	11.8	22,664	(8.6)	24,684	(9.5)	8,468	(26.1)
Year ended March 31, 2021	386,511	(2.3)	24,810	14.5	27,279	18.0	11,455	(16.2)

Note: Comprehensive income: Year ended March 31, 2022: ¥25,047 million, -28.7%
Year ended March 31, 2021: ¥35,112 million, 620.5%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Year ended March 31, 2022	105.23	–	4.1	5.4	5.2
Year ended March 31, 2021	141.91	–	6.1	6.7	6.4

Reference: Share of profit or loss of entities accounted for using equity method:
Year ended March 31, 2022: ¥2,590 million
Year ended March 31, 2021: ¥2,471 million
Operating profit before amortization of goodwill:
Year ended March 31, 2022: ¥23,853 million, -11.9%
Year ended March 31, 2021: ¥27,069 million, 13.1%

The Company uses “operating profit before amortization of goodwill” as an important indicator for management.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2022	480,763	249,938	44.8	2,675.70
As of March 31, 2021	431,913	234,570	46.8	2,509.08

Reference: Total equity: As of March 31, 2022: ¥215,233 million
As of March 31, 2021: ¥202,245 million

(3) Consolidated Cash Flows

	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, 2022	12,879	(30,204)	5,203	25,845
Year ended March 31, 2021	35,817	(19,327)	(7,018)	35,807

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, 2021	–	0.00	–	50.00	50.00	4,033	35.2	2.1
Year ended March 31, 2022	–	15.00	–	35.00	50.00	4,025	47.5	1.9
Year ending March 31, 2023 (forecast)	–	15.00	–	35.00	50.00		33.5	

3. Earnings Forecast for the Year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30, 2022	240,000	23.0	7,500	43.5	7,500	14.2	2,500	13.3	31.06
Year ending March 31, 2023	520,000	20.3	28,000	23.5	28,000	13.4	12,000	41.7	149.11

***Notes**

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

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

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

(4) Number of shares issued (common stock)

	As of March 31, 2022	As of March 31, 2021
1) Number of shares issued (including treasury shares)	80,599,442	82,714,942
2) Number of treasury shares	159,410	2,109,320

	Year ended March 31, 2022	Year ended March 31, 2021
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	80,475,326	80,720,081

(Reference) Non-consolidated Financial Results
Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2022	5,802	(19.5)	4,907	(22.2)	6,714	(13.7)	5,909	(16.9)
Year ended March 31, 2021	7,203	(0.6)	6,304	0.2	7,781	(1.7)	7,108	(1.3)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2022	73.43	–
Year ended March 31, 2021	88.06	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2022	195,038	131,423	67.4	1,633.81
As of March 31, 2021	181,041	131,240	72.5	1,628.18

Reference: Total equity: As of March 31, 2022: ¥131,423 million
As of March 31, 2021: ¥131,240 million

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

***Appropriate Use of Earnings Forecast and Other Important Information**

The above forecasts are based on the assumptions of management in 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, please see “(1) Operating Results” in section “4. Qualitative Information on Operating Results, etc.” on page 5.

4. Qualitative Information on Operating Results, etc.

(1) Operating Results

1) Overview

In the fiscal year ended March 31, 2022, although the global economy saw a resumption of economic activities due to economic policies of various countries, novel coronavirus pandemic (COVID-19) infections continued to spread with the emergence of variants. Factors such as rises in the prices of raw materials and supply chain disruptions caused by shortages of components and containers as well as growing geopolitical risks mean that the economic outlook remains highly uncertain.

In this economic environment, the GS Yuasa Group's consolidated net sales for the fiscal year totaled ¥432,133 million, up ¥45,622 million or 11.8% from the previous fiscal year. This increase in Group sales mainly reflects an increase in sales of automotive lithium-ion batteries and an increase in sales of lead-acid batteries in the automotive batteries business overseas as well as the exchange rate benefit from a weaker yen. Operating profit came to ¥22,664 million, down ¥2,146 million or 8.6% from the previous fiscal year, due mainly to the impact of the higher price of raw materials. (Operating profit before goodwill amortization came to ¥23,853 million, down ¥3,216 million from the previous fiscal year.) Ordinary profit came to ¥24,684 million, down ¥2,595 million or 9.5% from the previous fiscal year. Profit attributable to owners of parent came to ¥8,468 million, down ¥2,987 million or 26.1% from the previous fiscal year, due mainly to the recording of an impairment loss at a consolidated subsidiary.

2) Business Segment Results

(Automotive Batteries)

Net sales in Japan for the fiscal year ended March 31, 2022 totaled ¥81,494 million, a year-on-year decrease of ¥2,144 million or 2.6%, due to the impact of the application of the Accounting Standard for Revenue Recognition as well as due to a year-on-year decrease in sales volume of batteries for new vehicles due to a decrease in sales of new automobiles, despite solid sales of replacement batteries. Domestic segment profit (before amortization of goodwill) came to ¥5,878 million, down ¥2,791 million or 32.2% from the previous fiscal year, due to the impact of the higher price of raw materials.

Overseas net sales totaled ¥186,743 million, a year-on-year increase of ¥21,446 million or 13.0%. Sales volume increased particularly in ASEAN countries and Europe, and there has also been an exchange rate benefit from a weaker yen. Overseas segment profit came to ¥9,965 million, down ¥2,259 million or 18.5% from the previous fiscal year, mainly due to the impact of higher distribution costs caused by container shortages in addition to higher prices of raw materials.

As a result of the above factors, the automotive batteries segment's combined net sales in Japan and overseas totaled ¥268,237 million, a year-on-year increase of ¥19,301 million or 7.8%. Overall automotive batteries segment profit (before goodwill amortization) came to ¥15,843 million, ¥5,051 million or 24.2% less than a year earlier.

(Industrial Batteries and Power Supplies)

Net sales in the industrial batteries and power supplies segment totaled ¥99,465 million, a year-on-year increase of ¥15,428 million or 18.4%. This was due to an increase in sales of lithium-ion batteries for large-scale wind power generation facilities and the effects of the consolidation of GS Yuasa Infrastructure Systems Co., Ltd. Segment profit came to ¥5,775 million, a year-on-year decrease of ¥1,114 million or 16.2%, owing to rises in the prices of raw materials and changes in our sales mix.

(Automotive Lithium-ion Batteries)
Net sales in the automotive lithium-ion batteries segment totaled ¥47,637 million, a year-on-year increase of ¥11,687 million or 32.5%. This was due to an increase in sales of batteries for hybrid vehicles and a recovery in sales of lithium-ion batteries for plug-in hybrid vehicles, which had declined in the previous fiscal year. The segment posted an operating profit of ¥1,654 million, a year-on-year improvement of ¥2,506 million, owing to the increase in net sales.

(Other)
Net sales in the other segment totaled ¥16,791 million, a year-on-year decrease of ¥795 million or 4.5%. Segment profit after adjustments for corporate expenses, etc., came to ¥579 million, a year-on-year increase of ¥443 million or 324.7%.

(Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023)
The outlook for the next fiscal year continues to uncertain due to such risks as the escalating geopolitical risk, chaotic conditions in the supply chain and the continuation of COVID-19 pandemic. Under these conditions, the Group will work to maintain the production and sales system at appropriate levels, while revising sales prices to provide suitable leeway for fluctuation in raw material prices and exchange rates in order to ensure profitable operations.

For automotive batteries, although we expect conditions to vary depending on the region, we will work on maintaining a production and sales structure that is proportionate to demand and quickly realize the effects from converting İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi into a consolidated subsidiary. For industrial batteries and power supplies, we will take advantage of the trend of carbon neutral policies and create opportunities for business growth. For our automotive lithium-ion batteries, we will implement initiatives to meet growing demand for these batteries for hybrid vehicles while creating systems that will enable us to accelerate our development of future batteries for electric vehicles.

Taking all this into account, for consolidated operating results for the fiscal year ending March 31, 2023, we expect to achieve record-high net sales of ¥520,000 million, and record-high operating profit of ¥28,000 million (¥29,000 million for operating profit before goodwill amortization). In addition, we are forecasting an increase in profit, with ordinary profit of ¥28,000 million and profit attributable to owners of parent of ¥12,000 million.

(2) Financial Condition
Total assets as of March 31, 2022, amounted to ¥480,763 million, ¥48,849 million more than at the end of the previous fiscal year. This reflects an increase in inventories, as well as the new consolidation of GS Yuasa Infrastructure Systems Co., Ltd., which outweighed a decrease due to impairment of non-current assets.

Liabilities increased to ¥230,824 million, up ¥33,481 million from the end of the previous fiscal year, due to long-term borrowings through a sustainability-linked loan and the new consolidation of GS Yuasa Infrastructure Systems Co., Ltd.

Net assets totaled ¥249,938 million, an increase of ¥15,367 million from the end of the previous fiscal year. This mainly reflects an increase due to the recording of net profit attributable to owners of parent and an increase in the foreign currency translation adjustment due to forex rate fluctuations, which outweighed outflows from dividends paid and the purchase of treasury shares.

(3) Cash Flows

Cash and cash equivalents as of March 31, 2022, amounted to ¥25,845 million, a decrease of ¥9,962 million, or 27.8%, from the end of the previous fiscal year.

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, 2022, amounted to ¥12,879 million, compared with net cash provided of ¥35,817 million in the previous fiscal year. There were main contributions from profit before income taxes, depreciation, an increase in trade payables, partially offset by increases in trade receivables and inventories, and the payment of income taxes.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥30,204 million, compared with net cash used of ¥19,327 million a year earlier. The main cash outflow from investments was the purchase of property, plant, and equipment and shares of subsidiaries.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥5,203 million, compared with net cash used of ¥7,018 million in the previous fiscal year. The main cash outflow was dividends paid. An increase in borrowings was the main source of inflows.

(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, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Equity ratio (%)	45.8	46.8	44.8
Equity ratio on a market-capitalization basis (%)	30.6	56.0	39.2
Ratio of interest-bearing liabilities to cash flow (years)	2.2	2.0	7.0
Interest coverage ratio	40.57	43.75	13.61

(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 paid

*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 shares).

*Calculations involving cash flow use cash flows from operating activities shown on the consolidated statements of cash flows. Interest-bearing liabilities include all liabilities recorded on the consolidated balance sheets for which interest is paid.

The amount of interest paid is the figure used in the consolidated statements of cash flows.

(4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders to be a priority management issue. As a general policy, the Company 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, the Company aims to continue its growth into the future and secure long-term stable returns to shareholders.

For the year ended March 31, 2022, profit attributable to owners of parent decreased year on year, but the Company plans to pay an annual dividend per share of ¥50 (year-end dividend of ¥35 as an interim dividend of ¥15 was provided in the second quarter), which is the same amount as the previous fiscal year. The consolidated payout ratio will therefore be 47.5%.

For dividends for the year ending March 31, 2023, assuming that the forecast profits are achieved, the Company plans to pay an interim dividend per share of ¥15 and a year-end dividend per share of ¥35 to provide an annual dividend per share of ¥50.

5. Basic Policy on Selecting Accounting Standards

The GS Yuasa Group currently adopts Japanese accounting standards for its financial reporting in view of comparability between fiscal years on financial statements and comparability with other companies. Regarding the adoption of International Financial Reporting Standards, the Group will respond appropriately in consideration of circumstances in and outside Japan.

6. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
	Amount	Amount
Assets		
Current assets		
Cash and deposits	36,280	25,855
Notes and accounts receivable - trade	74,269	–
Notes and accounts receivable - trade, and contract assets	–	85,399
Electronically recorded monetary claims - operating	5,039	7,163
Merchandise and finished goods	37,236	54,986
Work in process	14,973	19,236
Raw materials and supplies	15,658	18,828
Other	11,189	15,249
Allowance for doubtful accounts	(315)	(418)
Total current assets	194,332	226,300
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,837	56,279
Machinery, equipment and vehicles, net	38,703	37,108
Land	22,737	23,335
Leased assets, net	296	284
Right-of-use assets, net	5,075	5,398
Construction in progress	9,699	15,315
Other, net	5,180	5,284
Total property, plant and equipment	134,530	143,007
Intangible assets		
Goodwill	659	–
Leased assets	1,078	825
Other	2,681	2,069
Total intangible assets	4,419	2,894
Investments and other assets		
Investment securities	64,349	66,319
Investments in capital	1,657	940
Long-term loans receivable	707	1,116
Retirement benefit asset	23,920	32,954
Deferred tax assets	3,497	2,338
Lease receivables	2,616	2,635
Other	2,152	2,538
Allowance for doubtful accounts	(323)	(322)
Total investments and other assets	98,578	108,520
Total non-current assets	237,528	254,423
Deferred assets		
Bond issuance costs	52	39

Total deferred assets	52	39
Total assets	431,913	480,763

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,742	44,174
Electronically recorded obligations - operating	16,367	19,861
Short-term borrowings	13,440	18,782
Commercial papers	–	2,000
Accounts payable - other	15,976	12,041
Income taxes payable	4,761	2,857
Notes payable - facilities	358	274
Electronically recorded obligations - facilities	3,270	6,821
Provision for bonuses for directors (and other officers)	120	120
Other	18,802	22,444
Total current liabilities	107,839	129,376
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	31,980	41,696
Lease liabilities	6,041	6,100
Deferred tax liabilities	18,045	19,910
Deferred tax liabilities for land revaluation	928	928
Provision for retirement benefits for directors (and other officers)	64	67
Retirement benefit liability	4,562	4,892
Other	7,880	7,852
Total non-current liabilities	89,503	101,447
Total liabilities	197,342	230,824
Net assets		
Shareholders’ equity		
Share capital	33,021	33,021
Capital surplus	55,301	55,292
Retained earnings	95,869	93,661
Treasury shares	(4,654)	(351)
Total shareholders’ equity	179,537	181,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,171	16,180
Deferred gains or losses on hedges	(115)	(794)
Revaluation reserve for land	2,137	2,137
Foreign currency translation adjustment	417	7,163
Remeasurements of defined benefit plans	3,098	8,922

Total accumulated other comprehensive income	22,708	33,609
Non-controlling interests	32,324	34,705
Total net assets	234,570	249,938
Total liabilities and net assets	431,913	480,763

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
	Amount	Amount
Net sales	386,511	432,133
Cost of sales	289,944	335,359
Gross profit	96,566	96,773
Selling, general and administrative expenses	71,755	74,108
Operating profit	24,810	22,664
Non-operating income		
Interest income	207	198
Dividend income	419	483
Share of profit of entities accounted for using equity method	2,471	2,590
Foreign exchange gains	595	–
Other	890	722
Total non-operating income	4,584	3,995
Non-operating expenses		
Interest expenses	818	946
Sales discounts	119	5
Foreign exchange losses	–	103
Equipment relocation expenses	260	227
Other	917	693
Total non-operating expenses	2,115	1,976
Ordinary profit	27,279	24,684
Extraordinary income		
Gain on sale of non-current assets	1,350	668
Gain on sale of investment securities	299	116
Gain on bargain purchase	–	710
Gain on sale of investments in capital of subsidiaries	–	547
Gain on reversal of loss on liquidation of subsidiaries and associates	–	325
Other	–	5
Total extraordinary income	1,650	2,372
Extraordinary losses		
Loss on retirement of non-current assets	569	715
Loss on sale of non-current assets	14	47
Impairment losses	2,760	5,779
Loss on valuation of investment securities	15	28
Factory relocation expenses	713	1,239
Other	7	–
Total extraordinary losses	4,081	7,810
Profit before income taxes	24,847	19,246

	Year ended March 31, 2021	Year ended March 31, 2022
	Amount	Amount
Income taxes - current	7,948	5,583
Income taxes - deferred	2,107	1,066
Total income taxes	10,056	6,650
Profit	14,791	12,595
Profit attributable to non-controlling interests	3,336	4,127
Profit attributable to owners of parent	11,455	8,468

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2021	Year ended March 31, 2022
	Amount	Amount
Profit	14,791	12,595
Other comprehensive income		
Valuation difference on available-for-sale securities	5,236	(1,016)
Deferred gains or losses on hedges	234	22
Foreign currency translation adjustment	7,891	6,825
Remeasurements of defined benefit plans, net of tax	6,145	5,822
Share of other comprehensive income of entities accounted for using equity method	813	796
Total other comprehensive income	20,320	12,451
Comprehensive income	35,112	25,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,650	19,369
Comprehensive income attributable to non-controlling interests	5,461	5,678

(Millions of yen)

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,021	55,301	87,180	(3,680)	171,823
Changes during period					
Dividends of surplus			(2,842)		(2,842)
Profit attributable to owners of parent			11,455		11,455
Purchase of treasury shares				(1,003)	(1,003)
Disposal of treasury shares		(0)		30	29
Increase by merger			76		76
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	8,688	(973)	7,714
Balance at end of period	33,021	55,301	95,869	(4,654)	179,537

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	11,933	(244)	2,137	(6,265)	(3,047)	4,513	28,982	205,318
Changes during period								
Dividends of surplus								(2,842)
Profit attributable to owners of parent								11,455
Purchase of treasury shares								(1,003)
Disposal of treasury shares								29
Increase by merger								76
Net changes in items other than shareholders’ equity	5,237	129		6,682	6,145	18,194	3,342	21,537
Total changes during period	5,237	129	–	6,682	6,145	18,194	3,342	29,252
Balance at end of period	17,171	(115)	2,137	417	3,098	22,708	32,324	234,570

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,021	55,301	95,869	(4,654)	179,537
Cumulative effects of changes in accounting policies			(643)		(643)
Restated balance	33,021	55,301	95,225	(4,654)	178,893
Changes during period					
Dividends of surplus			(5,241)		(5,241)
Profit attributable to owners of parent			8,468		8,468
Purchase of treasury shares				(503)	(503)
Disposal of treasury shares		0		6	6
Cancellation of treasury shares		(4,799)		4,799	–
Transfer from retained earnings to capital surplus		4,791	(4,791)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(8)	(1,564)	4,302	2,729
Balance at end of period	33,021	55,292	93,661	(351)	181,623

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17,171	(115)	2,137	417	3,098	22,708	32,324	234,570
Cumulative effects of changes in accounting policies						–		(643)
Restated balance	17,171	(115)	2,137	417	3,098	22,708	32,324	233,927
Changes during period								
Dividends of surplus								(5,241)
Profit attributable to owners of parent								8,468
Purchase of treasury shares								(503)
Disposal of treasury shares								6
Cancellation of treasury shares								–
Transfer from retained earnings to capital surplus								–
Net changes in items other than shareholders' equity	(990)	(678)		6,746	5,823	10,901	2,380	13,281
Total changes during period	(990)	(678)	–	6,746	5,823	10,901	2,380	16,011
Balance at end of period	16,180	(794)	2,137	7,163	8,922	33,609	34,705	249,938

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2021 Amount	Year ended March 31, 2022 Amount
Cash flows from operating activities		
Profit before income taxes	24,847	19,246
Depreciation	18,031	18,207
Impairment losses	2,760	5,779
Amortization of goodwill	1,335	659
Loss (gain) on valuation of investment securities	15	28
Loss (gain) on sale of investment securities	(299)	(116)
Gain on sale of investments in capital of subsidiaries	–	(547)
Increase (decrease) in allowance for doubtful accounts	(74)	40
Increase (decrease) in retirement benefit liability	(1,907)	(86)
Interest and dividend income	(627)	(681)
Interest expenses	818	946
Foreign exchange losses (gains)	(589)	(956)
Loss (gain) on sale of non-current assets	(1,335)	(621)
Loss on retirement of non-current assets	569	715
Gain on bargain purchase	–	(710)
Factory relocation expenses	–	1,239
Share of loss (profit) of entities accounted for using equity method	(2,471)	(2,590)
Decrease (increase) in trade receivables	315	–
Decrease (increase) in trade receivables and contract assets	–	(5,579)
Increase (decrease) in advances received	(5,646)	–
Increase (decrease) in contract liabilities	–	740
Decrease (increase) in inventories	(162)	(18,794)
Increase (decrease) in trade payables	3,388	7,597
Other, net	3,503	(2,190)
Subtotal	42,470	22,324
Interest and dividends received	1,250	1,524
Interest paid	(818)	(946)
Factory relocation expenses paid	–	(705)
Income taxes paid	(7,085)	(9,318)
Net cash provided by (used in) operating activities	35,817	12,879

	Year ended March 31, 2021	Year ended March 31, 2022
	Amount	Amount
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,019)	(27,024)
Proceeds from sale of property, plant and equipment	1,286	706
Purchase of intangible assets	(99)	(143)
Purchase of investment securities	(3)	(2)
Proceeds from sale of investment securities	375	149
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,819)
Payments for investments in capital of subsidiaries and associates	(214)	–
Purchase of shares of subsidiaries and associates	(600)	(150)
Loan advances	(750)	(480)
Proceeds from collection of loans receivable	4	185
Other, net	(307)	(624)
Net cash provided by (used in) investing activities	(19,327)	(30,204)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(2,719)	10,657
Proceeds from long-term borrowings	9,050	12,365
Repayments of long-term borrowings	(6,371)	(7,481)
Purchase of treasury shares	(1,003)	(503)
Proceeds from disposal of treasury shares	29	6
Dividends paid	(2,842)	(5,241)
Dividends paid to non-controlling interests	(2,085)	(3,271)
Other, net	(1,074)	(1,328)
Net cash provided by (used in) financing activities	(7,018)	5,203
Effect of exchange rate change on cash and cash equivalents	1,586	2,159
Net increase (decrease) in cash and cash equivalents	11,057	(9,962)
Cash and cash equivalents at beginning of period	24,748	35,807
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	1	–
Cash and cash equivalents at end of period	35,807	25,845

(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-two (52) companies

Names of major consolidated subsidiaries:

GS Yuasa International Ltd.

GS Yuasa Battery Ltd.

GS Yuasa Energy Co., Ltd.

GS Yuasa Technology Ltd.

In the fiscal year ended March 31, 2022, following the acquisition of all shares of Sanken Densetsu Co., Ltd. and said company's subsequent consolidation as a subsidiary, it was included in the scope of consolidation. Additionally, Sanken Densetsu Co., Ltd. changed its name to GS Yuasa Infrastructure Systems Co., Ltd. on May 1, 2021.

In addition, GS Yuasa Accounting Service Ltd., which was a consolidated subsidiary, merged with GS Yuasa International Ltd. with GS Yuasa International Ltd. as the surviving company, and was therefore excluded from the scope of consolidation.

Tianjin Yuasa Batteries Co., Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation due to the transfer of all of its shares.

(2) Number of non-consolidated subsidiaries: Five (5) companies

The major non-consolidated subsidiary is GS Yuasa Chuo Sales Ltd.

(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, profit/loss (amounts attributable to the equity) and retained earnings (amounts attributable to the equity), and are therefore excluded from the scope of consolidation.

2. Application of the equity method

(1) Non-consolidated subsidiaries and associates accounted for under the equity method: Twenty (20) companies

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

SEBANG GLOBAL BATTERY Co., Ltd.

PT. GS Battery

İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi

(2) Five (5) non-consolidated subsidiaries and five (5) associates are not accounted for under the equity method because they are insignificant in terms of their impact on the Company's profit/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, the financial statements that were closed at their fiscal year-end dates or provisionally closed at the consolidated fiscal year-end date were used for consolidation.

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

Yuasa Battery (Thailand) Pub. Co., Ltd. and one (1) other company

The fiscal year-end date for the two companies above is December 31. Consolidated financial statements were prepared using their financial statements as of their 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 fiscal year-end date of those companies and the consolidated year-end date, adjustments necessary for consolidation were performed.

4. Accounting policies

(1) Valuation standards and methods for principal assets

1) Securities

i. Subsidiaries' and associates' shares:

The moving-average cost method is used.

ii. Available-for-sale securities

Those other than shares, etc. with no market price:

The market value method based on the market price as of 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.)

Shares, etc. with no market price:

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:

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

(2) Depreciation/amortization of principal non-current assets

1) Property, plant and equipment (except for leased assets)

The straight-line method is used.

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

The principal useful lives are as follows.

Buildings and structures: 5 to 50 years

Machinery, equipment and vehicles: 2 to 18 years

2) Intangible assets (except for leased assets)

The straight-line method is used.

3) Leased 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.

4) Right-of-use assets

The straight-line method is used based on the lease term.

(3) Amortization method for deferred assets

Bond issuance costs: Amortized with the straight-line method over the bond redemption period (5 and 10 years).

(4) Accounting standards for principal provisions and allowances

1) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiaries provide 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, an allowance is provided for the estimated uncollectible amounts after reviewing collectability of receivables individually. Foreign consolidated subsidiaries provide allowances for doubtful accounts mainly estimated through analysis of individual receivables.

2) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses to directors, a provision is recorded based on the amount expected to be paid.

3) Provision for retirement benefits for directors (and other officers)

To prepare 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, retirement 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, 2022.

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

For calculation of retirement benefit obligations, the benefit formula is applied to attribute expected pension benefits for the period up to the end of the fiscal year under review (March 31, 2022).

2) Actuarial gains or losses and prior service cost

Prior service cost is amortized using mainly the straight-line method over a certain number of years (14 years), which is within the average remaining service periods of employees at the time when the service cost incurred.

Actuarial gains or 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 or losses and unrecognized prior service cost are recorded in accumulated other comprehensive income of 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 statement of income as such. The assets and liabilities of foreign consolidated subsidiaries are also translated into Japanese yen at the spot rate prevailing on their 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 adjustment” and “non-controlling interests.”

(7) Standards for recognition of revenues and expenses

The details of the main performance obligations related to revenues generated from contracts with customers of the Company and its consolidated subsidiaries and the normal timing for satisfying the performance obligations (normal timing for recognizing revenues), etc. are as follows.

Compensation for these performance obligations is received within approximately one year after they are fulfilled, and does not include any significant financial factors.

1) Sale of goods and products

The main business of the Company and its consolidated subsidiaries is the manufacture and sale of batteries, power supplies, lighting equipment, and other battery and electrical equipment. We recognize revenue from the sale of such goods and products once our obligations have been fulfilled and control has been transferred to the customer. As a rule, this is the time at which the goods and products have been delivered or the time as specified in International Commercial Terms. The Company recognizes revenue at the time of shipment for domestic transactions when control over the product is transferred to customers in a normal period after the shipment, in line with paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition.

Sales contracts for batteries and other items include variable consideration because they are sold with discounts based on the sales volume. When selling with a discount, the transaction price is calculated by deducting the estimated amount of the discount, etc. from the consideration promised to the customer in the contract.

2) Provision of services

The Company and its consolidated subsidiaries provide services such as work related to the installation of batteries and power supplies. With regard to such installation work, etc., the performance obligation is considered to have been satisfied once the service provision is completed, and revenue is recognized at that time.

Batteries, power supply equipment, etc. and contract work, etc. are usually sold together. For products where delivery and installation work are identified as separate performance obligations, transaction prices are allocated to each obligation according to the ratios of the observable prices such as the contract amount and the stand-alone selling price estimated by the sum of the estimated cost of the product plus an appropriate margin.

(8) Method of significant hedge accounting

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 instruments:	Interest rate swaps, exchange forward contracts, commodity swaps, and currency swaps
Hedged transactions:	Interest on borrowings, foreign currency denominated claims and liabilities, and trade payables

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 and currency swap contracts with an aim to reduce risks associated with future interest rate fluctuations against import/export transactions and foreign currency denominated debt that are conducted or incurred in the ordinary business process.

iii. The Company utilizes commodity swaps to reduce price fluctuation risks for lead, etc., 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 the hedging instrument and of the targeted hedged transaction over the period from the commencement of the 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 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

i. Application of consolidated taxation system

The Company and some of its domestic consolidated subsidiaries have applied a consolidated taxation system from the year ended March 31, 2022.

ii. Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

From the year ending March 31, 2023, the Company and some of its domestic consolidated subsidiaries will transition from the consolidated taxation system to the group tax sharing system. However, the Company applies the treatment under the provisions of paragraph 3 of the “Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 39, March 31, 2020) in relation to items that are revised for the transition to the group tax sharing system established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020) and for the non-consolidated tax payment system in conjunction with the transition to the group tax sharing system, but does not apply the provisions of paragraph 44 of the “Implementation Guidance on Accounting Standards for Tax Effect Accounting, etc.” (ASBJ Implementation Guidance No. 28, February 16, 2018) and the amount of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of tax act before the revision.

From the beginning of the year ending March 31, 2023, the Company plans to apply “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021), which establishes the treatment of income taxes and local income taxes as well as accounting treatment and disclosure for tax effect accounting in the case of the application of the group tax sharing system.

(Changes in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the current fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

For finished goods that require installation work, sales were previously recorded by some consolidated subsidiaries at the point that said installation work was completed. However, as a result of the above change, the Company is identifying delivery of finished goods and installation work as separate performance obligations and is therefore recognizing revenue at the point that each performance obligation is fulfilled. Also, for discounts, etc., these were previously excluded from net sales at the point that price was determined. However, for cases where uncertainty regarding fluctuating value is removed after this point and there is a high possibility of a significant decrease in the cumulative amount of revenue recognized, the Company is changing to a method that reflects transaction prices. Furthermore, promotion expenses and sales discounts, etc., paid to customers which had been included in selling, general and administrative expenses and non-operating expenses are excluded from net sales.

Regarding the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, in accordance with the transitional measures set forth in paragraph 84 of the standard, the cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the fiscal year ended March 31, 2022, was reflected in the opening balance of retained earnings of the period, and the new accounting policy was applied as a decrease in the opening balance of the current period.

For the current fiscal year, as a result of this change, net sales decreased by ¥1,611 million, cost of sales increased by ¥425 million and selling, general and administrative expenses decreased by ¥2,021 million, operating profit decreased by ¥16 million, and ordinary profit and profit before income taxes each increased by ¥78 million. In addition, retained earnings as of the beginning of the current fiscal year decreased by ¥643 million.

Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, “Notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” under current assets from the consolidated balance sheet as of the end of the current fiscal year. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant revised ASBJ regulations from the beginning of the current fiscal year, and in accordance with the transitional measures set forth in paragraph 19 of the standard, as well as paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated in the Accounting Standard for Fair Value Measurement, etc. shall be applied going forward.

The above standards have no material impact on the consolidated financial statements.

(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.

The GS Yuasa Group consists of segments based on business units, and the reportable segments comprised Automotive Batteries-Japan, Automotive Batteries-Overseas, Industrial Batteries and Power Supplies, and Automotive Lithium-ion Batteries.

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

2. Calculation of net sales, profit/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 profit is based on operating profit (before goodwill amortization).

Inter-segment sales and transfers are mainly based on market price and cost of goods manufactured.

3. Net sales, profit/loss, assets, and other amounts by reportable segment
Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segment						Other (note)	Total
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total		
	Japan	Overseas	Subtotal					
Net sales								
Revenues from external customers	83,639	165,296	248,936	84,037	35,950	368,924	17,587	386,511
Transactions with other segments	1,252	2,879	4,132	11,921	7,050	23,104	(23,104)	–
Total	84,892	168,176	253,068	95,958	43,001	392,028	(5,517)	386,511
Segment profit (loss)	8,669	12,225	20,895	6,890	(852)	26,932	136	27,069
Segment assets	59,759	167,901	227,660	56,593	52,640	336,894	95,018	431,913
Other items								
Depreciation/amortization	3,137	4,467	7,604	1,688	3,525	12,818	5,212	18,031
Investments in entities accounted for using equity method	1,256	31,855	33,112	288	–	33,401	3,146	36,547
Increase in property, plant and equipment, and intangible assets	2,660	4,327	6,987	1,398	4,245	12,631	6,473	19,104

Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment profit adjustment.

2. Adjustments are as follows:

(1) Adjustment for segment profit (loss) was ¥(2,263) million, which includes ¥(1,364) million elimination of inter-segment transactions and ¥(898) million of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.

(2) Adjustment for segment assets was ¥81,407 million, which includes ¥(100,470) million elimination of inter-segment claims and debts, and ¥181,878 million of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, assets allocated to administrative departments and some laboratory facilities.

(3) Adjustment for depreciation/amortization was ¥3,826 million consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in property, plant and equipment, and intangible assets was ¥5,877 million consisting of the acquisition price of property, plant and equipment, and intangible assets classified as corporate assets.

3. The difference between the total segment profit (loss) in the table above and operating profit of ¥24,810 million on the consolidated statements of income represents amortization of goodwill and other intangible assets of ¥(2,258) million. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Other (note)	Total
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total		
	Japan	Overseas	Subtotal					
Net sales								
Revenues from external customers	81,494	186,743	268,237	99,465	47,637	415,341	16,791	432,133
Transactions with other segments	1,349	3,929	5,278	16,741	8,956	30,976	(30,976)	–
Total	82,844	190,672	273,516	116,206	56,594	446,318	(14,184)	432,133
Segment profit	5,878	9,965	15,843	5,775	1,654	23,273	579	23,853
Segment assets	61,202	186,413	247,616	72,920	62,938	383,474	97,288	480,763
Other items								
Depreciation/amortization	2,862	4,908	7,770	1,624	3,280	12,675	5,531	18,207
Investments in entities accounted for using equity method	1,286	34,003	35,290	456	–	35,746	3,630	39,377
Increase in property, plant and equipment, and intangible assets	3,796	5,279	9,076	1,347	11,609	22,032	7,922	29,954

Notes: 1. "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment profit adjustment.

2. Adjustments are as follows:

(1) Adjustment for segment profit was ¥(857) million, which includes ¥37 million elimination of inter-segment transactions and ¥(894) million of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.

(2) Adjustment for segment assets was ¥83,569 million, which includes ¥(117,095) million elimination of inter-segment claims and debts, and ¥200,664 million of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, assets allocated to administrative departments and some laboratory facilities.

(3) Adjustment for depreciation/amortization was ¥4,143 million consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in property, plant and equipment, and intangible assets was ¥7,508 million consisting of the acquisition price of property, plant and equipment, and intangible assets classified as corporate assets.

3. The difference between the total segment profit in the table above and operating profit of ¥22,664 million on the consolidated statements of income represents amortization of goodwill and other intangible assets of ¥(1,188) million. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

4. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

In the automotive lithium-ion batteries segment, the carrying value of non-current assets was reduced to the recoverable amount to reflect a decrease in the profitability of production equipment owned by a consolidated subsidiary, resulting in recognition of the impairment loss as an extraordinary loss.
The impairment loss recognized for this reason in the year ended March 31, 2022 amounted to ¥2,760 million.

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
For domestic consolidated subsidiaries, impairment losses were recognized as extraordinary losses for the fiscal year ended March 31, 2022 amounting to ¥104 million for the automotive batteries-Japan segment, ¥10 million for the industrial batteries and power supplies segment and ¥403 million for the other segment, associated with the Company's decision to withdraw from the Odawara Plant.
For overseas consolidated subsidiaries, an impairment loss of ¥4,943 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2022 in the automotive batteries-overseas segment to reflect diminished profitability of operations that utilize non-current assets.
For domestic consolidated subsidiaries, an impairment loss of ¥318 million was recognized as an extraordinary loss for the fiscal year ended March 31, 2022 in the other segment to reflect the notion that certain non-current assets under development are no longer deemed to have future commercial feasibility.

(Material gain on bargain purchase)
Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Not applicable

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
In the industrial batteries and power supplies segment, a material gain on bargain purchase was recognized through the acquisition of all shares of Sanken Densetsu Co., Ltd. (company name changed to GS Yuasa Infrastructure Systems Co., Ltd. on May 1, 2021) and said company's subsequent consolidation as a subsidiary. The amount of gain on bargain purchase recorded in the fiscal year ended March 31, 2022, due to this event was ¥710 million.

(Per share information)

Year ended March 31, 2021		Year ended March 31, 2022	
Net assets per share	¥2,509.08	Net assets per share	¥2,675.70
Basic earnings per share	¥141.91	Basic earnings per share	¥105.23

Notes: 1. Diluted earnings per share is not provided here, as there are no residual securities.
2. Bases for calculation of basic earnings per share are as follows:

	Year ended March 31, 2021	Year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	11,455	8,468
Amount not attributable to common stockholders (millions of yen)	–	–
Profit attributable to common stockholders of parent (millions of yen)	11,455	8,468
Average number of common stock shares during term (thousands of shares)	80,720	80,475

Note: The Company has introduced the Performance-Based Stock Compensation Plan for its directors (excluding outside directors) and set up the Officer Stock Grant Trust. The Company's own shares held by the trust are included in the number of treasury shares presented in the consolidated financial statements. In line with this, for the calculation of basic earnings per share, the number of the Company's own shares held by the trust was included in the number of treasury shares that is subtracted from the average number of common stock shares during the term. In addition, for the calculation of net assets per share, the number of the Company's own shares held by the trust was included in the number of treasury shares that is deducted from the total number of shares issued at the end of the period.
The average number of treasury shares during the term deducted in the calculation of basic earnings per share was 73,948 shares in the previous consolidated fiscal year and 68,247 shares in the current consolidated fiscal year. For the calculation of net assets per share, the number of treasury shares deducted at the end of the period was 69,900 shares in the previous consolidated fiscal year and 67,200 shares in the current consolidated fiscal year.

(Significant subsequent events)

Business combination through acquisition

GS Yuasa International Ltd. (Headquarters: Minami-ku, Kyoto; hereinafter referred to as "GS Yuasa"), a consolidated subsidiary of the Company, entered into a basic agreement with joint venture partner İnci Holding A.Ş. (Headquarters: İzmir Province; hereinafter referred to as "IH") to acquire additional shares in İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi (Headquarters: Manisa Province; hereinafter referred to as "IGYA"), an equity-method affiliate in the Republic of Turkey, and signed a stock purchase and sale agreement on April 28, 2022. As a result, the Company plans to acquire an additional 10% the issued shares of IGYA held by IH and convert IGYA into a consolidated subsidiary.

1. Outline of business combination

(1) Name and business of acquired company

Name of acquired company: İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi

Business description: Manufacture and sale of lead-acid storage batteries for automobiles and forklifts

(2) Reason for business combination

GS Yuasa and IH started the IGYA joint venture in 2015. A new plant manufacturing lead-acid storage batteries for automobiles started operations in January 2019, and manufacturing and sales were expanded mainly for high-performance lead-acid storage batteries targeting environmentally-friendly applications such as idling stop systems and fuel-efficient vehicles, for which demand was expected to increase sharply in Europe.

Through converting IGYA into a consolidated subsidiary, we aim to expand sales of lead-acid storage batteries for automobiles by positioning IGYA as a production and supply base for Europe and the Middle East. Along with this, in the forklift battery business centered on Europe, we plan to strengthen the business by selling lithium-ion batteries in the future in addition to existing lead-acid storage batteries.

(3) Date of business combination

Late May 2022 (Scheduled date of the share acquisition)

(4) Legal structure of the business combination

Purchase of shares with cash

(5) Name of company after the business combination

Unchanged.

(6) Share of voting rights to be acquired

Share of voting rights owned immediately before the acquisition: 50%

Share of voting rights acquired on the business combination date (scheduled): 10%

Share of voting rights after the acquisition (scheduled): 60%

(7) Main grounds for determining the acquiring company

Cash acquisition of shares by the Company’s consolidated subsidiary GS Yuasa.

2. Acquisition costs of the acquired company and consideration by class

Consideration for additional acquisition US$9 million

At present, the cost of acquisition has yet to be determined and the amount shown above is provisional. Additionally, the entire settlement was in cash.

3. Description and amounts of major relevant costs for the acquisition

Yet to be determined.

4. Goodwill to be recognized, reason for recognition, and amortization method and period

Yet to be determined.

5. Amount of assets acquired and liabilities assumed on the date of the business combination

Yet to be determined.

7. Production, Order Intake and Sale

(1) Production results

Production results by segment for the year ended March 31, 2022

(Millions of yen, unless otherwise stated)

Segment	Year ended March 31, 2022	Year-on-year change
	Amount	%
Automotive Batteries-Japan	67,751	106.8
Automotive Batteries-Overseas	142,772	125.7
Industrial Batteries and Power Supplies	72,447	127.4
Automotive Lithium-ion Batteries	51,990	127.9
Total reportable segments	334,962	122.0
Other	14,068	96.3
Total	349,031	120.7

Notes: 1. These amounts are based on the cost of production and before adjustment of inter-segment transfer.

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, 2022

(Millions of yen, unless otherwise stated)

Segment	Year ended March 31, 2022	Year-on-year change
	Amount	%
Automotive Batteries-Japan	81,494	97.4
Automotive Batteries-Overseas	186,743	113.0
Industrial Batteries and Power Supplies	99,465	118.4
Automotive Lithium-ion Batteries	47,637	132.5
Total reportable segments	415,341	112.6
Other	16,791	95.5
Total	432,133	111.8

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

2. Exclusive of consumption taxes.

8. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
	Amount	Amount
Assets		
Current assets		
Cash and deposits	5,747	765
Accounts receivable - trade	346	363
Short-term loans receivable from subsidiaries and associates	93,479	11,340
Accounts receivable - other	641	3,786
Other	15	12
Total current assets	100,230	16,269
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures, net	0	0
Total property, plant and equipment	0	0
Investments and other assets		
Investment securities	334	351
Shares of subsidiaries and associates	79,722	79,722
Long-term loans receivable from subsidiaries and associates	683	98,627
Deferred tax assets	16	10
Other	1	17
Total investments and other assets	80,758	178,729
Total non-current assets	80,758	178,729
Deferred assets		
Bond issuance costs	52	39
Total deferred assets	52	39
Total assets	181,041	195,038

	As of March 31, 2021	As of March 31, 2022
(Millions of yen)	Amount	Amount
Liabilities		
Current liabilities		
Short-term borrowings	1,549	3,059
Commercial papers	–	2,000
Current portion of long-term borrowings	3,700	700
Accounts payable - other	85	3,646
Accrued expenses	38	44
Income taxes payable	144	149
Provision for bonuses for directors (and other officers)	10	10
Other	12	41
Total current liabilities	5,540	9,653
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	24,212	33,912
Long-term accounts payable - other	3	3
Other	44	46
Total non-current liabilities	44,259	53,961
Total liabilities	49,800	63,614
Net assets		
Shareholders' equity		
Share capital	33,021	33,021
Capital surplus		
Legal capital surplus	79,336	79,336
Other capital surplus	8	–
Total capital surplus	79,345	79,336
Retained earnings		
Other retained earnings		
Retained earnings brought forward	23,484	19,361
Total retained earnings	23,484	19,361
Treasury shares	(4,654)	(351)
Total shareholders' equity	131,196	131,367
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	44	56
Total valuation and translation adjustments	44	56
Total net assets	131,240	131,423
Total liabilities and net assets	181,041	195,038

(2) Non-consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
	Amount	Amount
Operating revenue	7,203	5,802
General and administrative expenses	898	894
Operating profit	6,304	4,907
Non-operating income		
Interest and dividend income	1,940	2,121
Other	38	12
Total non-operating income	1,978	2,134
Non-operating expenses		
Interest expenses	124	144
Interest on bonds	63	64
Arrangement fee	187	–
Other	125	118
Total non-operating expenses	501	326
Ordinary profit	7,781	6,714
Profit before income taxes	7,781	6,714
Income taxes - current	683	803
Income taxes - deferred	(9)	1
Total income taxes	673	804
Profit	7,108	5,909

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		
					Retained earnings brought forward		
Balance at beginning of period	33,021	79,336	9	79,345	19,218	(3,680)	127,904
Changes during period							
Dividends of surplus					(2,842)		(2,842)
Profit					7,108		7,108
Purchase of treasury shares						(1,003)	(1,003)
Disposal of treasury shares			(0)	(0)		30	29
Net changes in items other than shareholders' equity							
Total changes during period	–	–	(0)	(0)	4,265	(973)	3,291
Balance at end of period	33,021	79,336	8	79,345	23,484	(4,654)	131,196

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(17)	(17)	127,887
Changes during period			
Dividends of surplus			(2,842)
Profit			7,108
Purchase of treasury shares			(1,003)
Disposal of treasury shares			29
Net changes in items other than shareholders' equity	61	61	61
Total changes during period	61	61	3,353
Balance at end of period	44	44	131,240

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		
					Retained earnings brought forward		
Balance at beginning of period	33,021	79,336	8	79,345	23,484	(4,654)	131,196
Changes during period							
Dividends of surplus					(5,241)		(5,241)
Profit					5,909		5,909
Purchase of treasury shares						(503)	(503)
Disposal of treasury shares			0	0		6	6
Cancellation of treasury shares			(4,799)	(4,799)		4,799	–
Transfer from retained earnings to capital surplus			4,791	4,791	(4,791)		–
Net changes in items other than shareholders' equity							
Total changes during period	–	–	(8)	(8)	(4,122)	4,302	171
Balance at end of period	33,021	79,336	–	79,336	19,361	(351)	131,367

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	44	44	131,240
Changes during period			
Dividends of surplus			(5,241)
Profit			5,909
Purchase of treasury shares			(503)
Disposal of treasury shares			6
Cancellation of treasury shares			–
Transfer from retained earnings to capital surplus			–
Net changes in items other than shareholders’ equity	11	11	11
Total changes during period	11	11	183
Balance at end of period	56	56	131,423

(4) Notes on the Non-consolidated Financial Statements

(Note on the going-concern assumption)

Not applicable

(Changes in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year. The Company provides brand control services to its subsidiaries with the subsidiaries as the customer.

Through granting a license to use the brands to subsidiaries, the Company recognizes its performance obligation in this arrangement as the provision of the brand image and the trusted reputation in transactions that the Company has built up. This performance obligation is deemed satisfied when the subsidiary using the brand records revenue, and an amount calculated by multiplying net sales of the respective subsidiary by a defined rate is recorded as the revenue.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant revised ASBJ regulations from the beginning of the current fiscal year, and in accordance with the transitional measures set forth in paragraph 19 of the standard, as well as paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated in the Accounting Standard for Fair Value Measurement, etc. shall be applied going forward.

The above standards have no impact in the current fiscal year.

9. Other

(1) Corporate Officer Changes (scheduled for June 29, 2022)

1. Change of President

    Not applicable

2. Changes of Representative Directors

    1) Candidate for new Representative Director

Masahiro Shibutani	Representative Director, Senior Managing Director (current: Managing Director)

    2) Retiring Representative Director

Toshiyuki Nakagawa	Current: Representative Director, Vice President (candidate for Consultant)

3. Other Officer Changes

    1) Candidate for new Director

Hiroaki Matsushima	Director (current: Director, GS Yuasa International Ltd.)

    2) Retiring Director

Toshiyuki Nakagawa	Current: Representative Director, Vice President (candidate for Consultant)

10. Supplementary Information

(1) Quarterly profit/loss

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	95,458	99,666	118,022	118,986	195,124	313,146	432,133
Operating profit	3,210	2,016	8,675	8,761	5,226	13,902	22,664
Ordinary profit	4,268	2,301	9,507	8,607	6,569	16,076	24,684
Profit attributable to owners of parent	2,681	(473)	1,141	5,119	2,207	3,348	8,468

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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	76,376	95,949	105,691	108,494	172,325	278,016	386,511
Operating profit	1,002	4,292	9,089	10,426	5,294	14,383	24,810
Ordinary profit	1,699	4,800	10,123	10,655	6,500	16,623	27,279
Profit attributable to owners of parent	(27)	149	5,546	5,787	121	5,667	11,455

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	90,082	100,331	102,662	102,476	190,414	293,077	395,553
Operating profit	2,040	5,508	6,872	7,254	7,549	14,421	21,676
Ordinary profit	2,873	5,551	7,499	7,185	8,424	15,924	23,109
Profit attributable to owners of parent	1,473	3,300	4,430	4,469	4,774	9,204	13,674

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

(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	96,256	99,158	110,230	107,442	195,415	305,646	413,089
Operating profit	2,917	4,038	7,358	8,339	6,956	14,315	22,654
Ordinary profit	3,165	4,327	8,308	8,927	7,492	15,800	24,728
Profit attributable to owners of parent	1,430	2,023	6,636	3,433	3,454	10,090	13,524

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

(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	87,805	96,402	112,776	113,966	184,208	296,984	410,951
Operating profit	2,876	3,109	7,734	8,198	5,986	13,721	21,920
Ordinary profit	3,273	3,174	7,763	7,176	6,447	14,210	21,387
Profit attributable to owners of parent	1,254	1,295	3,668	5,231	2,549	6,218	11,449

Overview of Results for the Year ended March 31, 2022

(Millions of yen, unless otherwise stated)

	16th term Year ended March 31, 2020	17th term Year ended March 31, 2021 (a)	18th term Year ended March 31, 2022 (b)	Year-on-year change (b) – (a)	Year-on-year change (%)	19th term Year ending March 31, 2023 (forecast)
Net sales	395,553	386,511	432,133	45,622	11.8	520,000
Automotive Batteries-Japan	88,059	83,639	81,494	(2,144)	(2.6)	92,000
Automotive Batteries-Overseas	162,138	165,296	186,743	21,446	13.0	236,000
Industrial Batteries and Power Supplies	84,566	84,037	99,465	15,428	18.4	108,000
Automotive Lithium-ion Batteries	42,264	35,950	47,637	11,687	32.5	70,000
Other	18,525	17,587	16,791	(795)	(4.5)	14,000
Operating profit	21,676	24,810	22,664	(2,146)	(8.6)	28,000
Operating profit before amortization of goodwill	23,935	27,069	23,853	(3,216)	(11.9)	29,000
Automotive Batteries-Japan	6,976	8,669	5,878	(2,791)	(32.2)	5,000
Automotive Batteries-Overseas	9,187	12,225	9,965	(2,259)	(18.5)	14,000
Industrial Batteries and Power Supplies	9,157	6,890	5,775	(1,114)	(16.2)	9,000
Automotive Lithium-ion Batteries	(1,708)	(852)	1,654	2,506	–	1,000
Other	322	136	579	443	324.7	–
Ordinary profit	23,109	27,279	24,684	(2,595)	(9.5)	28,000
Profit attributable to owners of parent	13,674	11,455	8,468	(2,987)	(26.1)	12,000
Profit attributable to owners of parent before amortization of goodwill	15,925	13,538	9,498	(4,039)	(29.8)	13,000
Profit per share (yen)	168.23	141.91	105.23	(36.69)	(25.9)	149.11
Annual dividend per share (yen)	50.00	50.00	50.00	–	–	50.00
Acquisition of treasury shares (planned for the following fiscal year)	1,499	–	–	–	–	–
Total return ratio (profit before amortization of goodwill) (%)	34.9	29.8	42.4	12.6	–	–
Capital investment	18,220	23,159	29,909	6,749	29.1	32,000
Depreciation/amortization	15,979	16,210	16,775	564	3.5	18,000
Research and development expenses	9,517	11,201	12,383	1,181	10.5	13,000
Cash flows from operating activities	33,119	35,817	12,879	(22,937)	–	–
Cash flows from investing activities	(20,690)	(19,327)	(30,204)	(10,876)	–	–
Cash flows from financing activities	(10,245)	(7,018)	5,203	12,222	–	–
Cash and cash equivalents at end of period	24,748	35,807	25,845	(9,962)	(27.8)	–

	16th term Year ended March 31, 2020	17th term Year ended March 31, 2021 (a)	18th term Year ended March 31, 2022 (b)	Year-on-year change (b) – (a)	Year-on-year change (%)	19th term Year ending March 31, 2023 (forecast)
Total assets	385,416	431,913	480,763	48,849	11.3	–
Net assets	205,318	234,570	249,938	15,367	6.6	–
Total debt	64,548	65,420	82,478	17,057	26.1	–
Equity ratio (%)	45.8	46.8	44.8	(2.0)	–	–
Return on equity (%) (Profit attributable to owners of parent before amortization of goodwill)	9.0	7.2	4.6	(2.6)	–	–
Net assets per share (yen)	2,173.37	2,509.08	2,675.70	166.62	6.6	–
Overseas sales ratio (%)	46.2	46.9	47.4	0.5	–	–
Number of employees, end of period (persons)	13,542	13,305	13,571	266	2.0	–
Number of consolidated subsidiaries	54	54	52	(2)	–	–
Japan	22	22	22	–	–	–
Overseas	32	32	30	(2)	–	–