

October 30, 2017

GS Yuasa Corporation
Consolidated Earnings Report for the
Six Months ended September 30, 2017
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange Securities code: 6674
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Scheduled dates

Filing of statutory quarterly financial report (*Shihanki hokokusho*): October 30, 2017
 Dividend payout: December 1, 2017

Supplementary materials to quarterly earnings report available: Yes
 Quarterly earnings presentation held: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(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	%
Six Months ended September 30, 2017	184,208	15.9	5,986	(16.6)	6,447	(3.0)	2,549	(38.0)
Six Months ended September 30, 2016	158,899	(7.2)	7,173	5.3	6,650	(5.7)	4,111	13.7

Note: Comprehensive income: Six Months ended September 30, 2017: ¥ 6,604 million, -%
 Six Months ended September 30, 2016: ¥ (8,006) million, -%

	Profit per share		Diluted profit per share	
	yen		yen	
Six Months ended September 30, 2017	6.18		5.75	
Six Months ended September 30, 2016	9.96		9.28	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	million yen		million yen		%	
September 30, 2017	376,907		191,022		43.5	
March 31, 2017	370,508		188,155		43.6	

Reference: Total equity: As of September 30, 2017: ¥164,098 million
 As of March 31, 2017: ¥161,722 million

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2017	-	3.00	-	7.00	10.00
Year ending March 31, 2018	-	3.00			
Year ending March 31, 2018 (forecast)			-	7.00	10.00

Note: No revision has been made to the latest dividends forecast.

3. Earnings Forecast for the Year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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
Year ending March 31, 2018	400,000	11.2	24,000	3.9	22,500	(0.2)	12,500	2.2	30.28

Note: No revision has been made to the latest earnings forecast.

*Notes

- (1) Changes affecting the status of material subsidiaries (scope of consolidation): None
- (2) Use of accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accordance with revisions to accounting and other standards: None
 - 2) Changes other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of shares issued (common stock)

	September 30, 2017	March 31, 2017
1) Number of shares issued (including treasury stock)	413,574,714	413,574,714
2) Number of shares held in treasury	612,123	835,277
	Six Months ended September 30, 2017	Six Months ended September 30, 2016
3) Average number of shares outstanding during the period	412,776,234	412,756,252

*This report is not subject to the quarterly review requirements of Japan's Financial Instruments and Exchange Act.

*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 section "(3) Note on Consolidated Earnings Forecast and Other Forward-looking Statements" on page 4.

4. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

1) Overview

In the first six months of the fiscal year ending March 31, 2018, consumer spending in Japan maintained its moderate recovery trend owing to improvements in the labor market and consumer sentiment. Spending activity finally recovered from the reactionary downturn following a spending surge before the 2014 consumption tax increase, with replacement demand for automobiles and other durable goods particularly strong.

Reviewing the global economy, economic growth slowed moderately in China despite continued expansion in domestic consumer markets, as higher short-term market interest rates had a restraining effect on real estate investment and the stronger yuan versus the U.S. dollar caused exports to decline. U.S. economic growth remained firm amid improvements in the labor market, while in Europe, personal incomes and consumption remained sluggish due to deep-rooted concerns over the economic outlook amid Brexit. Overall, the trends in each country reflected a moderate global economic recovery.

In this economic environment, the GS Yuasa Group's consolidated net sales for the first six months of the fiscal year totaled ¥184,208 million, an increase of ¥25,309 million, or 15.9%, compared with the same period of the previous fiscal year. Sales grew on strong demand for new automobile batteries in the domestic automotive batteries business, as well as the inclusion of Panasonic's domestic lead-acid battery business in the consolidated results from the previous fiscal year.

In terms of profitability, operating income totaled ¥5,986 million for the first six months (¥7,064 million before goodwill amortization), a decrease of ¥1,187 million, or 16.6%, compared with the same period of the previous year. Although the domestic automotive batteries business performed well, profitability was impacted by higher prices for main raw material lead in the industrial batteries and overseas automotive batteries businesses, as well as the impact of goodwill amortization. Ordinary income decreased by ¥202 million year on year, or 3.0%, to ¥6,447 million. Although foreign exchange loss improved amid more stable exchange rates during the period compared to a sharp yen appreciation in the same period of the previous year, ordinary income declined along with the decline in operating income.

Profit attributable to owners of parent totaled ¥2,549 million (¥3,717 million before goodwill amortization), a year-on-year decrease of ¥1,561 million, or 38.0%, due to higher tax expenses resulting from the recognition of deferred tax liabilities against the retained earnings of overseas affiliates.

2) Business segment results

Business reportable segments have changed from the first quarter of the fiscal year under review. The year-on-year comparisons below are made by restating the previous year's results according to the new segments for comparison.

(Automotive Batteries)

Net sales in Japan totaled ¥39,307 million for the first six months of the fiscal year, a year-on-year increase of ¥17,155 million, or 77.4%. Sales were bolstered by robust demand from new vehicle manufacturers, along with the acquisition of Panasonic's domestic lead-acid battery business. Segment income (before goodwill amortization) increased ¥902 million year on year, or 79.4%, to ¥2,040 million, reflecting the sales increase and acquisition of Panasonic's domestic lead-acid battery business.

Overseas net sales totaled ¥88,702 million, a year-on-year increase of ¥5,567 million, or 6.7%, due mainly to increased sales in Europe. Overseas segment income declined ¥1,218 million year on year, or 23.1%, to ¥4,057 million, as the impact of price increases in key raw material lead.

Combined net sales from Japan and overseas totaled ¥128,009 million for the first six months of the fiscal year, a year-on-year increase of ¥22,723 million, or 21.6%. Segment income (before goodwill amortization) decreased ¥315 million year on year, or 4.9%, to ¥6,097 million.

(Industrial Batteries and Power Supplies)

Net sales in the industrial batteries and power supplies segment for the first six months of the fiscal year totaled ¥29,507 million, a year-on-year decrease of ¥1,326 million, or 4.3%, due to lower sales of small-scale power supplies and industrial-use lithium-ion batteries. Segment income totaled ¥833 million, a year-on-year decrease of ¥780 million, or 48.4%, due to the sales decline and higher lead prices.

(Automotive Lithium-ion Batteries)

Net sales in the automotive lithium-ion batteries segment for the first six months of the fiscal year totaled ¥19,606 million, a year-on-year increase of ¥1,074 million, or 5.8%. Although sales of lithium-ion batteries for plug-in hybrid vehicles slumped, sales of lithium-ion batteries for hybrid vehicles increased. The segment became profitable with income of ¥225 million, a year-on-year improvement of ¥759 million, as the increased sales outweighed higher R&D expenses.

(Other)

Net sales in the other segment for the first six months of the fiscal year totaled ¥7,084 million, a year-on-year increase of ¥2,837 million, or 66.8%, boosted by higher sales of special purpose batteries and the start of production of lithium-ion batteries for submarines. Segment loss after adjustments of corporate expenses, etc. totaled ¥91 million, a year-on-year improvement of ¥227 million due to lower expenses in administrative divisions and other factors.

(2) Financial Condition

Total assets increased by ¥6,398 million from the end of the previous fiscal year to ¥376,907 million. While cash and deposits declined and notes and accounts receivable decreased due to collections, there were increases in inventories in preparation for high-demand periods and an increase in the market valuation of owned shares.

Liabilities increased by ¥3,531 million from the end of the previous fiscal year to ¥185,884 million. While there were declines in notes and accounts payable and payables, liabilities increased due to the issuance of bonds.

Net assets totaled ¥191,022 million, an increase of ¥2,867 million from the end of the previous fiscal year. Although there were dividends paid, net assets increased due to higher net unrealized gain on available-for-sale securities owing to increases in the market valuation of owned shares, and other factors.

【Cash Flows】

Cash and cash equivalents as of September 30, 2017 amounted to ¥22,826 million, a decrease of ¥1,847 million, or 7.5%, from the previous fiscal year-end.

Net cash provided by operating activities during the first six months amounted to ¥3,985 million, compared with net cash provided of ¥8,108 million in the same period of the previous fiscal year, mainly as a result of contributions from profit before income taxes, depreciation and amortization, and the collection of trade accounts receivable, which offset an increase in inventories and decrease in trade accounts payable.

Net cash used in investing activities during the first six months totaled ¥13,681 million, compared with net cash used of ¥21,077 million in the same period of the previous year, rising mainly due to purchase of property, plant, and equipment.

Net cash provided by financing activities during the first six months amounted to ¥8,021 million, compared with net cash provided of ¥8,983 million in the same period of the previous year. This was due mainly to the issuance of bonds.

(3) Note on Consolidated Earnings Forecast and Other Forward-looking Statements

There is no change to the consolidated forecast announced May 9, 2017.

5. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of March 31, 2017 Amount	(Millions of yen) As of September 30, 2017 Amount
Assets		
Current assets		
Cash and deposits	24,994	23,520
Notes and accounts receivable	71,941	66,521
Merchandise and finished goods	34,445	41,060
Work in process	15,534	18,057
Raw materials and supplies	12,859	14,164
Deferred tax assets	3,175	3,296
Other	10,715	9,023
Allowance for doubtful receivables	(507)	(503)
Total current assets	173,159	175,140
Fixed assets		
Property, plant, and equipment		
Buildings and structures, net	51,122	50,184
Machinery and equipment, net	33,895	35,596
Land	24,250	24,324
Lease assets, net	954	780
Construction in progress	9,418	5,928
Other, net	4,636	4,550
Total property, plant, and equipment	124,278	121,365
Intangible assets		
Goodwill	5,599	4,974
Lease assets	679	658
Other	8,053	7,507
Total intangible assets	14,332	13,140
Investments and other assets		
Investment securities	47,711	54,002
Net defined benefit asset	6,714	8,415
Other	4,682	5,205
Allowance for doubtful receivables	(406)	(438)
Total investments and other assets	58,702	67,184
Total fixed assets	197,313	201,691
Deferred assets	36	75
Total assets	370,508	376,907

	As of March 31, 2017 Amount	(Millions of yen) As of September 30, 2017 Amount
Liabilities		
Current liabilities		
Notes and accounts payable	35,774	32,424
Electronically recorded obligation	8,480	13,176
Short-term borrowings	27,534	32,128
Payables	14,858	6,429
Income taxes payable	3,616	2,435
Notes payable-facilities	2,317	235
Other	17,239	18,396
Total current liabilities	109,820	105,226
Long-term liabilities		
Bonds	-	10,000
Convertible bonds	25,000	25,000
Long-term debt	21,723	19,564
Lease obligations	1,163	1,103
Net defined benefit liability	5,913	5,848
Other	18,732	19,142
Total long-term liabilities	72,532	80,658
Total liabilities	182,353	185,884
Net assets		
Shareholders' equity		
Common stock	33,021	33,021
Capital surplus	55,292	55,313
Retained earnings	59,501	59,162
Less treasury stock, at cost	(358)	(383)
Total shareholders' equity	147,456	147,113
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	10,769	13,346
Deferred gain (loss) on derivatives under hedge accounting	-	2
Land revaluation surplus	2,397	2,397
Foreign currency translation adjustments	2,330	2,649
Remeasurements of defined benefit plans	(1,231)	(1,411)
Total accumulated other comprehensive income	14,266	16,985
Non-controlling interests	26,432	26,924
Total net assets	188,155	191,022
Total liabilities and net assets	370,508	376,907

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	(Millions of yen)	
	Six Months ended September 30, 2016	Six Months ended September 30, 2017
	Amount	Amount
Net sales	158,899	184,208
Cost of sales	121,536	143,898
Gross profit	37,363	40,309
Selling, general and administrative expenses	30,189	34,323
Operating income	7,173	5,986
Non-operating income		
Interest and dividend income	374	483
Equity in earnings of equity method affiliates	504	156
Foreign exchange gain	-	228
Other	284	361
Total non-operating income	1,162	1,230
Non-operating expenses		
Interest expenses	500	454
Foreign exchange loss	873	-
Other	312	313
Total non-operating expenses	1,686	768
Ordinary income	6,650	6,447
Extraordinary income		
Gain on sales of fixed assets	37	116
Other	71	9
Total extraordinary income	108	125
Extraordinary loss		
Loss on disposal of fixed assets	157	55
Loss on sales of fixed assets	3	0
Impairment loss	339	-
Other	31	29
Total extraordinary loss	532	85
Profit before income taxes	6,226	6,487
Income taxes	1,137	2,599
Profit	5,089	3,888
Profit attributable to non-controlling interests	977	1,338
Profit attributable to owners of parent	4,111	2,549

Consolidated Statements of Comprehensive Income

	Six Months ended September 30, 2016	(Millions of yen) Six Months ended September 30, 2017
	Amount	Amount
Profit	5,089	3,888
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	735	2,555
Deferred gain (loss) on derivatives under hedge accounting	(53)	2
Foreign currency translation adjustments	(10,206)	(102)
Remeasurements of defined benefit plans	46	(170)
Share of other comprehensive income of equity method affiliates	(3,617)	430
Total other comprehensive income	(13,095)	2,716
Comprehensive income	(8,006)	6,604
Components:		
Comprehensive income attributable to owners of parent	(6,867)	5,268
Comprehensive income attributable to non-controlling interests	(1,138)	1,335

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six Months ended September 30, 2016	Six Months ended September 30, 2017
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	6,226	6,487
Depreciation and amortization	7,646	9,012
Impairment loss	339	-
Amortization of goodwill	16	624
Increase (decrease) in allowance for doubtful receivables	(176)	(25)
Change in net defined benefit asset/liability	(1,624)	(2,001)
Interest and dividend income	(374)	(483)
Interest expenses	500	454
Foreign exchange (gain) loss	(671)	(32)
(Gain) loss on sales of fixed assets	(33)	(115)
Loss on disposal of fixed assets	157	55
Equity in (earnings) loss of equity method affiliates	(504)	(156)
(Increase) decrease in trade accounts receivable	6,558	6,528
(Increase) decrease in inventories	(3,079)	(10,526)
Increase (decrease) in trade accounts payable	(4,938)	(2,290)
Other – net	963	825
Sub total	11,006	8,357
Interest and dividends received	943	1,259
Interest paid	(517)	(426)
Income taxes paid	(3,324)	(5,205)
Net cash provided by operating activities	8,108	3,985
Cash flows from investing activities		
Purchase of property, plant, and equipment	(8,082)	(10,456)
Proceeds from sales of property, plant, and equipment	61	147
Purchase of investment securities	(10)	(2,552)
Purchase of subsidiaries' shares resulting in change in scope of consolidation	(13,556)	-
Payments for loans receivable	(56)	(0)
Collection of loans receivable	140	15
Other, net	427	(835)
Net cash used in investing activities	(21,077)	(13,681)

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings and commercial paper	9,959	2,996
Proceeds from long-term debt	4,429	989
Repayments of long-term debt	(681)	(1,754)
Proceeds from issuance of bonds	-	10,000
Purchase of treasury stock	(2)	(3)
Dividends paid	(2,892)	(2,890)
Dividends paid to non-controlling shareholders	(1,299)	(1,308)
Proceeds from issuance of consolidated subsidiary's shares to non-controlling shareholders	-	379
Other - net	(529)	(387)
Net cash provided by financing activities	8,983	8,021
Foreign currency translation adjustments on cash and cash equivalents	(2,036)	(172)
Net increase (decrease) in cash and cash equivalents	(6,021)	(1,847)
Cash and cash equivalents, beginning of term	27,788	24,673
Cash and cash equivalents, end of term	21,766	22,826

(4) Notes on the Consolidated Financial Statements

(Note on the going-concern assumption)

Not applicable

(Note on significant change in shareholders' equity)

Not applicable

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

The Company calculates tax expense by rationally estimating its effective tax rate after application of tax-effect accounting method to profit before income taxes for the current fiscal year, which includes the first six months of the fiscal year under review, and multiplying profit before income taxes by said estimated effective tax rate.

(Segment and other information)

Segment Information

I. Six months ended September 30, 2016 (April 1 to September 30, 2016)

1. Net sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment							
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total	Other (note)	Total
	Japan	Overseas	Subtotal					
Net sales								
Sales to outside customers	22,151	83,134	105,286	30,834	18,532	154,652	4,247	158,899
Inter-segment sales and transfers	704	563	1,268	1,580	800	3,648	(3,648)	-
Total	22,856	83,697	106,554	32,414	19,332	158,301	598	158,899
Segment income (loss)	1,137	5,275	6,413	1,614	(534)	7,493	(319)	7,173

Note: "Other" comprises a) businesses that are not included in any of the reportable segments such as special batteries business and b) segment income adjustment. Segment income adjustment was minus 1,279 million yen, which includes minus 769 million yen elimination of inter-segment transactions and minus 509 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. Impairment loss on fixed assets or goodwill by reportable segment

(Material impairment loss on fixed assets)

In the Automotive Lithium-ion Batteries segment, some of the assets held by consolidated subsidiaries for business purposes ceased to be used. The book values of these fixed assets were reduced to their recoverable amounts, and the losses were recorded as "impairment loss" under extraordinary loss.

The impairment loss recorded for this reason in the first six months for the fiscal year ended March 31, 2017 was 339 million yen.

(Material change in the amount of goodwill)

In the automotive batteries-Japan segment, Panasonic Storage Battery Co., Ltd. (current: GS Yuasa Energy Co., Ltd.) has been included in the scope of consolidation since the end of the second quarter as the Company acquired the shares in the company.

Due to this, in the first six months for the fiscal year ended March 31, 2017, goodwill increased 9,665 million yen. The amount is provisional and estimated based on reasonable information available as the acquisition cost for Panasonic Storage Battery Co., Ltd. has yet to be determined and the allocation of the acquisition cost has not been completed.

II. Six months ended September 30, 2017 (April 1 to September 30, 2017)

1. Net sales and income/loss by reportable segment

(Millions of yen)

	Reportable segment							
	Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Total	Other (note)	Total
	Japan	Overseas	Subtotal					
Net sales								
Sales to outside customers	39,307	88,702	128,009	29,507	19,606	177,123	7,084	184,208
Inter-segment sales and transfers	689	487	1,176	1,337	167	2,681	(2,681)	-
Total	39,996	89,189	129,185	30,845	19,774	179,805	4,402	184,208
Segment income (loss)	2,040	4,057	6,097	833	225	7,156	(91)	7,064

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. Segment income adjustment was minus 1,137 million yen, which includes minus 601 million yen elimination of inter-segment transactions and minus 535 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. The difference between the total segment income in the table above and operating income of 5,986 million yen on the consolidated income statements represents amortization of goodwill and other intangible assets of 1,078 million yen. These goodwill and other intangible assets include identifiable assets acquired on the effective date of business combination.

2. Changes to reportable segments

The GS Yuasa Group consists of segments based on business units, and up to the previous fiscal year, the reportable segments comprised Domestic Automotive Batteries, Domestic Industrial Batteries and Power Supplies, Overseas Operations, and Automotive Lithium-ion Batteries.

During the first quarter of the fiscal year ending March 31, 2018, the Group implemented one of the major strategic initiatives of "reorganization of the business structure in response to markets and customers" in the fourth mid-term management plan in order to flexibly respond to change in the market environment for our businesses, thereby unifying the domestic automotive batteries business and the overseas lead-acid storage batteries business into the automotive battery business. In line with this, the Group's reportable segments have been reorganized into Automotive Batteries-Japan, Automotive Batteries-Overseas, Industrial Batteries and Power Supplies, and Automotive Lithium-ion Batteries. Automotive Batteries-Overseas includes part of transactions for overseas industrial batteries which have been traded for some time.

The results of Automotive Batteries-Japan and Automotive Batteries-Overseas are added together to provide results of Automotive Batteries. Segment information for the six months ended September 30, 2016 has been restated to conform to the revised presentation.

6. Supplementary Information

(1) Quarterly profit/loss

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

(Millions of yen)

	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	Q4 (Jan. – Mar.)	Q2 YTD (Apr. – Sep.)	Q3 YTD (Apr. – Dec.)	Full year
Net sales	87,805	96,402	-	-	184,208	-	-
Operating income	2,876	3,109	-	-	5,986	-	-
Ordinary income	3,273	3,174	-	-	6,447	-	-
Profit attributable to owners of parent	1,254	1,295	-	-	2,549	-	-

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	75,364	83,535	95,428	105,277	158,899	254,328	359,605
Operating income	2,988	4,184	7,501	8,431	7,173	14,674	23,106
Ordinary income	2,875	3,774	8,007	7,887	6,650	14,657	22,545
Profit attributable to owners of parent	1,840	2,271	4,460	3,656	4,111	8,572	12,229

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

(2) Overview of Results for the Six Months ended September 30, 2017

(Millions of yen unless otherwise stated)

	Six months ended			Change (b) – (a)	Full year ended/ending		
	September 30, 2015	September 30, 2016 (a)	September 30, 2017 (b)		March 31, 2016	March 31, 2017	March 31, 2018 (forecast)
Net sales	171,149	158,899	184,208	25,309	365,610	359,605	400,000
Automotive Batteries-Japan	23,336	22,151	39,307	17,155	50,986	67,598	85,000
Automotive Batteries-Overseas	94,601	83,134	88,702	5,567	191,402	170,613	188,000
Industrial Batteries and Power Supplies	30,420	30,834	29,507	(1,326)	74,804	72,765	74,000
Automotive Lithium-ion Batteries	17,829	18,532	19,606	1,074	38,312	39,305	37,000
Other	4,961	4,247	7,084	2,837	10,104	9,323	16,000
Operating income	6,814	7,173	5,986	(1,187)	21,909	23,106	24,000
Operating income before amortization of goodwill	-	-	7,064	-	-	24,185	26,500
Automotive Batteries-Japan	815	1,137	2,040	902	3,291	5,676	6,200
Automotive Batteries-Overseas	6,241	5,275	4,057	(1,218)	11,358	10,460	10,800
Industrial Batteries and Power Supplies	652	1,614	833	(780)	8,061	8,701	8,500
Automotive Lithium-ion Batteries	(1,166)	(534)	225	759	(565)	45	1,000
Other	271	(319)	(91)	227	(235)	(699)	-
Ordinary income	7,049	6,650	6,447	(202)	21,416	22,545	22,500
Profit attributable to owners of parent	3,616	4,111	2,549	(1,561)	9,030	12,229	12,500
Profit attributable to owners of parent before amortization of goodwill	-	-	3,717	-	-	13,699	15,500
Profit per share (yen)	8.76	9.96	6.18	(3.78)	21.88	29.63	30.28
Interim dividend per share (yen)	3.00	3.00	3.00	-	10.00	10.00	10.00
Capital investment	5,459	7,705	5,507	(2,198)	12,955	19,909	25,000
Depreciation/amortization	7,689	7,346	8,223	876	15,309	15,241	19,000
Research and development expenses	3,597	4,374	4,840	466	6,996	9,533	12,000
Cash flows from operating activities	5,391	8,108	3,985	(4,123)	30,215	34,846	-
Cash flows from investing activities	(6,095)	(21,077)	(13,681)	7,395	(17,311)	(32,912)	-
Cash flows from financing activities	(2,332)	8,983	8,021	(962)	(9,685)	(3,715)	-
Cash and cash equivalents, end of term	22,694	21,766	22,826	*(1,847)	27,788	24,673	-
Total assets	351,435	339,893	376,907	*6,398	346,523	370,508	-
Net assets	184,296	166,915	191,022	*2,867	177,790	188,155	-
Total debt	81,320	84,110	86,693	*12,435	73,608	74,257	-
Equity ratio (%)	46.1	42.4	43.5	*(0.1)	44.4	43.6	-
Return on equity (%) (profit before amortization of goodwill)	-	-	-	-	5.7	8.7	-
Net assets per share (yen)	392.65	348.79	397.59	*5.76	372.43	391.83	-
Overseas sales ratio (%)	57.5	56.8	51.6	*0.5	55.5	51.1	-
Number of employees, end of term (persons)	14,759	14,407	14,857	*147	14,415	14,710	-
Number of consolidated subsidiaries	53	55	55	*-	55	55	-
Japan	22	22	22	*-	22	22	-
Overseas	31	33	33	*-	33	33	-

* The asterisks indicate change over the end of the previous fiscal year. (March 31, 2017).

Note: From the fiscal year ended March 31, 2017 forward, operating income for each segment represents operating income before amortization of goodwill.