May 10, 2016

GS Yuasa Corporation
Consolidated Earnings Report for the Year ended March 31, 2016
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange — Securities code: 6674
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Scheduled dates	
Ordinary general meeting of shareholders:	June 29, 2016
Dividend payout:	June 30, 2016
Filing of statutory financial report (*Yukashoken hokokusho*):	June 29, 2016
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, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2016	365,610	(1.1)	21,909	4.8	21,416	(4.2)	9,030	(10.1)
Year ended March 31, 2015	369,760	6.3	20,914	14.9	22,357	10.0	10,043	0.6

Note: Comprehensive income: Year ended March 31, 2016: ¥ (3,592) million, -%
Year ended March 31, 2015: ¥ 27,091 million, + 88.4%

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended March 31, 2016	21.88	20.39	5.7	6.1	6.0
Year ended March 31, 2015	24.33	22.68	6.7	6.4	5.7

Reference: Equity in earnings of equity-method affiliates:
Year ended March 31, 2016: ¥ 1,758 million
Year ended March 31, 2015: ¥ 2,053 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2016	346,523	177,790	44.4	372.43
March 31, 2015	359,522	182,187	44.9	390.98

Reference: Total equity: As of March 31, 2016: ¥ 153,723 million
As of March 31, 2015: ¥ 161,386 million

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2016	30,215	(17,311)	(9,685)	27,788
Year ended March 31, 2015	19,729	(14,519)	(5,798)	25,708

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, 2015	-	3.00	-	7.00	10.00	4,127	41.1	2.7
Year ended March 31, 2016	-	3.00	-	7.00	10.00	4,127	45.7	2.6
Year ending March 31, 2017 (forecast)	-	3.00	-	7.00	10.00		34.4	

3. Earnings Forecast for the Year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending September 30, 2016	180,000	5.2	7,000	2.7	7,000	(0.7)	3,000	(17.0)	7.27
Year ending March 31, 2017	410,000	12.1	24,500	11.8	24,000	12.1	12,000	32.9	29.07

Note: The above figures are adjusted to reflect the effects of transfer of lead-acid battery business from Panasonic to GS Yuasa with the assumption that the transfer will be approved by competition authorities in relevant countries.

***Notes**

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

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

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

Note: For details, see “(Change in Accounting Policy)” in section “7. Consolidated Financial Statements, (5) Notes on the Consolidated Financial Statements” on page 17.

(3) Number of shares issued (common stock)

	March 31, 2016	March 31, 2015
1) Number of shares issued (including treasury stock)	413,574,714	413,574,714
2) Number of shares held in treasury	817,203	798,946

	Year ended March 31, 2016	Year ended March 31, 2015
3) Average number of shares outstanding during the period	412,766,742	412,790,571

(Reference) Non-consolidated Financial Results
Year ended March 31, 2016 (April 1 2015 to March 31, 2016)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2016	5,223	5.8	4,252	4.9	5,692	5.2	5,003	7.9
Year ended March 31, 2015	4,937	(16.8)	4,055	(19.5)	5,409	(13.1)	4,636	(16.1)

	Profit per share	Diluted profit per share
	yen	yen
Year ended March 31, 2016	12.12	11.28
Year ended March 31, 2015	11.23	10.45

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio*	Net assets per share
	million yen	million yen	%	yen
March 31, 2016	162,978	122,183	75.0	296.02
March 31, 2015	161,732	121,371	75.0	294.04

Reference: Total equity: As of March 31, 2016: ¥ 122,155 million
As of March 31, 2015: ¥ 121,371 million

*Equity ratio = Net assets ÷ Total assets

*Audit Status

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

*Appropriate Use of Earnings Forecast and Other Important Information

The above forecasts are based on the assumptions of management in the light of information available as of the release date of this report. GS Yuasa Corporation makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment. For information related to the earnings forecast, see “(1) Results of Operations” in section “4. Qualitative Information on Quarterly Financial Results” on page 4.

4. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

1) Overview

In the fiscal year ended March 31, 2016, Japan's economy stagnated. In addition to an increase in the light vehicle tax in April 2015 and a bad summer weather, a warm winter undermined personal consumption, while yen appreciation and lower stock prices after the start of 2016 clouded corporate earnings outlooks and weakened consumer sentiment.

Reviewing the global economy, China's economic growth slowed further due to restraints on investment in the manufacturing sector, which has driven the nation's economy, and development investment in the real estate sector, along with a plunge in stock prices stemming from tightened restrictions on credit transactions. Southeast Asian nations also felt the brunt of China's slowdown, as growth rates slowed across the region due to lower exports to China and slumping domestic economies. In the United States, personal consumption remained firm while corporate capital spending slumped. Overall, the global economy was also stagnant.

In this environment, the GS Yuasa Group's consolidated net sales for the fiscal year ended March 31, 2016 totaled ¥365,610 million, a decrease of ¥4,149 million, or 1.1%, compared with the previous fiscal year. Although the Group's overseas sales increased owing to the effects of yen depreciation, in Japan sales of power supplies for mobile phone base stations and photovoltaic power generation declined along with sales of lithium-ion automotive batteries.

In terms of profitability, operating income totaled ¥21,909 million for the fiscal year, an increase of ¥995 million, or 4.8%, compared with the previous year due mainly to the improved profitability of the lithium-ion batteries business. Ordinary income declined by ¥941 million year on year, or 4.2%, to ¥21,416 million, as the company booked a foreign exchange loss due to the depreciation of local currencies at overseas subsidiaries. After recognition of loss on liquidation of overseas consolidated subsidiaries and impairment loss as extraordinary losses, profit attributable to owners of parent totaled ¥9,030 million, a year-on-year decline of ¥1,013 million, or 10.1%.

2) Business Segment Results

(Domestic Automotive Batteries)

Net sales in the domestic automotive batteries segment totaled ¥50,986 million for the fiscal year, a decline of ¥760 million, or 1.5%, compared with the previous fiscal year. Sales to automobile new car manufacturers were sluggish amid a reduction in domestic car production, while sales of replacement batteries declined owing to a warm winter. Segment income increased ¥894 million year on year, or 37.3%, to ¥3,291 million, as price revisions for replacement batteries enacted in the previous year outweighed the decline in sales.

(Domestic Industrial Batteries and Power Supplies)

Net sales in the domestic industrial batteries and power supplies segment for the fiscal year totaled ¥74,804 million, a decrease of ¥5,018 million, or 6.3%, from the previous fiscal year. A cycle of demand for power supplies for mobile phone base stations ran its course, while sales of power supplies for photovoltaic power generation continued to slump due to restrictions by electric power companies on connections to their power grids. Sales of chargers for digital cameras also declined. Segment income totaled ¥8,061 million, a year-on-year decrease of ¥596 million, or 6.9%, as a result of the sales decline.

(Overseas Operations)

Net sales in the overseas operations segment for the fiscal year totaled ¥191,402 million, an increase of ¥7,642 million, or 4.2%, from the previous fiscal year, due mainly to the effect of exchange rates. Segment income totaled ¥11,358 million, a year-on-year increase of ¥572 million, or 5.3%, as a result of the effect of exchange rates and a decline in prices for main raw material lead.

(Lithium-ion Batteries)

Net sales in the lithium-ion batteries segment for the fiscal year totaled ¥38,312 million, a decrease of ¥6,869 million, or 15.2%, from the previous year. Sales of lithium-ion batteries for hybrid vehicles slumped due to the decline in car sales in Japan. Segment loss totaled ¥565 million, a year-on-year improvement of ¥2,060 million due to the progress in raising manufacturing efficiency.

(Other)
Net sales in the other segment for the fiscal year totaled ¥10,104 million, an increase of ¥856 million, or 9.3%, from the previous year as a result of strong sales of specialty batteries. Segment loss after adjustments of corporate expenses, etc. totaled ¥235 million, a year-on-year decrease of ¥1,934 million due to an increase in R&D expenses for next-generation products.

(Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017)
The uncertainty over the future course of the Japanese economy is expected to continue due to recent sharp yen appreciation and its impact on corporate earnings, as well as the slump in consumer sentiment. Regarding trends in major overseas regions, China's GDP growth rate is expected to decline and the economic growth continues to slow, while Southeast Asian economies are expected to remain sluggish without a rebound in exports to China. In the United States, a full-scale recovery is unlikely due to lower corporate capital spending.

Amid this business environment, in the first year of its Fourth Mid-Term Management Plan, the GS Yuasa Group will strive to achieve further growth by leveraging its solid business foundation. The Group will aim to expand and stabilize cash flow in the existing business segments of domestic automotive batteries and domestic industrial batteries and power supplies, while expanding the business domain in the overseas operations segment, and putting the new lithium-ion batteries segment on a stable and steady path to achieve profitability. Additionally, the Group will seek to generate synergies as early as possible with the lead-acid storage battery business newly acquired from Panasonic and expand the Group's global share of the lead-acid storage battery business.

In consideration of the above factors, the Group has set consolidated financial targets of ¥410.0 billion in net sales, ¥24.5 billion in operating income (¥26.0 billion before goodwill amortization), ¥12.0 billion in profit attributable to owners of parent (¥14.0 billion before goodwill amortization) for the fiscal year ending March 31, 2017.

(2) Financial Condition

(Analysis of assets, liabilities, net assets, and cash flows)
1. Assets, liabilities, and net assets
Total assets decreased by ¥12,999 million from the end of the previous fiscal year to ¥346,523 million at the end of the fiscal year (March 31, 2016) as a result of progress in the collection of notes and accounts receivable, the recognition of depreciation for property, plant and equipment, the recognition of an impairment loss, and a decline in defined benefit asset.

Liabilities decreased by ¥8,602 million from the end of the previous fiscal year to ¥168,733 million, mainly as a result of a decline in loans and other interest-bearing liabilities.

Net assets totaled ¥177,790 million, a decrease of ¥4,397 million from the end of the previous fiscal year, as dividend payments, a decline in remeasurements of defined benefit plans, and a decrease in foreign currency translation adjustments due to yen appreciation compared with the end of the previous fiscal year outweighed the booking of profit attributable to owners of parent and an increase in non-controlling interests.

2. Status of Cash Flows
Cash and cash equivalents as of March 31, 2016 amounted to ¥27,788 million, an increase of ¥2,079 million, or 8.1%, 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, 2016 amounted to ¥30,215 million, compared with net cash provided of ¥19,729 million in the previous fiscal year, mainly as a result of contributions from income before income taxes, depreciation and amortization, and the collection of trade accounts receivable, which offset the payment of income taxes.

(Cash Flows from Investing Activities)
Net cash used in investing activities in the year ended March 31, 2016 totaled ¥17,311 million, compared with net cash used of ¥14,519 million in the previous year, mainly due to outflows for the purchase of property, plant, and equipment and the purchase of investment securities.

(Cash Flows from Financing Activities)
Net cash used in financing activities in the year ended March 31, 2016 amounted to ¥9,685 million, compared with net cash used of ¥5,798 million in the previous year. This was due mainly to the repayment of debt and the payment of dividends, which offset inflows from a capital increase in a consolidated subsidiary.

(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, 2014	Year ended March 31, 2015	Year ended March 31, 2016
Equity ratio (%)	41.0	44.9	44.4
Equity ratio on a market-capitalization basis (%)	66.3	62.1	57.3
Ratio of interest-bearing liabilities to cash flow (years)	4.2	4.3	2.5
Interest coverage ratio	16.54	17.36	26.27

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

(3) Basic Policy on Profit Distribution and Dividends for the Year Ended March 31, 2016 and the Year Ending March 31, 2017
GS Yuasa considers the return of profits to shareholders to be a priority management issue. As a general policy, GS Yuasa decides the level of dividends based on a comprehensive analysis of consolidated earnings results, the financial condition, and the dividend payout ratio. Internal reserves are used to improve future earnings by maintaining and enhancing investments and competitiveness. Based on these initiatives, GS Yuasa aims to continue its growth into the future and secure long-term stable returns to shareholders.

For the fiscal year ended March 31, 2016, even though the original income targets were not met, since consolidated operating income surpassed, to a certain extent, the level of the previous year, GS Yuasa plans to pay an annual dividend of ¥10 per share, (consisting of a ¥3 per share interim dividend and a ¥7 per share year-end dividend). The payout ratio will therefore be 45.7%.

For the year ending March 31, 2017, GS Yuasa plans to pay an interim dividend of ¥3 per share and a year-end dividend of ¥7 per share, for an annual dividend of ¥10 per share on the assumption that the consolidated earnings targets are achieved. This is based on a total return ratio policy of 30% or higher, one of the management indices included in the newly formulated Fourth Mid-Term Management Plan.

5. Management Policy

(1) Basic Management Policy

GS Yuasa is striving to raise the quality of products and services by thoroughly implementing the GS YUASA Quality Policy and generate stable cash flow from its existing businesses by expanding business domains further. At the same time, in its new business and growth business, the Company is striving to steadily secure new earnings by accelerating the return on investment. To meet its management goals and enable sustained growth, the GS Yuasa Group is aiming to realize new growth for the entire Group based on its corporate vision of "Innovation and Growth."

(2) Target Management Indices

On July 30, 2013, GS Yuasa unveiled the following profit and management index targets (consolidated basis) as part of its Third Mid-Term Management Plan. For the year under review, net sales and operating income were lower than the targets, both in terms of amount and growth rates.

Third Mid-Term Management Plan, Targets for the Fiscal Year Ended March 31, 2016
Net Sales: ¥450 billion　Operating income: ¥36 billion　Profit Margin: 8.0%

Actual Results for the Fiscal Year Ended March 31, 2016
Net Sales: ¥365.6 billion　Operating income: ¥21.9 billion　Profit Margin: 6.0%

In the fiscal year starting April 1, 2016, GS Yuasa launched its Fourth Mid-Term Management Plan. The core strategy of the plan is to strengthen the management foundation and earnings power of the existing businesses in order to stabilize and expand new business and develop a second pillar for the company's foundation.

・Ensure the achievement of the fourth quality improvement plan over the next three years, based on the GS YUASA Quality Policy
・Strengthen the earnings foundation of existing businesses, expand the domain of the growth business, and stabilize new business
・Reorganize the business structure in response to markets and customers

In order to achieve the above goals, GS Yuasa plans to actively expand the scope of its business through its recent acquisition of business from Panasonic, the use of M&As, and other measures.
　The Company has established an important new management index of operating income before amortization of goodwill generated by M&As, and will leverage all of its resources to achieve the following targets for the fiscal year ending March 31, 2017.

Targets for the Fiscal Year Ending March 31, 2017
Net Sales: ¥410 billion　Operating income: ¥24.5 billion　Profit Margin: 6.0%
Operating income before goodwill amortization ¥26.0 billion　Profit margin: 6.3%

(3) Medium- to Long-Term Management Strategy

The Company has established the following Corporate Vision and Management Vision.

[Corporate Vision]
Innovation and Growth: We are committed to the people, society and global environment through innovation and growth of our employees and business entities.
[Management Vision]
We are committed to delivering security and comfort to our customers around the globe through advanced technologies developed in the field of stored energy solutions.

[Key Issues]
The GS Yuasa Group will aim to contribute to the creation of low environmental burden, low carbon, and disaster prevention and reduction society by leveraging the battery and power supply technologies it has developed over the years. Aiming to realize the Corporate Vision of "Innovation and Growth," the Group will leverage all of its capabilities to achieve the following management policies.

1) Achieve profitability in new business (lithium-ion batteries) and firmly put the business on a stable growth track.

2) Further expand the business domain of growth business (overseas operations) and raise its profitability
3) Expand and stabilize the cash flows from existing businesses (automobile batteries business and industrial batteries and power supplies business) and make growth investments with the aim of becoming the New GS Yuasa energy device company, thereby solidifying long-term, sustained growth.

(4) Issues for the Company to Address

Regarding the future economic environment, while there are hopes that Japan's economy could stage a recovery through improved corporate earnings backed by yen depreciation, along with higher wages and expanded employment, there are signs of continued yen appreciation, weaker stock prices, and lower crude oil prices caused by uncertainty over the future course of the global economy, and new warnings have been raised about the negative impact of these trends on Japan's economy. Overseas, uncertainty is expected to continue. Economy slowing in China is expected to impact the global economy, while Europe is expected to experience weak growth due to fiscal austerity programs and rising unemployment. Although the U.S. economy is expected to demonstrate a recovery trend fueled by robust personal consumption, there is an increasing possibility that conflicts in the Middle East and Russia could impact Europe and other regions. These global trends may have a negative impact on Japan's economy and on GS Yuasa's business.

Amid this environment, the fiscal year from April 1, 2016 marks the initial year of GS Yuasa's Fourth Mid-Term Management Plan under which the Company will strive for new growth by leveraging its accumulated solid business foundation. The management plan features initiatives to expand the business domain and strengthen the profitability of the existing domestic automotive batteries business, domestic industrial batteries and power supplies business, and overseas operations, while stabilizing the foundation of the lithium-ion batteries business.

Reviewing the business segment strategies, in the domestic automotive batteries segment, GS Yuasa will strive to reflect the benefits of integration of manufacturing and sales in the business's profitability. The Company will respond to further increasing battery demand for eco-cars while pursuing technological innovation for environmentally conscious cars. Additionally, the Company will take measures to rejuvenate existing sales channels and raise their efficiency.

In the domestic industrial batteries and power supplies segment, GS Yuasa will promote rationalization measures and expand the business domain to develop the segment into a core profit contributor among existing businesses. The Company will also deepen collaboration among related departments to ensure that it keeps pace with the speed of expansion in the industrial lithium-ion battery market.

In the overseas segment, GS Yuasa will address intensified competition in ASEAN, a region where the Company has successfully developed its strengths, with superior products in terms of quality and technological capability. The Company will also take measures to accelerate the speed on entering the market in emerging countries with strong growth potential.

In the lithium-ion battery segment, GS Yuasa will aim to steadily expand and stabilize the business by broadening applications beyond the automotive field through collaboration among related departments on business projects in and outside Japan.

On the basis of these strategies, the GS Yuasa Group will continue to focus the emphasis on quality, which remains the roots of its business activities, to ensure deliver security and reliability to customers and promote the global expansion of highly competitive products backed by superior quality. This will be the growth engine for the Group going forward.

6. 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.

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
	Amount	Amount
Assets		
Current assets		
Cash and deposits	24,841	28,604
Notes and accounts receivable	79,348	72,858
Marketable securities	1,200	-
Merchandise and finished goods	33,526	36,172
Work in process	14,051	13,125
Raw materials and supplies	12,336	11,833
Deferred tax assets	2,440	2,725
Other	9,959	10,825
Allowance for doubtful receivables	(445)	(350)
Total current assets	177,259	175,795
Fixed assets		
Property, plant, and equipment		
Buildings and structures, net	52,729	48,194
Machinery and equipment, net	40,202	35,453
Land	22,533	22,487
Lease assets, net	1,668	1,346
Construction in progress	2,553	5,148
Other, net	4,977	4,454
Total property, plant, and equipment	124,665	117,085
Intangible assets		
Lease assets	564	501
Other	2,073	3,572
Total intangible assets	2,637	4,073
Investments and other assets		
Investment securities	42,555	44,711
Investments in capital	1,117	903
long-term loans receivable	147	187
Net defined benefit asset	7,513	332
Deferred tax assets	1,576	1,338
Other	2,361	2,820
Allowance for doubtful receivables	(383)	(778)
Total investments and other assets	54,887	49,514
Total fixed assets	182,190	170,673
Deferred assets		
Bond issuance cost	72	54
Total deferred assets	72	54
Total assets	359,522	346,523

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable	36,682	38,460
Short-term borrowings	32,766	24,106
Payables	15,521	17,880
Income taxes payable	2,265	2,297
Notes payable-facilities	1,248	1,787
Provision for directors' bonuses	90	105
Other	15,988	14,636
Total current liabilities	104,564	99,272
Long-term liabilities		
Convertible Bonds	25,000	25,000
Long-term debt	24,399	24,502
Lease obligations	1,403	967
Deferred tax liabilities	11,159	7,857
Deferred tax liabilities for land revaluation	1,110	1,042
Provision for directors' retirement benefits	61	65
Net defined benefit liability	3,644	3,819
Other	5,991	6,205
Total long-term liabilities	72,771	69,460
Total liabilities	177,335	168,733
Net assets		
Shareholders' equity		
Common stock	33,021	33,021
Capital surplus	54,880	55,292
Retained earnings	46,498	51,399
Less treasury stock, at cost	(341)	(350)
Total shareholders' equity	134,058	139,363
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	9,618	8,491
Deferred gain (loss) on derivatives under hedge accounting	(5)	(9)
Land revaluation surplus	2,329	2,397
Foreign currency translation adjustments	11,792	6,942
Remeasurements of defined benefit plans	3,592	(3,461)
Total accumulated other comprehensive income	27,328	14,360
Non-controlling interests	20,801	24,066
Total net assets	182,187	177,790
Total liabilities and net assets	359,522	346,523

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
	Amount	Amount
Net sales	369,760	365,610
Cost of sales	289,433	280,871
Gross profit	80,327	84,739
Selling, general and administrative expenses	59,413	62,830
Operating income	20,914	21,909
Non-operating income		
Interest income	260	342
Dividend income	381	394
Equity in earnings of equity method affiliates	2,053	1,758
Other	1,127	1,068
Total non-operating income	3,823	3,564
Non-operating expenses		
Interest expenses	1,151	1,105
Sales discounts	233	209
Foreign exchange loss	302	2,154
Other	691	587
Total non-operating expenses	2,379	4,057
Ordinary income	22,357	21,416
Extraordinary income		
Gain on sales of fixed assets	177	19
Gain on sales of investment securities	35	84
Gain on government subsidy	723	-
Gain on step acquisitions	-	171
Other	11	32
Total extraordinary income	947	307
Extraordinary loss		
Loss on disposal of fixed assets	291	1,020
Loss on sales of fixed assets	5	5
Loss on reduction of fixed assets	627	-
Impairment loss	4,400	1,591
Loss on liquidation of subsidiaries and affiliates	-	1,600
Other	375	549
Total extraordinary loss	5,701	4,766
Profit before income taxes	17,603	16,957
Income taxes		
Current	6,054	5,784
Deferred	3,212	743
Total income taxes	9,266	6,527
Profit	8,337	10,429
Profit (loss) attributable to non-controlling interests	(1,706)	1,399
Profit attributable to owners of parent	10,043	9,030

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2015 Amount	Year ended March 31, 2016 Amount
Profit	8,337	10,429
Other comprehensive income		
Net unrealized gain on available-for-sale securities	2,799	(1,105)
Deferred gain (loss) on derivatives under hedge accounting	15	(4)
Land revaluation surplus	102	68
Foreign currency translation adjustments	7,527	(4,653)
Remeasurements of defined benefit plans	6,213	(7,050)
Share of other comprehensive income of equity method affiliates	2,095	(1,277)
Total other comprehensive income	18,754	(14,022)
Comprehensive income	27,091	(3,592)
Components:		
Comprehensive income attributable to owners of parent	27,173	(3,937)
Comprehensive income attributable to non-controlling interests	(81)	344

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	33,021	54,880	42,488	(326)	130,063
Cumulative effects of changes in accounting policies			(685)		(685)
Restated balance	33,021	54,880	41,803	(326)	129,378
Changes during term					
Cash dividends			(4,540)		(4,540)
Profit attributable to owners of parent			10,043		10,043
Purchase of treasury stock				(15)	(15)
Reversal of land revaluation surplus			(808)		(808)
Capital increase of consolidated subsidiaries					-
Net changes other than shareholder's equity					
Total changes during term	-	-	4,694	(15)	4,679
Balance at end of term	33,021	54,880	46,498	(341)	134,058

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	6,804	(20)	1,418	3,808	(2,620)	9,390	15,247	154,702
Cumulative effects of changes in accounting policies								(685)
Restated balance	6,804	(20)	1,418	3,808	(2,620)	9,390	15,247	154,016
Changes during term								
Cash dividends								(4,540)
Profit attributable to owners of parent								10,043
Purchase of treasury stock								(15)
Reversal of land revaluation surplus								(808)
Capital increase of consolidated subsidiaries								-
Net changes other than shareholder's equity	2,813	15	910	7,984	6,213	17,937	5,553	23,491
Total changes during term	2,813	15	910	7,984	6,213	17,937	5,553	28,170
Balance at end of term	9,618	(5)	2,329	11,792	3,592	27,328	20,801	182,187

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	33,021	54,880	46,498	(341)	134,058
Cumulative effects of changes in accounting policies					-
Restated balance	33,021	54,880	46,498	(341)	134,058
Changes during term					
Cash dividends			(4,127)		(4,127)
Profit attributable to owners of parent			9,030		9,030
Purchase of treasury stock				(8)	(8)
Reversal of land revaluation surplus					-
Capital increase of consolidated subsidiaries		412			412
Net changes other than shareholder's equity					
Total changes during term	-	412	4,901	(8)	5,305
Balance at end of term	33,021	55,292	51,399	(350)	139,363

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of term	9,618	(5)	2,329	11,792	3,592	27,328	20,801	182,187
Cumulative effects of changes in accounting policies								-
Restated balance	9,618	(5)	2,329	11,792	3,592	27,328	20,801	182,187
Changes during term								
Cash dividends								(4,127)
Profit attributable to owners of parent								9,030
Purchase of treasury stock								(8)
Reversal of land revaluation surplus								-
Capital increase of consolidated subsidiaries								412
Net changes other than shareholder's equity	(1,127)	(4)	68	(4,849)	(7,054)	(12,967)	3,265	(9,703)
Total changes during term	(1,127)	(4)	68	(4,849)	(7,054)	(12,967)	3,265	(4,397)
Balance at end of term	8,491	(9)	2,397	6,942	(3,461)	14,360	24,066	177,790

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	17,603	16,957
Depreciation and amortization	16,260	16,004
Impairment loss	4,400	1,591
Amortization of goodwill	2	8
(Gain) loss on sales of investment securities	(29)	(84)
Loss on liquidation of subsidiaries and affiliates	-	1,600
Increase (decrease) in allowance for doubtful receivables	(70)	290
Increase (decrease) in net defined benefit liability	(1,045)	(2,797)
Interest and dividend income	(642)	(737)
Interest expenses	1,151	1,105
Foreign exchange (gain) loss	20	(24)
(Gain) loss on sales of fixed assets	(171)	(13)
Loss on disposal of fixed assets	291	1,020
Loss on reduction of fixed assets	627	-
Gain on government subsidy	(723)	-
Equity in (earnings) loss of equity method affiliates	(2,053)	(1,758)
(Increase) decrease in trade accounts receivable	2,724	4,169
(Increase) decrease in inventories	1,839	(2,759)
Increase (decrease) in trade accounts payable	(9,299)	2,779
Other – net	(429)	(2,793)
Sub total	30,458	34,558
Interest and dividends received	1,072	1,359
Interest paid	(1,136)	(1,150)
Income taxes paid	(10,664)	(4,553)
Net cash provided by operating activities	19,729	30,215

Cash flows from investing activities		
Purchase of property, plant, and equipment	(14,784)	(10,509)
Proceeds from sales of property, plant, and equipment	597	105
Purchase of intangible assets	(343)	(1,836)
Purchase of investment securities	(364)	(5,029)
Proceeds from sales of investment securities	85	805
Purchase of subsidiaries' shares resulting in change in scope of consolidation	-	(237)
Payments for loans receivable	(92)	(193)
Collection of loans receivable	29	4
Proceeds from subsidy	723	-
Other, net	(369)	(419)
Net cash used in investing activities	(14,519)	(17,311)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings and commercial paper	(6,191)	14
Proceeds from long-term debt	1,405	3,841
Repayments of long-term debt	(815)	(11,265)
Purchase of treasury stock	(15)	(8)
Dividends paid	(4,542)	(4,130)
Dividends paid to non-controlling shareholders	(1,070)	(1,200)
Proceeds from issuance of consolidated subsidiary's shares to non-controlling shareholders	6,370	4,111
Other - net	(937)	(1,046)
Net cash used in financing activities	(5,798)	(9,685)
Foreign currency translation adjustments on cash and cash equivalents	2,182	(1,138)
Net increase (decrease) in cash and cash equivalents	1,593	2,079
Cash and cash equivalents, beginning of term	23,392	25,708
Increase in cash and cash equivalents from newly consolidated subsidiary	722	-
Cash and cash equivalents, end of term	25,708	27,788

(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-five (55) companies

Names of major consolidated subsidiaries:

GS Yuasa International Ltd.

GS Yuasa Battery Ltd.

GS Yuasa Technology Ltd.

Of these consolidated subsidiaries, Yuasa Battery (Malaysia) Sdn. Bhd. and Yuasa Power Systems (Malaysia) Sdn. Bhd., which were previously affiliates and not applied with equity method, were included in scope of consolidation in the fiscal year ended March 31, 2016, because the Company acquired their additional shares.

GS Yuasa Battery Singapore Co. Pte. Ltd. and Yuasa Technology Inc., previously consolidated subsidiaries, were liquidated and excluded from scope of consolidation in the fiscal year ended March 31, 2016.

(2) Number of non-consolidated subsidiaries: Eight (8) companies

Names of major non-consolidated subsidiaries:

GS Yuasa Wing 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, profits/loss (amounts attributable to the equity), and retained earnings (amounts attributable to the equity).

2. Application of the equity method

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

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

Yuasa M&B Ltd.

Sebang Global Battery Co., Ltd.

PT.GS Battery

Of these companies, İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi and Inci Energy GmbH were included in scope of equity method in the fiscal year ended March 31, 2016, because the Company newly acquired their shares.

(2) Eight (8) non-consolidated subsidiaries and six (6) affiliates are not accounted for under the equity method because they are insignificant in terms of their impact on the Company’s profits/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, financial statements closed at each company’s fiscal year-end date are used for consolidation.

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

GS Battery Taiwan Co., Ltd.

GS Battery (Tianjin) Co., Ltd.

Yuasa Battery (Guangdong) Co., Ltd.
GS Battery (U.S.A) Inc.
Yuasa Battery Inc.
Yuasa Battery Europe Ltd. and twenty-seven (27) other companies

The fiscal year-end date for the thirty-three (33) 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 last year-end date of those companies and the consolidated year-end date, adjustments necessary for consolidation were performed.

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

4. Accounting standards

(1) Valuation standards and methods for principal assets

1) Securities

i. Subsidiaries' and affiliates' shares:

The moving-average cost method

ii. Available-for-sale securities

For which market quotations are available:

The market value method based on the market price 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.)

For which market quotations are not readily available:

The moving-average cost method is used

2) Derivatives

The market value method is used

3) Inventories

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

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 fixed assets

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

The straight-line method is used.

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

The principal useful lives are as follows.

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

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

2) Intangible assets (except for lease assets)

The straight-line method is mainly used.

3) Lease assets

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

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

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

(3) Amortization method for deferred assets

Bond issuance cost: Amortized with the straight-line method over the bond redemption period (five (5) years).

(4) Accounting standards for principal provisions and allowances

1) Allowance for doubtful receivables

The Company and its domestic consolidated subsidiaries 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 receivables mainly estimated through analysis of individual receivables.

2) Provision for directors' bonuses

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

3) Provision for directors' retirement benefits

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, net defined benefit liability is recorded in the amount calculated by subtracting the value of plan assets from the amount of retirement benefit obligations estimated on March 31, 2016.

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, 2016).

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 the net assets under the account "remeasurements of defined benefit plans" after being adjusted with tax effects.

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

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

The assets and liabilities of foreign consolidated subsidiaries are also translated into Japanese yen at the spot rate prevailing on 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 adjustments" and "non-controlling interests" under net assets.

(7) Standards for recording revenue

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

(8) Accounting method for principal hedges

1) Hedge accounting

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

2) Hedging instruments and Hedged transactions

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

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

3) Hedging policy

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

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

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

4) Method for evaluating effectiveness of hedges

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

(9) Amortization method and period for goodwill

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

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

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

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

Accounting method for consumption tax and other taxes:

Consumption tax and other taxes are excluded from transaction amounts.

(Changes in Accounting Policy）

(Accounting Standards for Business Combinations)

Effective the fiscal year ended March 31, 2016, the Company adopted *Accounting Standard for Business Combinations* (ASBJ Statement No.21, September 13, 2013), *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No.22, September 13, 2013), and *Accounting Standard for Business Divestitures* (ASBJ Statement No.7, September 13, 2013). In line with this, when the Company still holds control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition cost is expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after the beginning of the fiscal year ended March 31, 2016 (April 1, 2015), the Company switched to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the financial statements for the period which encompasses the effective date of business combination. Furthermore, some changes were made to presentation of profit and loss, and accounting title of minority interests was changed to non-controlling interests. Financial statements for the fiscal year ended March 31, 2015 have been recast to reflect these presentation changes.

These accounting standards were adopted at the beginning of the fiscal year ended March 31, 2016 (April 1, 2015), and are applied to the transactions took place on and after the adoption date with transitional treatments stipulated in paragraph 58-2(4) of the ASBJ Statement No.21, paragraph 44-5(4) of the ASBJ Statement No.22, and paragraph 57-4(4) of the ASBJ Statement No.7.

The impact of these changes on consolidated financial statements is minor.

(Segment and Other Information)

Segment information

1. Overview of reportable segments

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

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

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

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

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

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

Reportable segment income is based on operating income.

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

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

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segment						
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total	Other (note)	Total
Net sales							
Sales to outside customers	51,747	79,822	183,759	45,181	360,512	9,248	369,760
Inter-segment sales and transfers	1,565	2,637	1,592	420	6,215	(6,215)	-
Total	53,312	82,460	185,352	45,601	366,727	3,033	369,760
Segment income (loss)	2,397	8,657	10,786	(2,626)	19,215	1,698	20,914
Segment assets	21,838	56,049	158,369	48,276	284,534	74,988	359,522
Other items							
Depreciation/amortization	768	1,071	5,013	6,011	12,865	3,394	16,260
Investment in equity-method affiliates	887	79	21,912	750	23,629	-	23,629
Increase in PP&E and intangible assets	791	1,649	4,175	1,894	8,511	3,165	11,677

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

2. Adjustments are as follows:

(1) Adjustment for segment income was minus 2,243 million yen, which includes minus 1,361 million yen elimination of inter-segment transactions and minus 882 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

(2) Adjustment for segment assets was 63,850 million yen, which includes minus 82,290 million yen elimination of inter-segment claims and debts, 146,141 million yen of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, and assets allocated to administrative departments and laboratory facilities.

(3) Adjustment for depreciation/amortization was 3,153 million yen consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in PP&E and intangible assets was 2,598 million yen consisting of the acquisition price of PP&E and intangible assets classified as corporate assets.

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segment						
	Domestic Automotive Batteries	Domestic Industrial Batteries and Power Supplies	Overseas Operations	Lithium-ion Batteries	Total	Other (note)	Total
Net sales							
Sales to outside customers	50,986	74,804	191,402	38,312	355,505	10,104	365,610
Inter-segment sales and transfers	1,309	2,978	1,357	927	6,573	(6,573)	-
Total	52,296	77,783	192,759	39,239	362,079	3,531	365,610
Segment income (loss)	3,291	8,061	11,358	(565)	22,145	(235)	21,909
Segment assets	22,398	59,512	156,985	45,310	284,207	62,315	346,523
Other items							
Depreciation/amortization	815	1,125	5,336	5,298	12,576	3,428	16,004
Investment in equity-method affiliates	882	91	26,984	514	28,473	-	28,473
Increase in PP&E and intangible assets	1,495	1,399	4,182	2,753	9,830	5,140	14,971

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

2. Adjustments are as follows:

(1) Adjustment for segment income was minus 2,427 million yen, which includes minus 1,456 million yen elimination of inter-segment transactions and minus 970 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

(2) Adjustment for segment assets was 52,538 million yen, which includes minus 90,360 million yen elimination of inter-segment claims and debts, 142,898 million yen of unallocated corporate assets. The main components of these unallocated corporate assets are working funds, long-term investment funds, and assets allocated to administrative departments and laboratory facilities.

(3) Adjustment for depreciation/amortization was 3,124 million yen consisting of depreciation and amortization charges for corporate assets.

(4) Adjustment for increase in PP&E and intangible assets was 4,393 million yen consisting of the acquisition price of PP&E and intangible assets classified as corporate assets.

3. Impairment loss on fixed assets or goodwill by reportable segment

(Material impairment loss on fixed assets)

In the overseas operations segment, as profitability of business using fixed assets has declined and liquidation process of certain consolidated subsidiaries has started, the book value of some fixed assets held in the segment was reduced to their recoverable amounts, and the losses were recorded as "impairment loss" and "loss on liquidation of subsidiaries and affiliates."

The impairment loss recorded for this reason in the fiscal year ended March 31, 2016 totaled 2,237 million yen combined with 646 million yen included in loss on liquidation of subsidiaries and affiliates.

(Per Share Information)

Year ended March 31, 2015		Year ended March 31, 2016	
Net assets per share	390.98 yen	Net assets per share	372.43 yen
Profit per share	24.33 yen	Profit per share	21.88 yen
Diluted profit per share	22.68 yen	Diluted profit per share	20.39 yen

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

	Year ended March 31, 2015	Year ended March 31, 2016
Profit per share		
Profit attributable to owners of parent (millions of yen)	10,043	9,030
Amount not attributable to common stockholders (millions of yen)	-	-
Profit attributable to common stockholders of parent (millions of yen)	10,043	9,030
Average number of common stock shares during term (thousands of shares)	412,790	412,766
Diluted profit per share		
Adjustments to profit attributable to owners of parent (millions of yen)	(16)	(16)
(Of which, amount written off (excluding tax))	(16)	(16)
Increase in the number of common stock (thousands of shares)	29,377	29,377
(Of which, convertible bonds)	29,377	29,377
Residual securities that are not dilutive and not included in the calculation for diluted profit per share	-	-

(Significant Subsequent Events)

Not applicable

8. Production, Order Intake and Sale

(1) Production results

Production results by segment for the year ended March 31, 2016

(Millions of yen, unless otherwise stated)

	Year ended March 31, 2016	Year-on-year change
	Amount	%
Domestic Automotive Batteries	33,633	92.3
Domestic Industrial Batteries and Power Supplies	54,107	96.8
Overseas Operations	125,411	100.6
Lithium-ion Batteries	38,446	89.3
Total reportable segments	251,599	96.7
Other	7,569	93.1
Total	259,169	96.6

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, 2016

(Millions of yen, unless otherwise stated)

	Year ended March 31, 2016	Year-on-year change
	Amount	%
Domestic Automotive Batteries	50,986	98.5
Domestic Industrial Batteries and Power Supplies	74,804	93.7
Overseas Operations	191,402	104.2
Lithium-ion Batteries	38,312	84.8
Total reportable segments	355,505	98.6
Other	10,104	109.3
Total	365,610	98.9

Notes: 1. Inter-segment transactions are offset and therefore eliminated.
2. Exclusive of consumption taxes.

9. Other

(1) Corporate Officer Changes (scheduled for June 29, 2016)

1. Change of President

   Not applicable

2. Change of Representative Directors

   Not applicable

3. Other Officer Changes

   1) Change of title (The following will be confirmed at the meeting of Board of Directors held after the general meeting of shareholders scheduled on June 29, 2016)

   Toru Bomoto   Managing Director (current: Director)

   2) Candidate for new Auditor

   Katsuya Ohara   Full-time Corporate Auditor (current: Managing Executive Officer, Mitsubishi UFJ Research and Consulting)

   3) Retiring Auditor

   Hideyuki Maeno   current: Full-time Corporate Auditor

[Reference]

(1) Quarterly profit/loss

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

(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	81,642	89,507	94,159	100,301	171,149	265,308	365,610
Operating income	3,109	3,705	7,338	7,756	6,814	14,153	21,909
Ordinary income	3,044	4,004	7,220	7,146	7,049	14,269	21,416
Profit attributable to owners of parent	951	2,665	3,010	2,402	3,616	6,627	9,030

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

(Millions of yen)

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

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

(Millions of yen)

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

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

(Millions of yen)

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

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

(Millions of yen)

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

Overview of Results for the Year ended March 31, 2016

(Millions of yen unless otherwise stated)

	10th term Year ended March 31, 2014	11th term Year ended March 31, 2015 (a)	12th term Year ended March 31, 2016 (b)	Year-on year Change (b) – (a)	Year-on year change (%)	13th term Year ending March 31, 2017 (forecast)
Net sales	347,995	369,760	365,610	(4,149)	(1.1)	410,000
Domestic Automotive Batteries	56,905	51,747	50,986	(760)	(1.5)	75,000
Domestic Industrial Batteries and Power Supplies	79,242	79,822	74,804	(5,018)	(6.3)	79,000
Overseas Operations	164,252	183,759	191,402	7,642	4.2	204,000
Lithium-ion Batteries	32,501	45,181	38,312	(6,869)	(15.2)	43,000
Other	15,094	9,248	10,104	856	9.3	9,000
Operating income	18,197	20,914	21,909	995	4.8	24,500
Operating income before amortization of goodwill	-	-	-	-	-	26,000
Domestic Automotive Batteries	3,310	2,397	3,291	894	37.3	5,800
Domestic Industrial Batteries and Power Supplies	12,199	8,657	8,061	(596)	(6.9)	9,000
Overseas Operations	8,996	10,786	11,358	572	5.3	11,200
Lithium-ion Batteries	(7,243)	(2,626)	(565)	2,060	-	500
Other	936	1,698	(235)	(1,934)	-	(500)
Ordinary income	20,333	22,357	21,416	(941)	(4.2)	24,000
Profit attributable to owners of parent	9,982	10,043	9,030	(1,013)	(10.1)	12,000
Profit attributable to owners of parent before amortization of goodwill	-	-	-	-	-	14,000
Profit per share (yen)	24.18	24.33	21.88	(2.45)	(10.1)	29.07
Annual dividend per share (yen)	8.00	10.00	10.00	-	-	10.00
Capital investment	18,570	11,008	12,955	1,946	17.7	33,000
Depreciation/amortization	12,939	15,715	15,309	(405)	(2.6)	17,000
Research and development expenses	6,495	6,725	6,996	270	4.0	7,000
Cash flows from operating activities	19,704	19,729	30,215	10,485	-	-
Cash flows from investing activities	(9,786)	(14,519)	(17,311)	(2,791)	-	-
Cash flows from financing activities	589	(5,798)	(9,685)	(3,887)	-	-
Cash and cash equivalents, end of term	23,392	25,708	27,788	2,079	8.1	-
Total assets	340,462	359,522	346,523	(12,999)	(3.6)	-
Net assets	154,702	182,187	177,790	(4,397)	(2.4)	-
Total debt	80,134	82,166	73,608	(8,558)	(10.4)	-
Equity ratio (%)	41.0	44.9	44.4	(0.5)	-	-
Return on equity (%)	7.5	6.7	5.7	(1.0)	-	-
Net assets per share (yen)	337.82	390.98	372.43	(18.55)	(4.7)	-
Overseas sales ratio (%)	48.50	52.40	55.50	3.10	5.9	-
Number of employees, end of term (persons)	13,609	14,506	14,415	(91)	(0.6)	-
Number of consolidated subsidiaries	57	55	55	-	-	-
Japan	24	22	22	-	-	-
Overseas	33	33	33	-	-	-

Note. From the 13th term forward, operating income for each segment represents operating income before amortization of goodwill.

Consolidated earnings forecasts and prospects are adjusted to reflect the effects of transfer of lead-acid battery business from Panasonic to GS Yuasa with the assumption that the transfer will be approved by competition authorities in relevant countries.