

# Fiscal Year Ended March 31, 2017 (FY2016) Results Briefing



100年のHISTORY、200年のSTORY。



May 16, 2017

GS Yuasa Corporation

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## I. FY2016 Financial Results

# 1. Net Sales/Profits

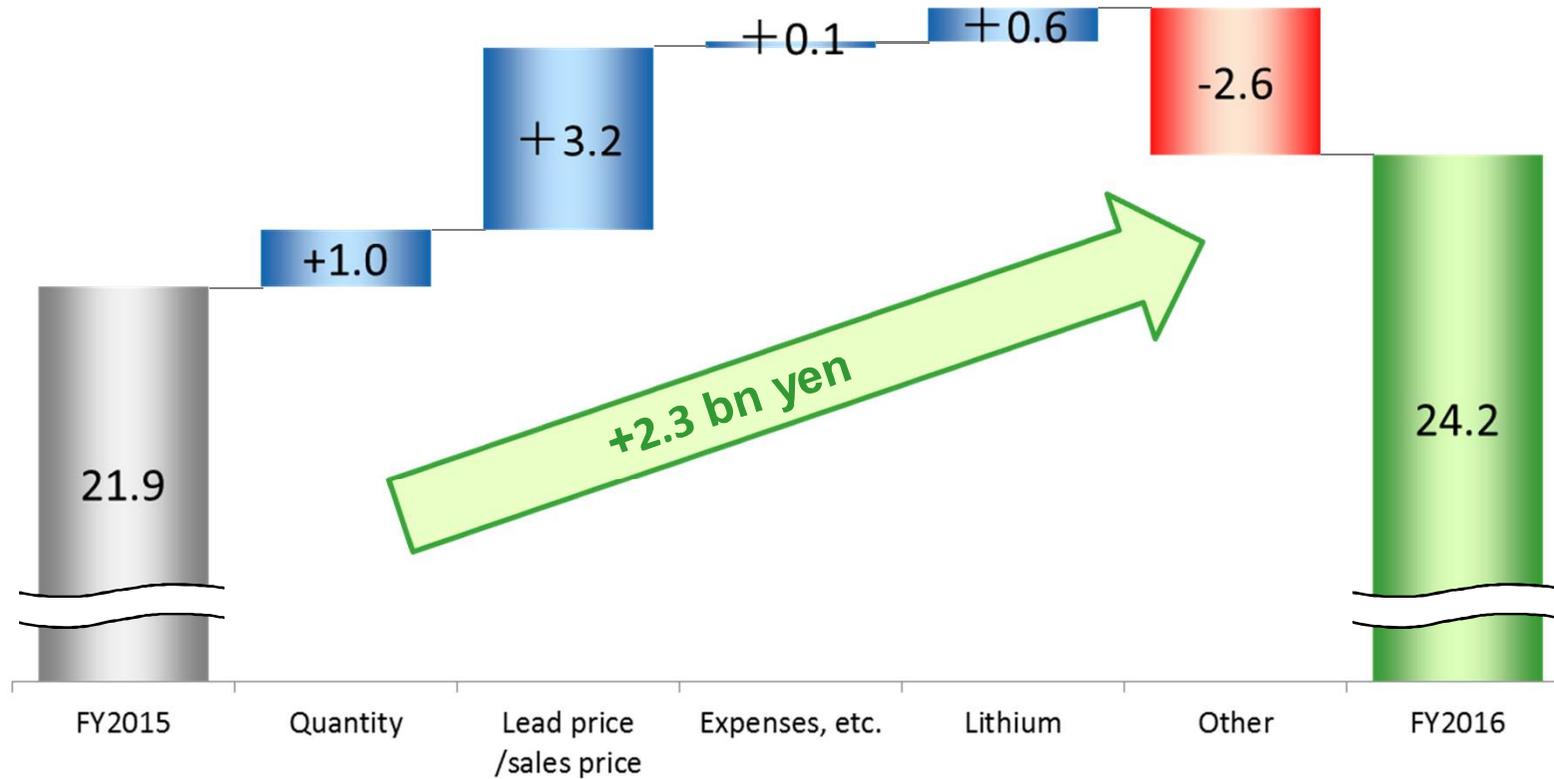


	FY2015	FY2016	Change	(YoY%)	(Billion yen) [Reference] Oct. 2016 forecast
Net sales	365.6	359.6	- 6.0	(-1.6%)	360.0
Operating income (Operating income ratio)	21.9 6.0%	23.1 6.4%	+1.2 +0.4P	(+5.5%)	23.0 6.4%
Operating income before amortization of goodwill (Operating income ratio before amortization of goodwill)	- -	24.2 6.7%	+2.3 +0.7P		24.0 6.7%
Ordinary income	21.4	22.5	+1.1	(+5.3%)	22.0
Extraordinary income	0.3	0.3	+0.0		-
Extraordinary loss	4.8	1.4	- 3.4		-
Profit before income taxes	17.0	21.5	+4.5		-
Income taxes	6.5	6.6	+0.1		-
Profit attributable to non-controlling interests	1.4	2.7	+1.3		-
Profit attributable to owners of parent (Net profit ratio)	9.0 2.5%	12.2 3.4%	+3.2 +0.9P	(+35.4%)	12.0 3.3%
Profit attributable to owners of parent before amortization of goodwill (Net profit ratio)	- -	13.7 3.8%	- -		13.5 3.8%
Dividend (yen/share)	10	10	±0		10
Purchase of treasury stock (Amount planned for the next fiscal year)	1.0	-	-		-

# 1. Net Sales/Profits

## Factors for Operating Income Change

(Billion yen)



Note: Operating income in FY2016 is operating income before amortization of goodwill.

## 2. Segment Results



(Billion yen)

	FY2015		FY2016		Change		[Reference] Oct. 2016 forecast	
	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)
Automotive battery (Japan)	51.0	3.3 (6.5)	67.6	5.7 (8.4)	+16.6	+2.4 (+1.9)	65.0	5.0 (7.7)
Industrial battery and power supply (Japan)	74.8	8.1 (10.8)	72.8	8.7 (12.0)	-2.0	+0.6 (+1.2)	79.0	9.0 (11.4)
Overseas	191.4	11.4 (5.9)	170.6	10.5 (6.1)	-20.8	-0.9 (+0.2)	164.0	10.0 (6.1)
Automotive lithium-ion battery	38.3	-0.6 (-1.5)	39.3	0 (0.1)	+1.0	+0.6 (+1.6)	43.0	0.5 (1.2)
Others	10.1	-0.2 (-2.3)	9.3	-0.7 (-7.5)	-0.8	-0.5 (-5.2)	9.0	-0.5 (-5.6)
<b>Total</b>	<b>365.6</b>	<b>21.9 (6.0)</b>	<b>359.6</b>	<b>24.2 (6.7)</b>	<b>-6.0</b>	<b>+2.3 (+0.7)</b>	<b>360.0</b>	<b>24.0 (6.7)</b>

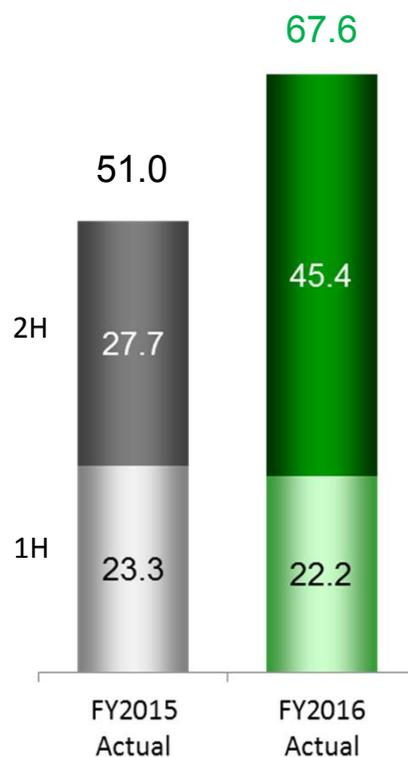
Note: Operating income in FY2016 is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

## 2. Segment Results

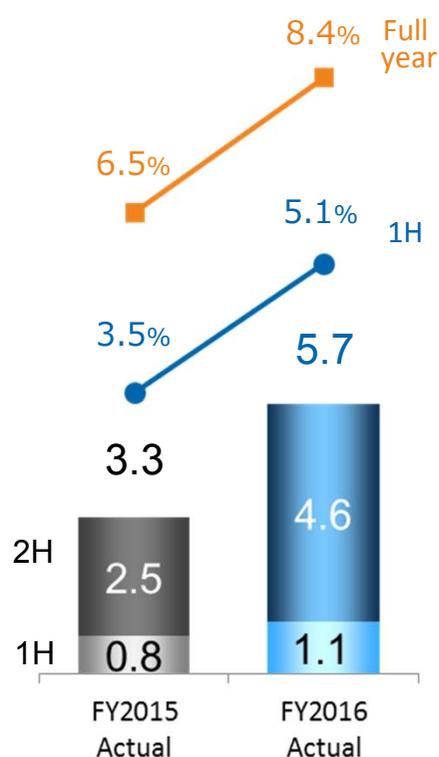
### Automotive Battery (Japan)

(Billion yen)

#### Net sales



#### Operating income/ operating income ratio



#### FY2016 Sales Overview

- Made the lead-acid battery business of Panasonic Corporation into a consolidated subsidiary in 3Q.
- In addition to the increase in automobile production volume, sales for new vehicles increased as more new models adopted GS Yuasa products.
- Sales of lead-acid batteries for start & stop vehicles (S&S) increased for both new vehicles and replacement.

#### Main Profit Change Factors

Quantity	+0.2
Lead prices / sales prices	+0.1
Streamlining, etc.	+2.1

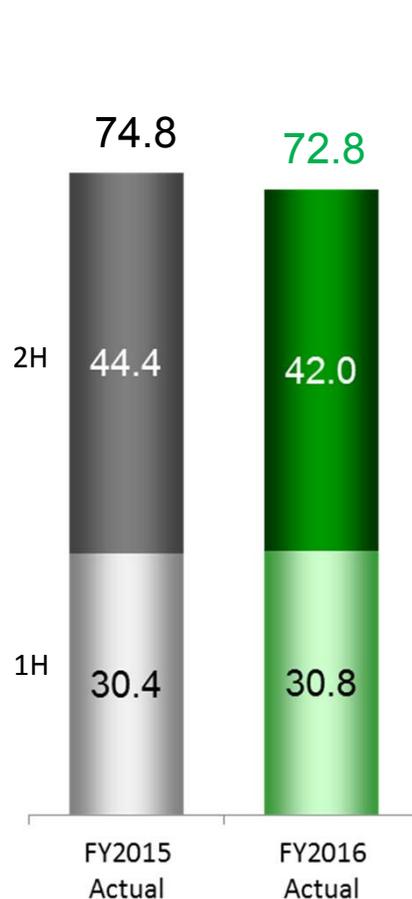
Note: Operating income in FY2016 is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

## 2. Segment Results

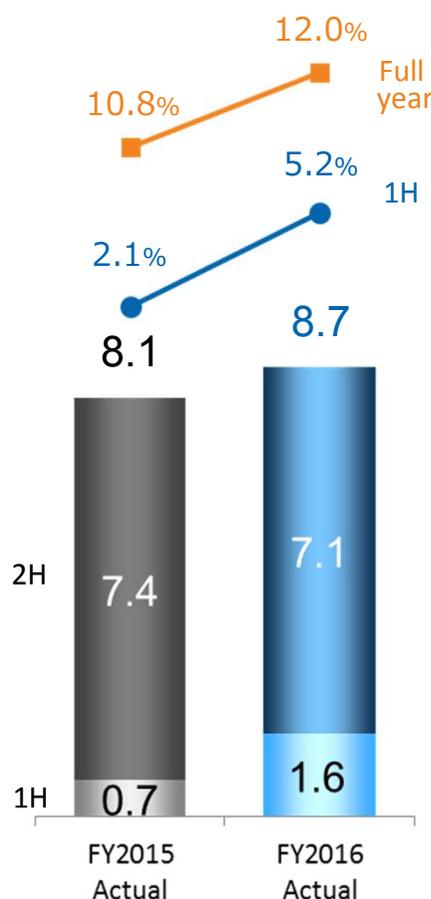
### Industrial Battery and Power Supply (Japan)

(Billion yen)

#### Net sales



#### Operating income/ operating income ratio



#### FY2016 Sales Overview

- Demand for compact uninterruptable power supplies expanded.
- Sales of lead-acid batteries for battery-operated forklifts remained strong.
- Sales of power conditioners and lighting equipment declined.

#### Main Profit Change Factors

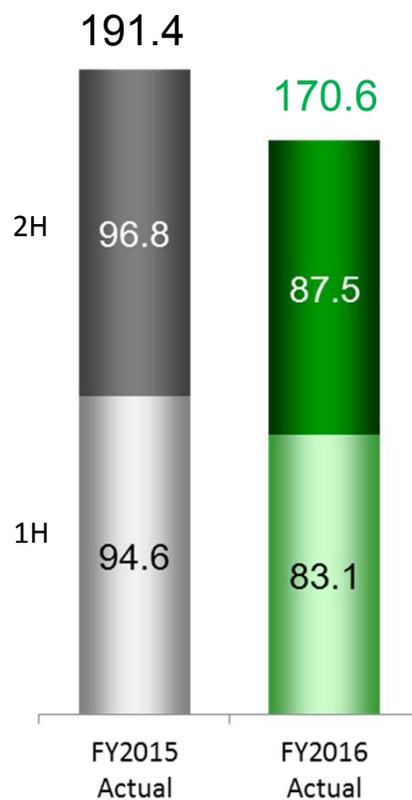
Quantity	-0.4
Lead prices / sales prices	+0.3
Expenses, etc.	+0.7

## 2. Segment Results

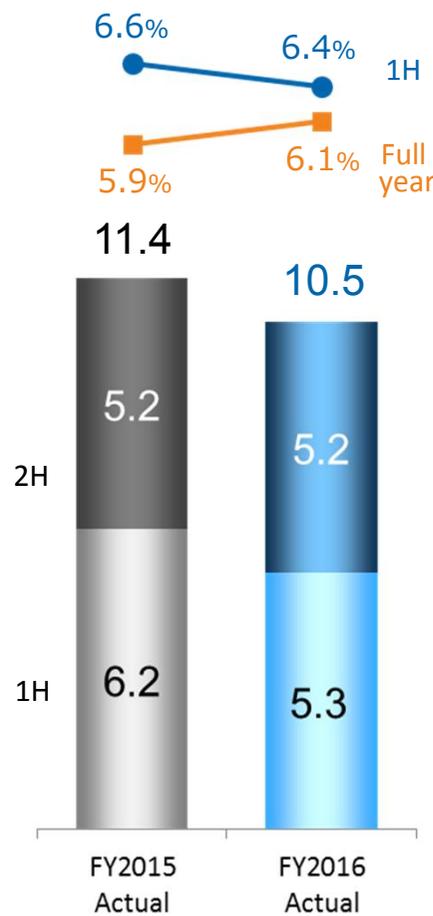
### Overseas

(Billion yen)

#### Net sales



#### Operating income/ operating income ratio



#### FY2016 Sales Overview

- Sales declined due to the impact of foreign exchange rate.
- Sales of lead-acid batteries for automobiles increased in China and Southeast Asia.

#### Main Profit Change Factors

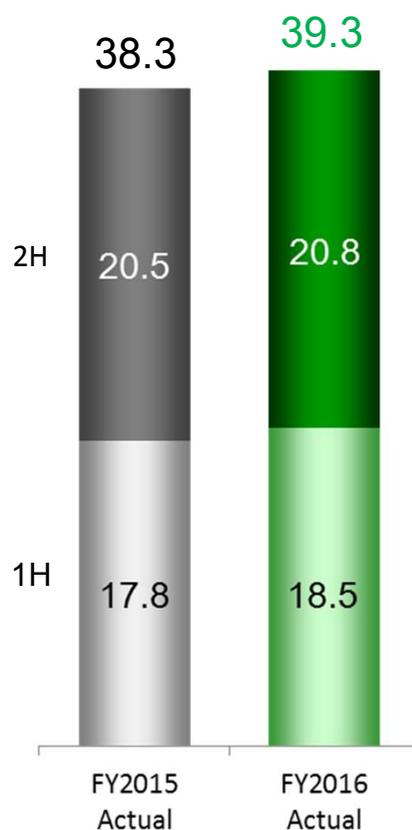
Quantity	+1.1
Lead prices / sales prices	+2.8
Personnel costs / expenses, etc.	-2.7
Exchange rate	-2.1

## 2. Segment Results

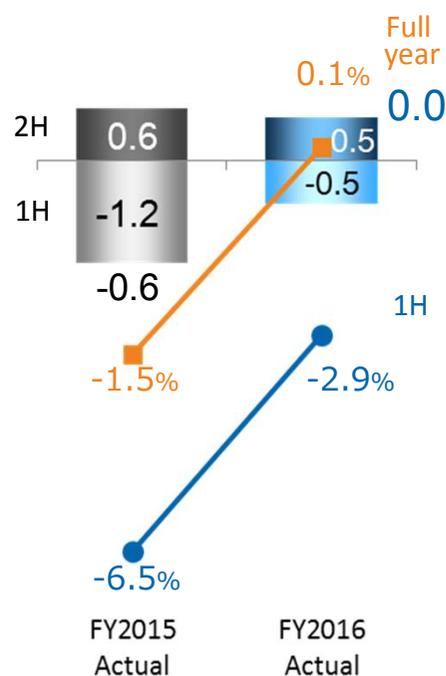
### Automotive Lithium-ion Battery

(Billion yen)

#### Net sales



#### Operating income/ operating income ratio



#### FY2016 Sales Overview

- Lithium Energy Japan  
Sales of lithium-ion batteries for manufacturers in Europe increased, while those for Japanese manufacturers declined.
- Blue Energy  
Sales increased as the number of models adopting its products expanded.

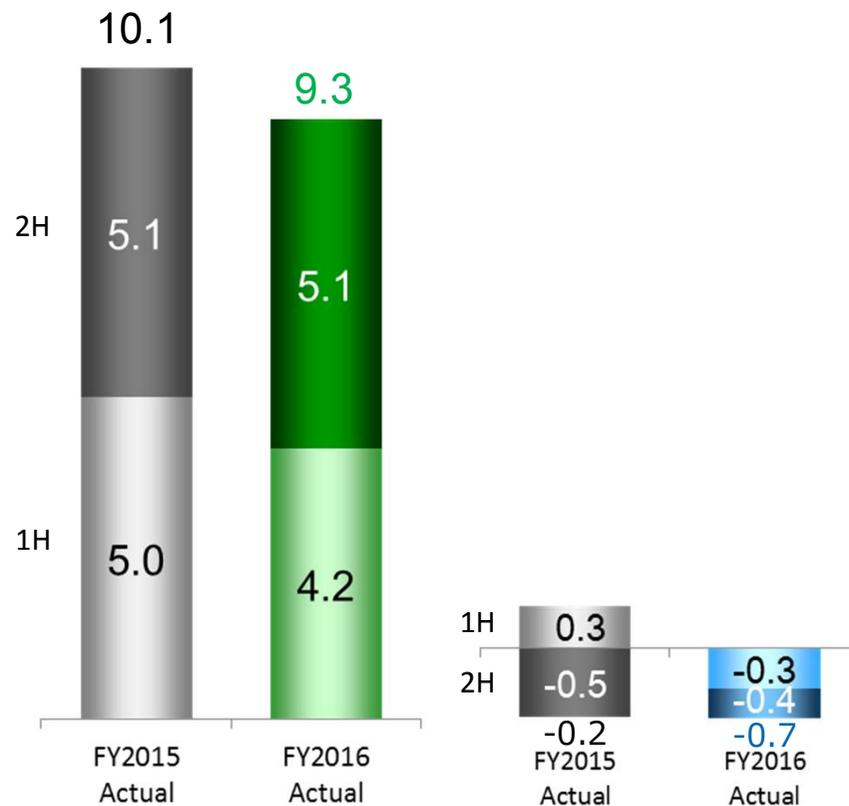
#### Main Profit Change Factors

Posted full-year profits for the first time as sales increased and streamlining progressed.

## 2. Segment Results

### Others

**Net sales** (Billion yen) **Operating income** (Billion yen)



### Topics

- Sales of specialty batteries temporarily declined due mainly to delayed booking of the revenue.
- Constructed a plant for lithium-ion batteries for submarines and started production.

### Main Profit Change Factors

R&D expenses for next-generation products increased.

# 3. Balance Sheet



(Billion yen)

	3/31/2016	3/31/2017	Change		3/31/2016	3/31/2017	Change
<b>Current assets</b>	<b>175.8</b>	<b>173.2</b>	<b>-2.6</b>	<b>Liabilities</b>	<b>168.7</b>	<b>182.4</b>	<b>+13.7</b>
•Cash and deposits			-3.6	•Notes and accounts payable			-1.4
•Inventories			+1.7	•Electronically recorded obligation			+7.2
				•Payables			-3.0
				•Deferred tax liabilities			+3.3
				•Net defined benefit liabilities			+2.1
<b>Fixed assets</b>	<b>170.7</b>	<b>197.3</b>	<b>+26.6</b>	<b>Net assets</b>	<b>177.8</b>	<b>188.2</b>	<b>+10.4</b>
•Property, plant and equipment			+7.2	•Retained earnings			+8.1
•Intangible assets incl. goodwill			+10.3	•Foreign currency translation adjustments			-4.6
•Net defined benefit assets			+6.4	•Remeasurements of defined benefit plants			+2.2
				•Non-controlling interests			+2.4
<b>Total assets</b>	<b>346.5</b>	<b>370.5</b>	<b>+24.0</b>	<b>Total liabilities and net assets</b>	<b>346.5</b>	<b>370.5</b>	<b>+24.0</b>

	3/31/2016	3/31/2017
Equity ratio	44.4%	43.6%
ROE (return on equity)	5.7%	8.7%
Interest-bearing debt	¥73.6 bn	¥74.2 bn

Note: ROE is a ratio to net profit before amortization of goodwill.

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



(Billion yen)

	FY2015	FY2016	Change
<b>Capital Investment</b>	13.0	19.9	+6.9
Automotive battery (Japan)	1.5	1.9	+0.4
Industrial battery and power supply (Japan)	1.3	1.2	-0.1
Overseas	2.5	3.7	+1.2
Automotive lithium-ion battery	2.7	1.7	-1.0
Others	4.9	11.4	+6.5
<b>Depreciation</b>	15.3	15.2	-0.1
Automotive lithium-ion battery	5.2	5.5	+0.3
<b>R&amp;D Costs</b>	7.0	9.5	+2.5
(Ratio of R&D expenses to net sales)	1.9%	2.6%	+0.7P

Note: The above figures take into account the impact of transfer of Panasonic's business.

# 5. Cash Flow Statements



(Billion yen)

Operating C/F		34.8	Investing C/F		-32.9	Financing C/F		-3.7
• Profit before income taxes	21.5		• Purchase of property, plant and equipment	-18.4		• Increase in borrowings	3.1	
• Depreciation and amortization	16.3					• Dividends paid	-5.8	
• Decrease in net defined benefit liability	-3.1		• Purchase of subsidiaries' shares resulting in change in scope of consolidation	-13.0				
• Increase in inventories	-2.8							
• Other	3.5							
• Income taxes paid, etc.	-5.4							
<b>Balance of Cash and Cash Equivalents</b>								
			April 1, 2016	27.8		March 31, 2017	24.7	

**Free C/F\*1**      **1.9**

## Highlights

- Operating cash flow was ¥34.8 billion, higher than ¥30.2 billion a year ago.
- The cash flow is used for capital investment and purchase of shares in newly consolidated subsidiaries, and free C/F came to ¥1.9 billion.
- As a result, we used the free C/F and cash on hand for the payment of dividends.

\*1: Total of cash flow from operating activities and cash flow from investing activities

## **II. FY2017 Financial Results Forecast**

# 1. FY2017 Management Basic Policy and Management Tasks

## Management Basic Policy



- Respond to customers' trust with consistently high-quality products in initiatives to put priority on quality.
- Expand business domains in existing and growth businesses and create stable cash flow.
- Ensure that new businesses are turning profitable and put them on stable growth trajectory.

## Management Tasks



1. Emphasize on quality  
Take note of new values desired by customers, make sure to realize them in products and services and continue to respond to customers' expectations and trust.
2. Promote CSR activities and ensure compliance  
To promote systemized activities, set forth the CSR policy and code of conduct, integrate them into various business activities and deploy them globally.  
In addition, comply with social norms and internal rules and realize highly transparent and fair business management.
3. Human resource development and allocation  
Systematically promote implementation of rotation of the right people in the right place and human resource assignment, and drive forward business enhancement and improvement of efficiency.
4. Safety and hygiene, health management
5. Information management

## 2. Group Reorganization

### Market Environment Major reform period that comes once in 100 years

- New industries emerge with technological innovation such as IoT and AI (self-driving, energy management, etc.)
- Change in customer needs, globalization, changing competition and environmental regulation

One of the Major Strategic Initiatives in the Fourth Mid-Term Management Plan

### Response Reorganize the business structure in response to markets and customers

Existing			From April 2017	
Automotive battery (Japan)		}	Automotive battery	
Overseas	(Lead-acid battery)			
	(Lithium-ion battery)			
Industrial battery and power supply (Japan)		}	Industrial battery and power supply	
Automotive lithium-ion battery			Automotive lithium-ion battery	
Other			Other	

### Effect Flexibly respond to changes in market environment

- Continuous improvement of the performance of the group organization
- Global operation
- Optimization of operation and governance

## 3. Key Business Tasks

### Automotive battery

- Consider speedy and optimal organizational structure that is easy to understand for customers.
- Enhance profitability by combining production, sales and engineering without segregating Japan and the rest of the world, and promote responding to the global market.
- Drive forward establishment of optimum production structure and cost reduction in Japan and overseas.

### Industrial battery and power supply

- Improve earnings through review of cost structure and optimization of organization.
- Drastic sales strategy and new product strategy through innovation in manufacturing.
- Accelerate lithium-related products' development and introduction to the market and promote market development from a global perspective.

### Automotive lithium-ion battery

- Ensure profits through initiatives with emphasis on quality, cost reduction and improvement of performance.
- Collaborate with each business division and consider product and sales strategies from a global perspective in the automobile and industrial-application markets.
- Accelerate development towards commercialization of Lithium Energy and Power GmbH & Co. KG.

### Other

- Build a high quality production system for lithium-ion batteries for submarines.

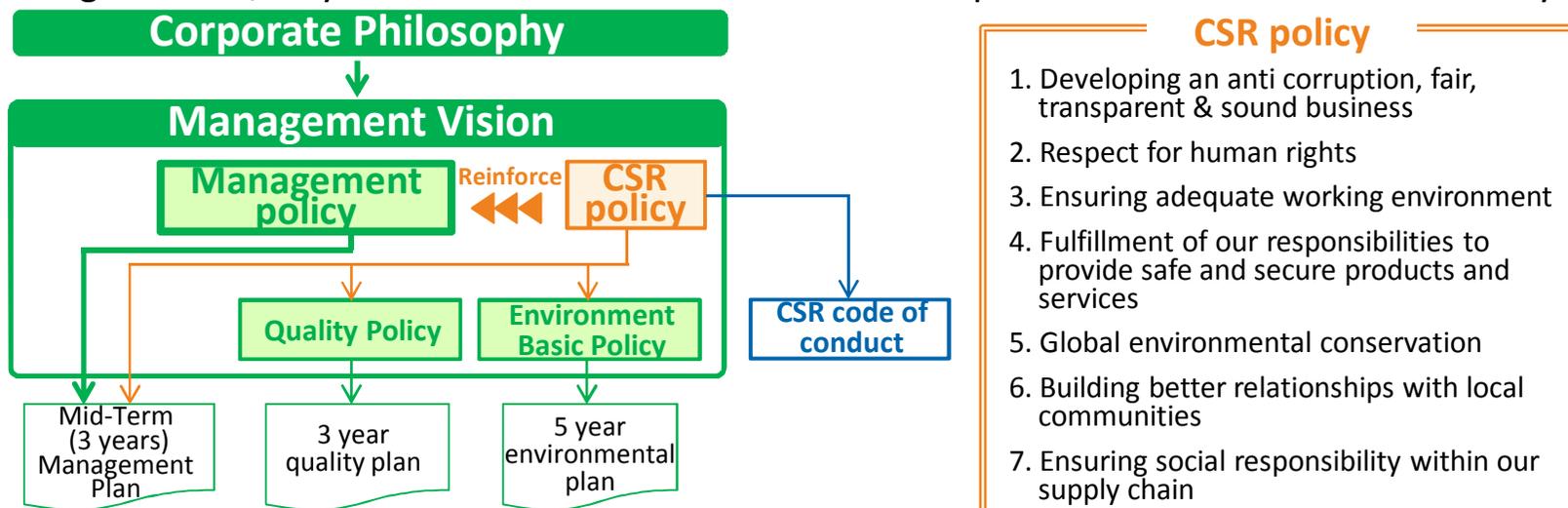
## 4. CSR (Corporate Social Responsibility) Activities

### Establishment of division dedicated to CSR activities

The Company established a division dedicated to promotion of CSR activities to formulate and promote identification of key CSR-related tasks and the group's CSR strategy.

### Formulation of CSR policy

The Company formulated the CSR policy in the current fiscal year to reinforce the management policy, which is the base of the company's business activities, firmly implement initiatives related to the environment, society and governance, carry out business activities for sustainable development and disclose information to everyone.



### Future initiative plan

- Deploy CSR policy and CSR code of conduct within the group (in Japan and overseas).
- Decision on the group's important CSR tasks and establishment of KPIs (Key performance indicators).
- Deploy them at suppliers.

# 5. Changes in Segment Names, Unification of Accounting Period

## Changes in segment names



Existing	From April 2017	
Automotive battery (Japan)	Automotive battery	Japan
Industrial battery and power supply (Japan)		Overseas
Overseas	Industrial battery and power supply	
Automotive lithium-ion battery	Automotive lithium-ion battery	
Other	Other	

## Unification of accounting period



At the end of FY2017, the Company will unify accounting periods of consolidated subsidiaries so that they end in March.

[Effect]

Improve accuracy and speed of grasping business results

[How to reflect income]

The income for the period between January and March 2018 of the subsidiaries, whose accounting period will change, will be reflected in consolidated results as changes in retained earnings on the Statement of Changes in Shareholders' Equity.

## 6. Net Sales/Profits

	FY2016 Actual	FY2017 Forecast	Change
Net sales	359.6	400.0	+40.4
Operating income (Operating income ratio)	23.1 6.4%	24.0 6.0%	+0.9 -0.4P
Operating income before amortization of goodwill (Operating income ratio before amortization of goodwill)	24.2 6.7%	26.5 6.6%	+2.3 -0.1P
Ordinary income	22.5	22.5	-0.0
Profit attributable to owners of parent (Net profit ratio)	12.2 3.4%	12.5 3.1%	+0.3 -0.3P
Profit attributable to owners of parent before amortization of goodwill (Net profit ratio before amortization of goodwill)	13.7 3.8%	15.5 3.9%	+1.8 +0.1P
ROE (return on equity)	8.7 %	-	-
Dividend	10 yen/share (forecast)	10 yen/share (forecast)	±0 yen/share
Purchase of treasury stock (amount planned for the next fiscal year)	1.0	-	-
Total return ratio	37.4 %	-	-
Domestic lead price quote	¥275,000/t	¥300,000/t	-
LME	1,871US\$/t	2,200US\$/t	-
Exchange rate	¥109.4/US\$	¥105.0/US\$	-

Notes: 1. The above figures take into account the impact of transfer of Panasonic's business on the premise of approval from competition law authorities of concerned countries.

2. ROE and total return ratio are based on net profit before amortization of goodwill.

# 7. Segment Results



(Billion yen)

		FY2016 Actual		FY2017 Forecast		Change	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)
Automotive battery	Japan	67.6	5.7 (8.4)	85.0	5.7 (6.7)	+17.4	+0 (-1.7)
	Overseas	170.6	10.5 (6.1)	188.0	11.3 (6.0)	+17.4	+0.8 (-0.1)
Industrial battery and power supply		72.8	8.7 (12.0)	74.0	8.5 (11.5)	+1.2	-0.2 (-0.5)
Automotive lithium-ion battery		39.3	0 (0.1)	37.0	1.0 (2.7)	-2.3	+1.0 (+2.6)
Others		9.3	-0.7 (-7.5)	16.0	-	+6.7	-
Total		359.6	24.2 (6.7)	400.0	26.5 (6.6)	+40.4	+2.3 (-0.1)

Notes: 1. Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

2. The above figures take into account the impact of transfer of Panasonic's business.

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

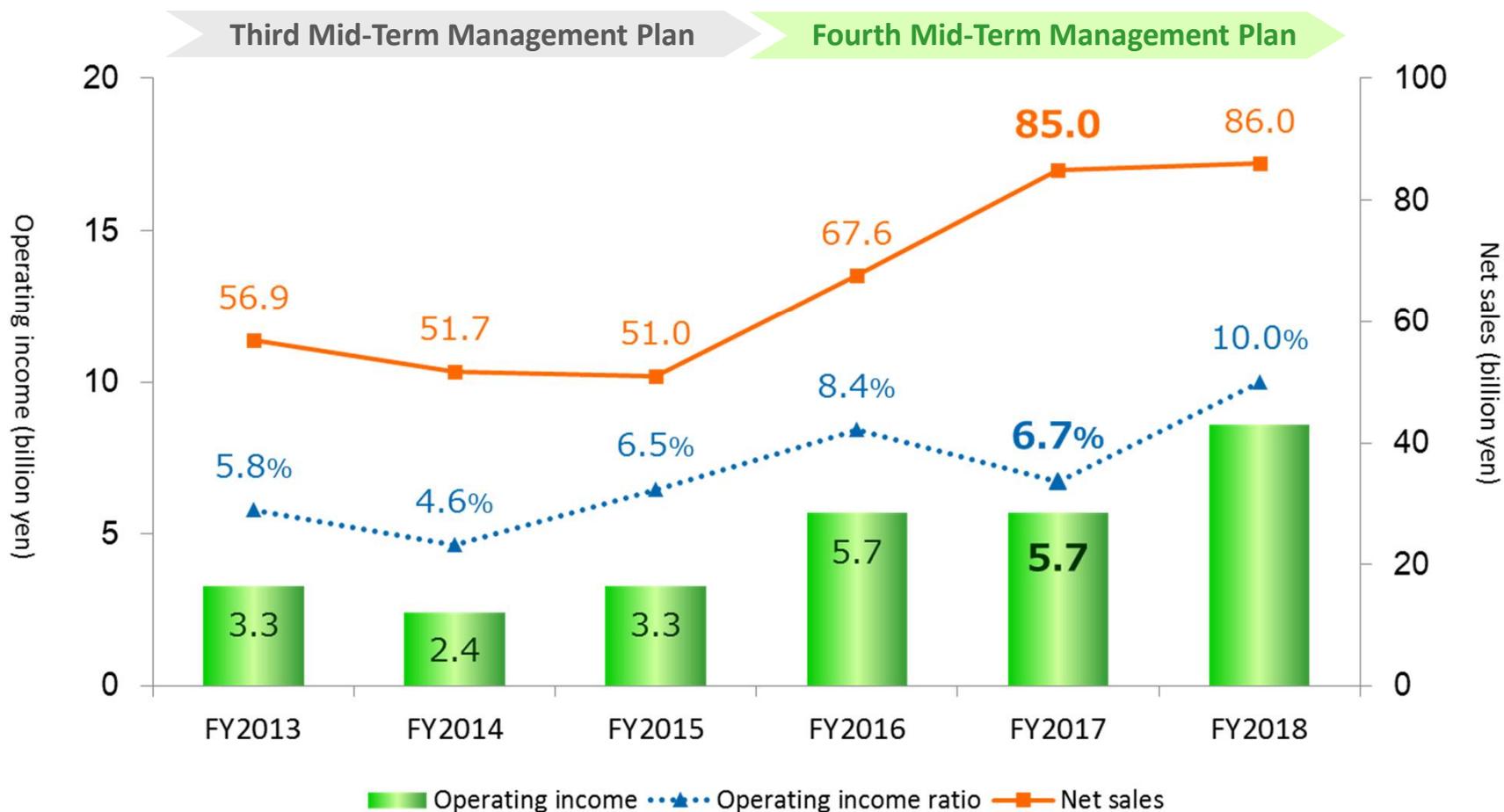


(Billion yen)

		FY2016	FY2017	Change
<b>Capital Investment</b>		19.9	25.0	+5.1
Automotive battery	Japan	1.9	3.4	+1.5
	Overseas	3.7	10.0	+6.3
Industrial battery and power supply		1.2	2.1	+0.9
Automotive lithium-ion battery		1.7	2.2	+0.5
Others		11.4	7.3	-4.1
<b>Depreciation</b>		15.2	19.0	+3.8
Automotive lithium-ion battery		5.5	5.5	+0
<b>R&amp;D Costs</b>		9.5	12.0	+2.5
(Ratio of R&D expenses to net sales)		2.6%	3.0%	+0.4P

# 9. Business Situation by Segment

## Automotive Battery (Japan)



Note: Operating income from FY2016 is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

# 9. Business Situation by Segment

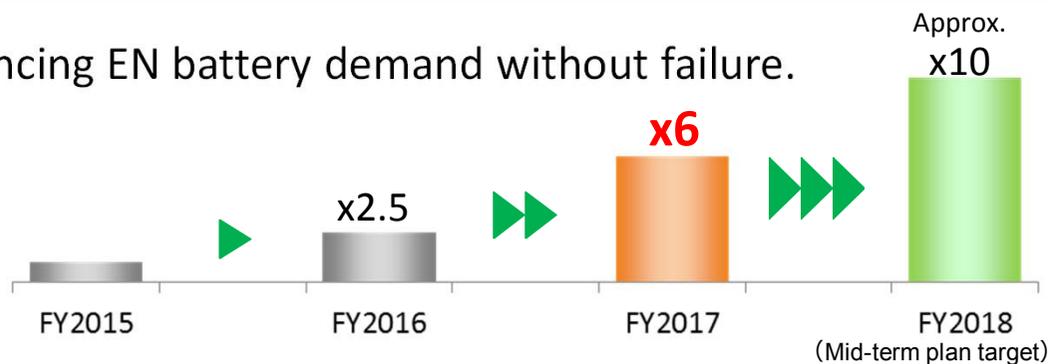
## Automotive Battery (Japan)

### Expand the volume



- Capture the advancing EN battery demand without failure.

EN battery volume in new vehicle batteries sold by GS Yuasa (compared to FY2015)



### Improve profitability



- Build a structure for production and sales increase, and expand replacement demand for start & stop vehicles.

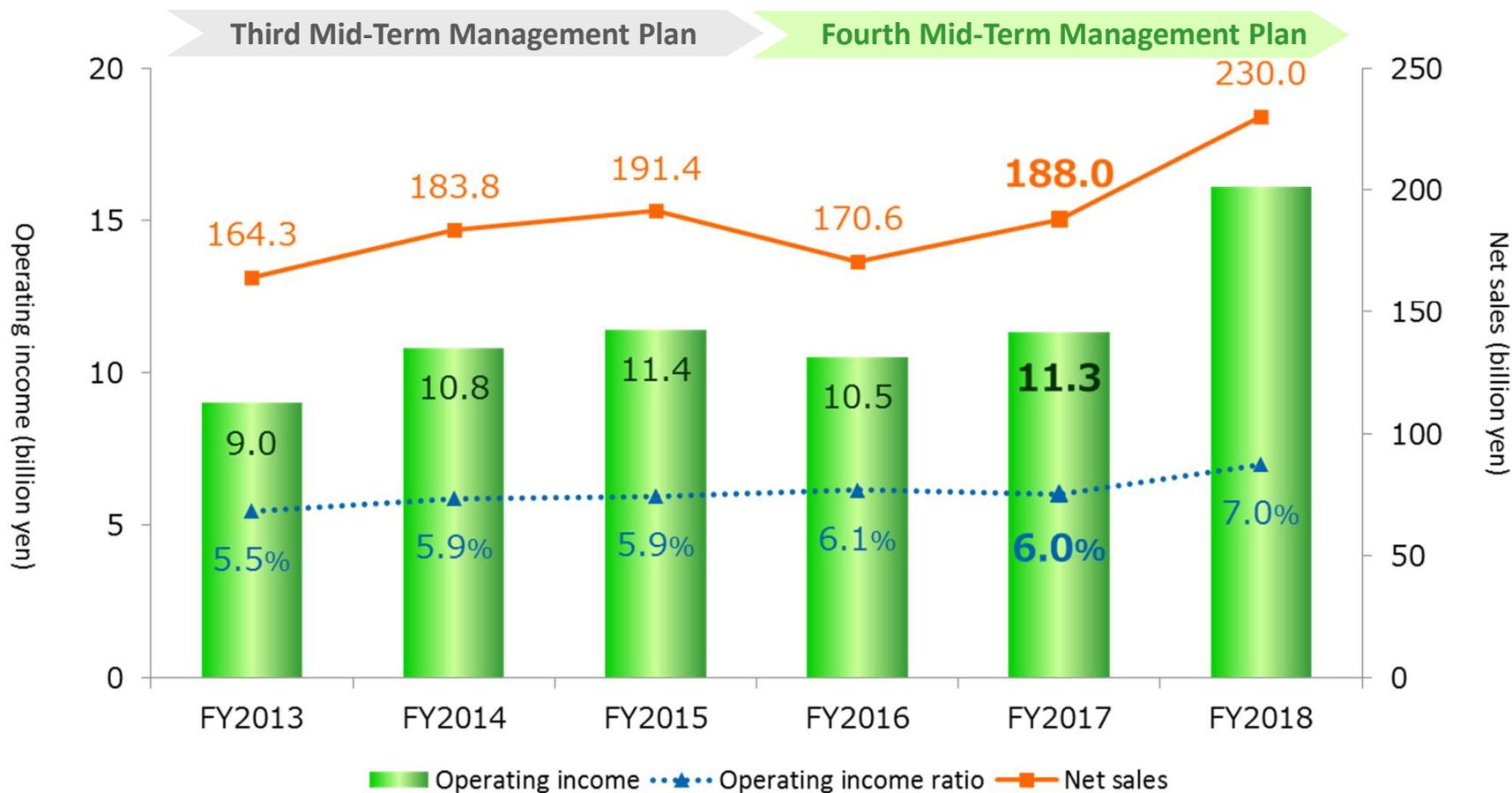
Share of batteries for start & stop vehicles in GS Yuasa's replacement sales



- Further evolution of lead acid batteries for start & stop vehicles.
- Creation of synergy effects from integration with Panasonic's lead acid battery business. (current GS Yuasa Energy Co., Ltd.)

# 9. Business Situation by Segment

## Automotive Battery (Overseas)



Notes: 1. Operating income from FY2016 is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.  
 2. The above figures take into account the impact of transfer of Panasonic's business on the premise of approval from competition law authorities of concerned countries.

# 9. Business Situation by Segment

## Automotive Battery (Overseas)

### Status and strategy of key measure bases

**Turkey**

- Automobile demand in EU, with which it has a customs union, is increasing
- Economic decline in the entire Middle East due to geopolitical risks and fall in crude oil price

[4W] Strengthen manufacturing structure for GS Yuasa quality  
 [4W] Expand sales channels into regions where the GS Yuasa brand is yet to enter

**China**

- Though growth rate is slowing, demand for automobiles is increasing
- Increased demand for start & stop vehicles
- Declining trend for motorbikes with entry restrictions to city center

[4W] Improve profitability through expansion of high value-added products  
 [Industry] Initiatives by Panasonic Storage Battery (Shenyang) Co., Ltd.

**Thailand**

- Automobile batteries recovered for both new vehicles and replacements
- Slowdown in motorbike demand growth given the increasing popularity of automobiles

[4W] Expand production capacity, strengthen response to neighboring countries  
 [2W] Strengthen sales network such as mass retailers and agencies

**India**

- Domestic demand for automotive batteries is recovering, and exports to the Middle East and Africa remain strong
- Motorbike batteries are expanding given the high growth rate

[4W] Strengthen sales network for replacement expansion  
 [2W] Enhance production facility, expand model lineup

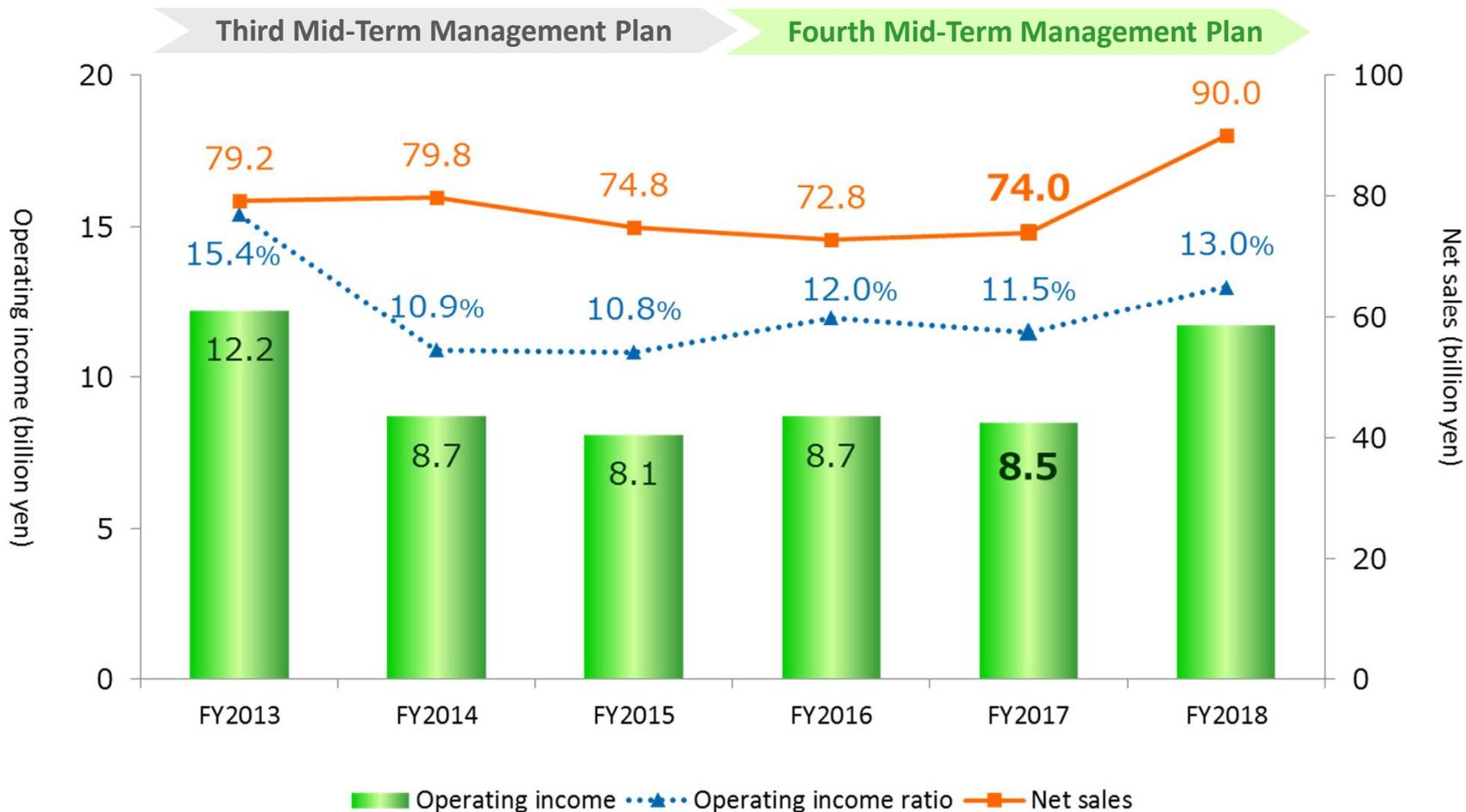
**Indonesia**

- Demand for automotive batteries increased as manufacturers introduced new models
- Demand for motorbikes is declining in cities

[4W] Strengthen competitive power by enhancing production capacity  
 [4W] Enhance models as an export base to Europe

# 9. Business Situation by Segment

## Industrial Battery and Power Supply



# 9. Business Situation by Segment

## Industrial Battery and Power Supply

### Sales of industrial-use lithium-ion batteries

2016 results



Cochrane coal-fired power plant in Chile



Tokyo Tama Intercity Monorail



Mobile base stations in developing countries



Kushiro Mega Solar



Oyama Kanko Dentetsu Oyama Cable Cars



Port AGV for Yangshan Port, China



Twilight Express Mizukaze



Construction equipment

2017 Strategy



### Deep cultivation of railway market

Diverse applications such as in hybridization of railway cars, use of regenerative electricity, emergency running, in-train announcement device and lighting.

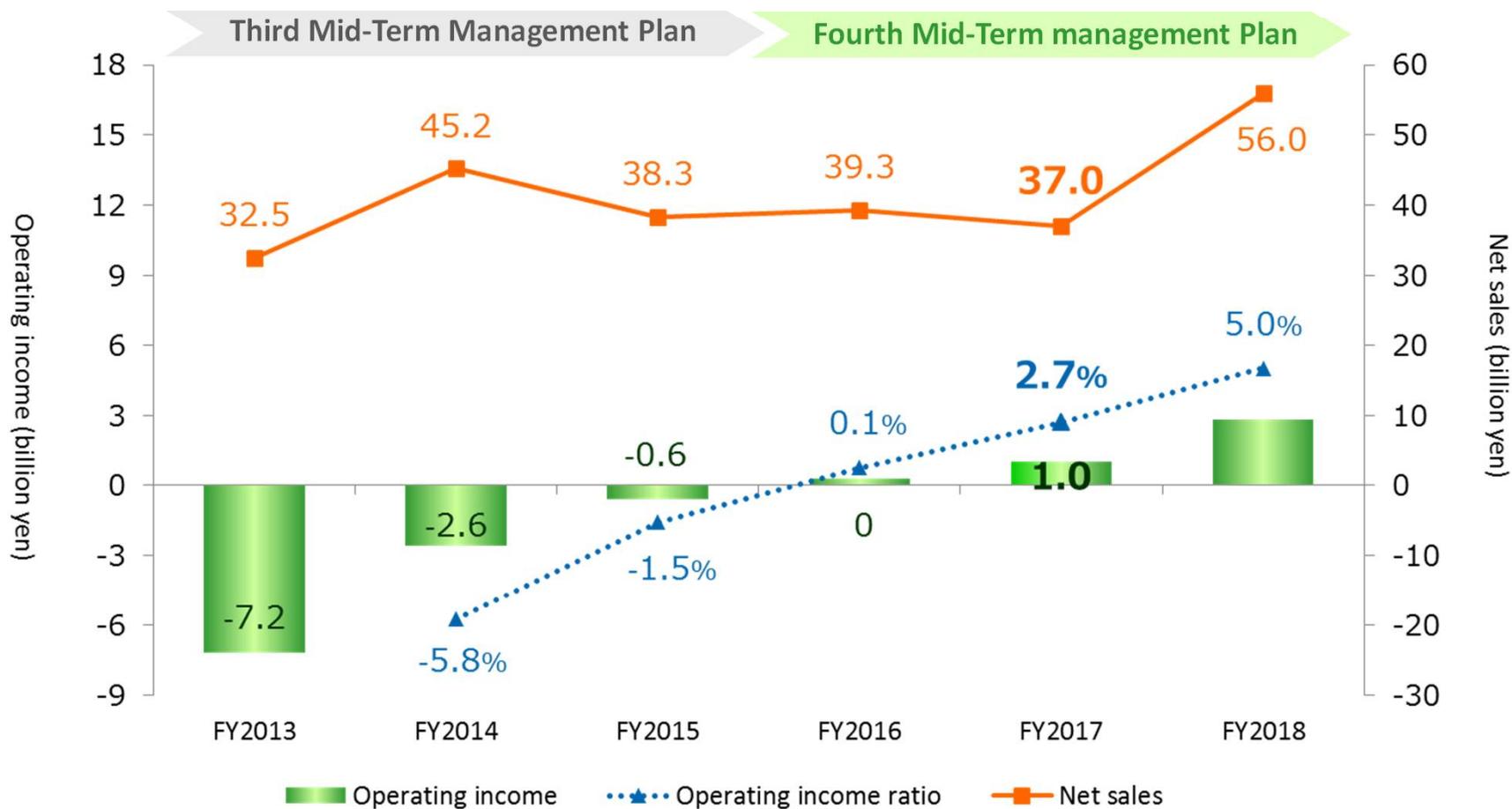


### Entry into housing market

Alliances with housing-related machinery manufacturers with abundant track record and experience.

# 9. Business Situation by Segment

## Automotive Lithium-ion Battery



# 9. Business Situation by Segment

## Automotive Lithium-ion Battery

### Win new order for Europe



Back ground

**Efforts to build policy on popularization of next-generation eco-friendly vehicles**  
mainly in major European countries



January 1, 2018 onwards

**All new taxis to be made emission-free as much as possible**  
as part of tightening of exhaust gas regulations in cities in some countries



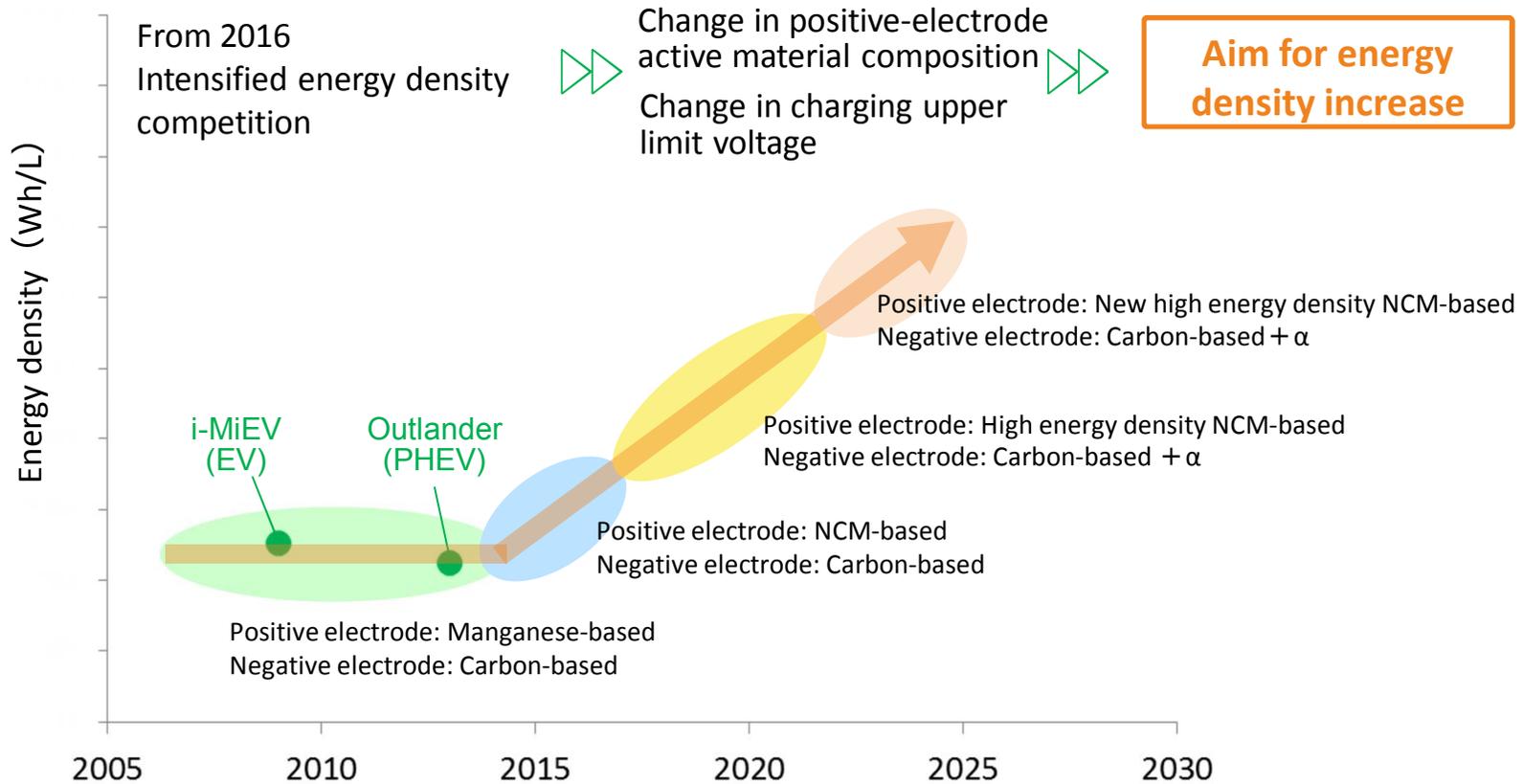
New orders

**Win order for new project for EV taxis**  
in collaboration with partner

# 9. Business Situation by Segment

## Automotive Lithium-ion Battery

Product development taking into account the golden age of electric vehicles 



# 9. Business Situation by Segment

## Other

### Building of production structure for lithium-ion batteries for submarines

1990s onwards  
Started development of lithium-ion batteries for submarines

2015  
Concluded agreement with  
Acquisition, Technology & Logistics Agency

Following the contract for the first submarine, GS Yuasa concluded an agreement for the second submarine in March, 2017

October 2016  
Dedicated plant completed in Kusatsu, Shiga  
Prefecture

March 2017 onwards  
Start of mass production

Building of production and quality control structure for offering high-performance, high-quality products

August 2018 (planned)  
Delivery to Ministry of Defense



Soryu-class submarine  
(source: Maritime Self-Defense Force)

## III. Corporate Governance

# 1. Corporate Governance Code Implementation Status

## Response to Explain items



### Electronic voting right, English version of convocation notice

- Execution of voting rights electronically was implemented last fiscal year, and participated in electronic voting platform for institutional investors.
- Will continue to consider preparing English version of convocation notice.

### Decide on appropriate ratio of performance-linked remuneration and stock options for directors

- Decided to introduce performance-based stock compensation plan through trust for directors.

### Appointment of multiple independent outside directors

- Planning to add one in next general meeting of shareholders raising the number to two.
- Simultaneously review the officer structure and reduce the number of directors from 12 to 7.

### Assess the effectiveness of the Board of Directors

- In the survey and interviews conducted in the previous fiscal year, it has been found to be generally effective.
- The summary of the assessment are to be disclosed this fiscal year.
- The Group plans to make improvements regarding the issues that were identified.

# 1. Corporate Governance Code Implementation Status

## Introduction of performance-based stock compensation plan for directors



### Raise awareness on medium- to long-term performance improvement and contributing to increasing corporate value

- Further clarify the link between directors' compensation and the Company's operating performance and share price.
- Directors share the benefits and risks of share price fluctuation with shareholders.



#### [Target]

- Directors of GS Yuasa Corporation (excl. outside directors).
- Directors of GS Yuasa International Ltd.

#### [Details]

Rank-based points

+

Points based on the Company's operating performance



Through trust

grant **GS Yuasa shares**

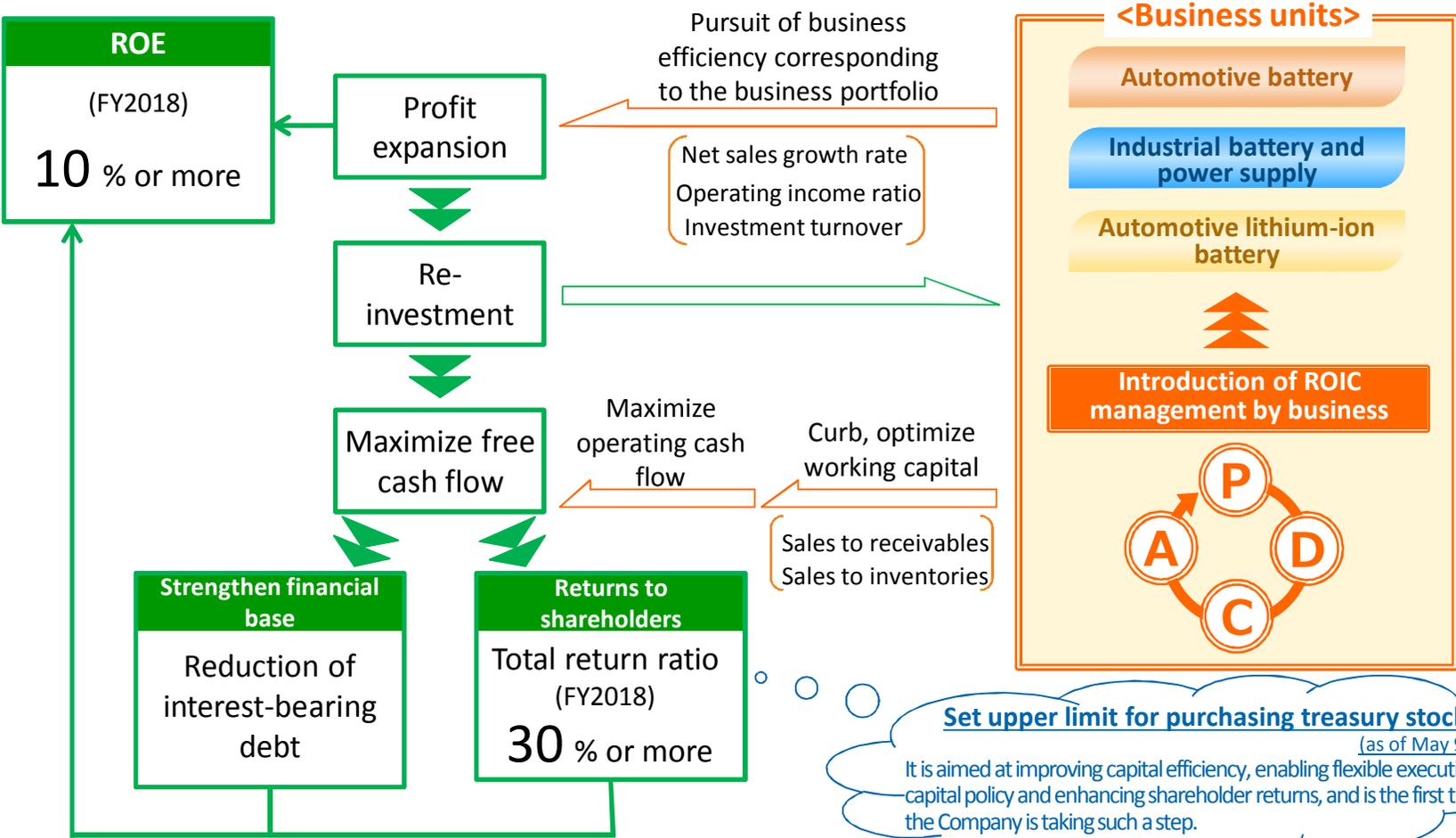
\* From the Company's treasury stock holdings or a securities exchange

Achievement level of management metrics

- (1) Net sales
- (2) Operating income ratio
- (3) ROIC

# 1. Corporate Governance Code Implementation Status

## Introduce ROIC by business for efficiency-oriented business management



Notes: 1. ROIC is calculated as follows:  

$$\text{Operating income before amortization of goodwill} \div \text{invested capital (fixed assets + working capital)}$$
 Invested capital is the average of amount at beginning and end of term.  
 2. ROE and total return ratio are based on net profit before amortization of goodwill.

# 1. Corporate Governance Code Implementation Status

## Change in governance structure



Achieve sustained growth of the business and improvement in corporate value in the medium- to long-term by ensuring separation of supervision and execution and increasing the number of independent outside directors.



- Deciding the Group policy and its monitoring.
- Streamlining Board of Directors. (from 12 to 7)
  - ✓ Reducing number of full-time directors. (from 11 to 5)
  - ✓ Increasing independent outside directors. (from 1 to 2)

Transfer decision-making in terms of operational execution



- Business execution in accordance with the Group policy.
- Enhancement of deliberations and speeding up of decision-making.

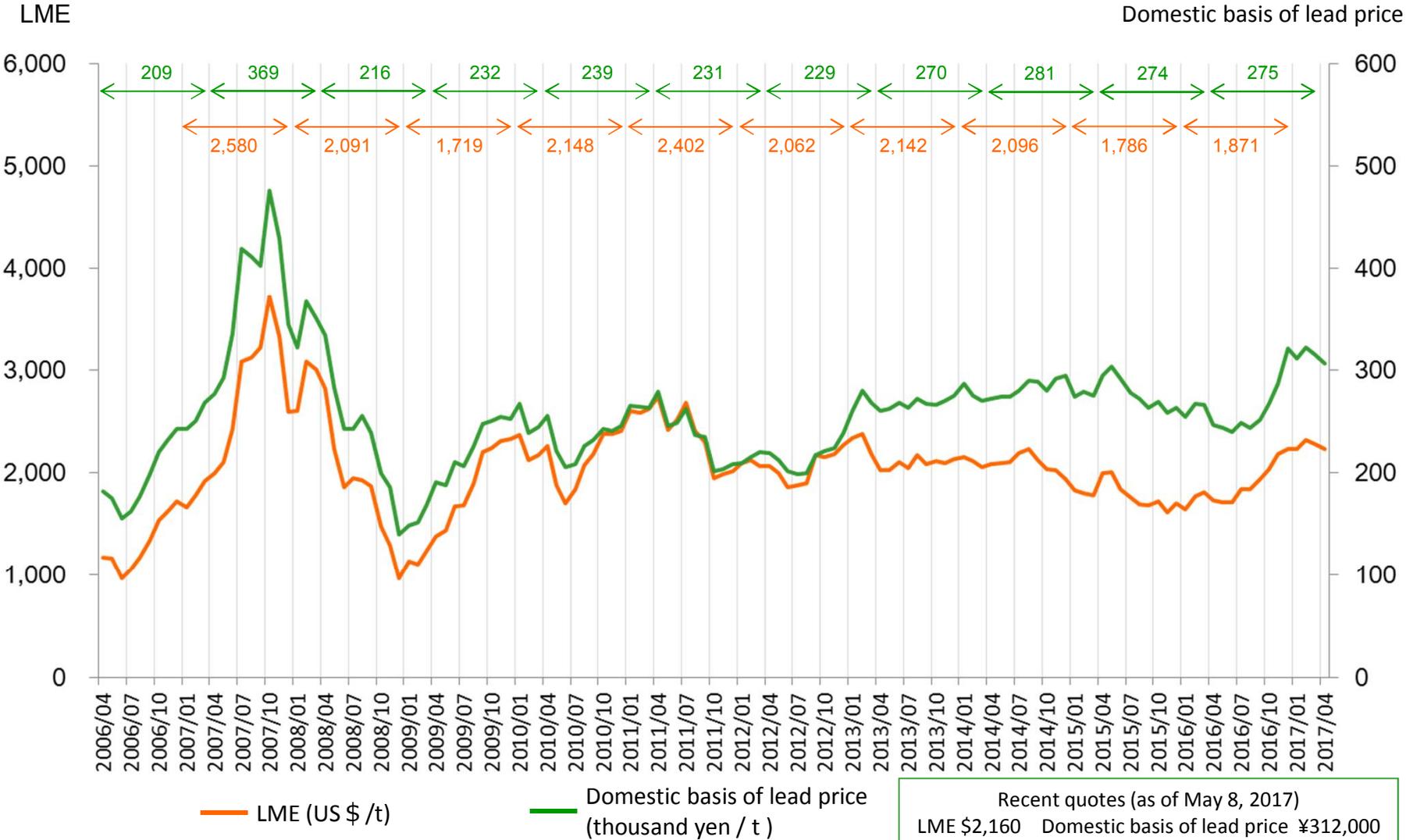
Although this document has been prepared with information believed to be correct, GS Yuasa Corporation does not guarantee the accuracy or the completeness of such information. Also, the information herein contains forward-looking statements regarding the Company's plans, outlooks, strategies and results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



# Reference

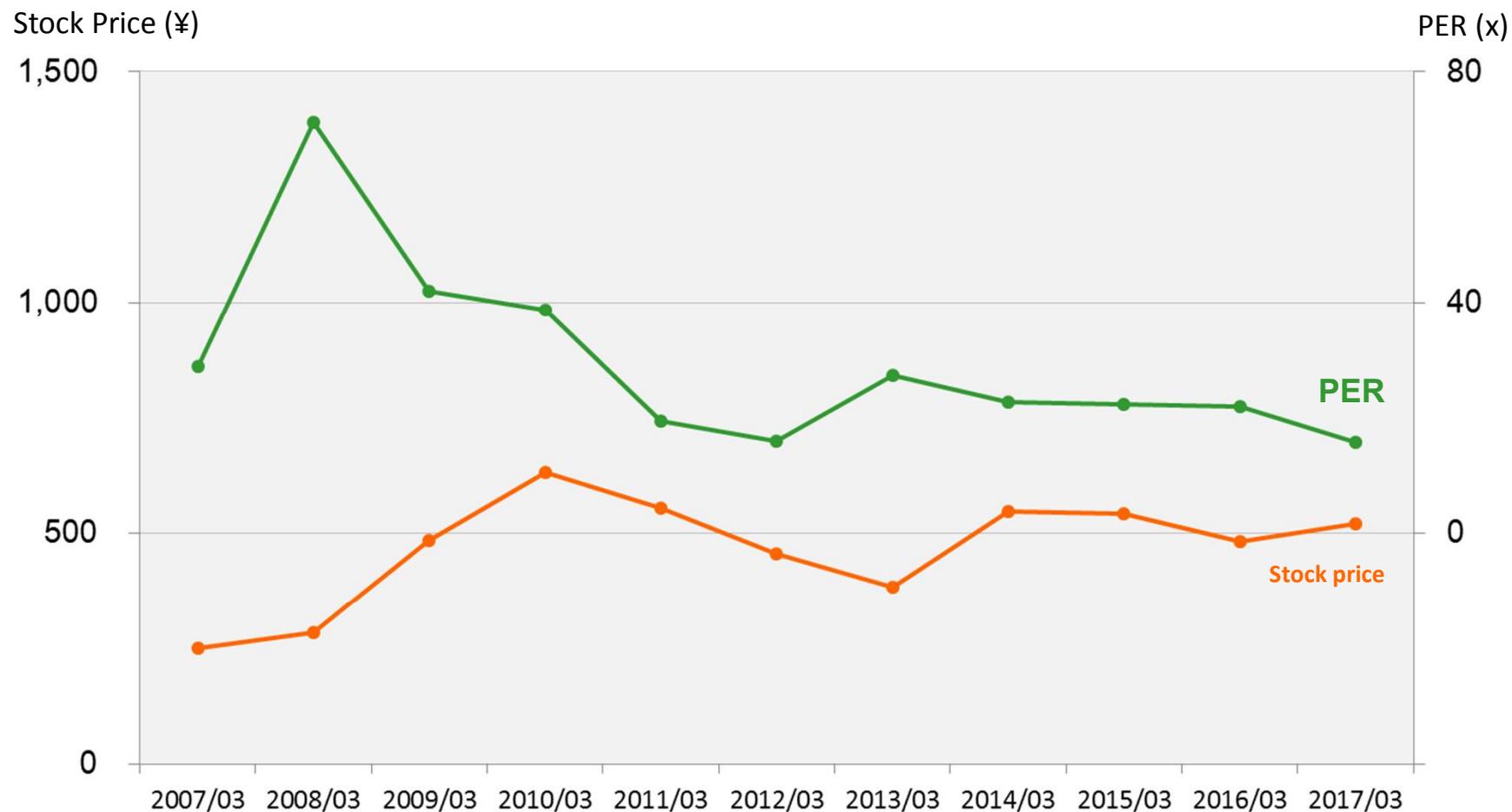


## Raw Materials Prices



# Reference

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



Notes: 1. Closing price on the last trading day of March.  
2. PER is based on net profit before amortization of goodwill.

# Reference

	Fiscal year	2012	2013	2014	2015	2016
Operating income ratio	(%)	3.6	5.2	5.7	6.0	6.7
Return on equity (ROE)	(%)	4.8	7.5	6.7	5.7	8.7
Return on invested capital (ROIC)	(%)	5.3	8.7	9.3	9.8	11.1
Earnings per share (EPS)	(¥)	13.97	24.18	24.33	21.88	33.19
Dividend per share	(¥)	6	8	10	10	10 (planned)
Purchase of treasury stock (amount planned for the next fiscal year)	(¥bn)	-	-	-	-	1.0
Total return ratio	(%)	42.9	33.1	41.1	45.7	37.4

	Fiscal year	2012	2013	2014	2015	2016
Interest-bearing debt	(¥bn)	71.7	80.1	82.2	73.6	74.2
D/E ratio	(x)	0.62	0.64	0.63	0.54	0.52
Equity ratio	(%)	43.2	41.0	44.9	44.4	43.6
Debt to cash flow ratio	(year)	4.0	4.2	4.3	2.5	2.2

Notes: 1. The above indices for FY2016 are based on net profit before amortization of goodwill (operating income, profit).

2. ROIC is calculated as follows:

Operating income before amortization of goodwill ÷ invested capital (fixed assets (excl. goodwill amortization) + working capital).

Invested capital is the average of amount at beginning and end of term.