

# Business Structure

Business segment	Net sales / Composition of net sales	Main products	Main applications	Main customers	Characteristics of the business
<p><b>Automotive Batteries (Japan)</b> → pp. 47-50</p>	<p>FY2021 <b>¥81,494 million</b></p>	<p>Lead-acid batteries</p> <p>Battery type: <b>Lead-acid</b></p>	<p><b>For starting</b> General vehicles / Vehicles with start-stop systems (ISS: idling stop systems)</p> <p><b>For auxiliary equipment</b> Hybrid electric vehicles (HEVs) / Plug-in hybrid electric vehicles (PHEVs) / Electric vehicles (EVs)</p> <p><b>For starting</b></p>	<p><b>For new automobiles</b> Japanese automakers</p> <p><b>For replacement</b> Distributors (electrical device shops, etc.), automobile accessory mass retailers, automobile dealers, oil refiners and sellers, etc.</p> <p><b>For new automobiles</b> Japanese motorcycle makers</p> <p><b>For replacement</b> Distributors, etc.</p>	<p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>Consistent earnings can be secured through replacement batteries</li> <li>High profit margin for lead-acid batteries for ISS vehicles</li> <li>Earnings affected by fluctuations in lead prices</li> </ul> <p><b>Seasonality</b></p> <ul style="list-style-type: none"> <li>The demand period for replacements is October-December</li> </ul>
<p><b>Automotive Batteries (Overseas)</b> → pp. 47-48, 51-52</p>	<p>FY2021 <b>¥186,743 million</b></p>	<p>Lead-acid batteries</p> <p>Battery type: <b>Lead-acid</b></p>	<p><b>For starting</b> General vehicles / ISS vehicles</p> <p><b>For auxiliary equipment</b> HEVs / PHEVs / EVs</p> <p><b>For starting</b></p>	<p><b>For new automobiles</b> Japanese automakers, etc.</p> <p><b>For replacement</b> Distributors, etc. * Varies by country</p> <p><b>For new automobiles</b> Japanese motorcycle makers</p> <p><b>For replacement</b> Distributors, etc.</p>	<p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>Earnings affected by fluctuations in lead prices</li> <li>As the foundation is local production for local consumption, the impact on foreign exchange earnings will be minimal</li> <li>* Sales results of lead-acid batteries for industrial use are also included (Backup batteries in Europe account for the majority).</li> </ul>
<p><b>Industrial Batteries and Power Supplies</b> → pp. 53-56 / Feature pp. 41-42</p>	<p>FY2021 <b>¥99,465 million</b></p>	<p>Lead-acid batteries Lithium-ion batteries Various power supply devices (including DC power supply and UPS)</p> <p>Battery type: <b>Lead-acid</b> <b>Lithium</b></p>	<p><b>For emergency use</b> Mobile phone base stations, office buildings, water and sewer systems, power plants and transformer stations, and railways, etc.</p> <p><b>For regular use</b> Solar power and wind power generation systems</p> <p><b>For drive force</b> Forklift</p>	<p>Railways, electric power, government agencies, communications carriers, factories, office buildings, and data centers, etc.</p> <p>* Sales are also conducted via distributors, electrical construction companies, electrical machinery and communications device makers, and others.</p> <p>Forklift makers, maker distributors, etc.</p>	<p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>As we offer a one-stop service from design to manufacturing, construction and maintenance, profit margins are high</li> </ul> <p><b>Seasonality</b></p> <ul style="list-style-type: none"> <li>High profit margin projects for national and local government offices are concentrated in the January-March period</li> </ul> <p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>Consistent revenue can be secured through replacement batteries</li> </ul>
<p><b>Automotive Lithium-ion Batteries</b> → pp. 57-60</p>	<p>FY2021 <b>¥47,637 million</b></p>	<p>Lithium-ion batteries</p> <p>Battery type: <b>Lithium</b></p>	<p><b>For drive force</b> HEVs / PHEVs / EVs</p> <p><b>For starting (12V lithium)</b> General vehicles</p> <p><b>For auxiliary equipment (12V lithium)</b> HEVs / PHEVs / EVs / General vehicles</p>	<p><b>For new automobiles</b> Japanese automakers, European automakers</p>	<p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>As product lifespan is long, in principle, there is no use for replacements, it is for new automobiles only</li> </ul>
<p><b>Specialized Batteries and Others</b> → pp. 61-62</p>	<p>FY2021 <b>¥16,791 million</b></p>	<p>Lead-acid batteries Lithium-ion batteries Specialized batteries</p> <p>Battery type: <b>Lead-acid</b> <b>Lithium</b></p>	<p>Submarines</p> <p>Aircraft</p> <p>Satellites</p> <p>Manned research submersibles</p> <p>Rockets</p> <p>Other special applications</p>	<p>Japanese government, electrical machinery makers, aircraft makers, special corporations, etc.</p>	<p><b>Earnings structure</b></p> <ul style="list-style-type: none"> <li>Company-wide expenses are included in the segment</li> </ul>

<b>Battery applications</b>	<b>For starting</b>	For starting engines	<b>For emergency use</b>	For backup use in case of emergencies (power outage, etc.) in locations such as data centers and communication base stations
	<b>For auxiliary equipment</b>	For starting hybrid systems and backup for electrical devices	<b>For regular use</b>	For daily, uninterrupted charging and discharging in renewable energy, energy management, etc.
	<b>For drive force</b>	For driving motors		

# Key Financial Indices by Business Segment



Notes: 1. Operating profit has been operating profit before amortization of goodwill and the operating profit ratio has been the operating profit ratio before amortization of goodwill.  
 2. The "automotive batteries (overseas)" segment previously included a portion of transaction amounts for industrial batteries handled overseas, but as of fiscal 2018, the category was changed to "industrial batteries and power supplies." Net sales and operating profit for fiscal 2017 are indicated for the reporting segments after the change.  
 3. In fiscal 2019, some consolidated subsidiaries in the "automotive batteries (overseas)" segment were shifted to the "industrial batteries and power supplies" segment. Accordingly, the figures for fiscal 2018 have been reclassified to reflect the revised segment categories.

4. ROA has been calculated by dividing operating profit before amortization of goodwill by segment assets.  
 5. Depreciation expenses include depreciation of intangible assets.  
 6. Research and development expenses are calculated as total for the "automotive batteries (Japan)" and the "automotive batteries (overseas)" segments.