

Three Months Ended June 30, 2019 (FY2019) Results Briefing

August 6, 2019

GS Yuasa Corporation



FY2019 First Quarter Financial Results

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FY2019 First Quarter Financial Results

1. Point

- Looking at the global economy, the United States performed solidly, but the Chinese economy slowed, in part due to impact of US-China trade issues. The outlook in Europe remains clouded by uncertainty surrounding Brexit
- The Japanese economy stayed on moderate recovery trend, but outlook lacks clarity amid concerns about a slowdown in the global economy
- Group sales decreased mainly due to lower overseas sales by automotive batteries business
- Operating income decreased due to the abovementioned decrease in Group sales
- Profit attributable to owners of parent was boosted mainly by lower tax expenses

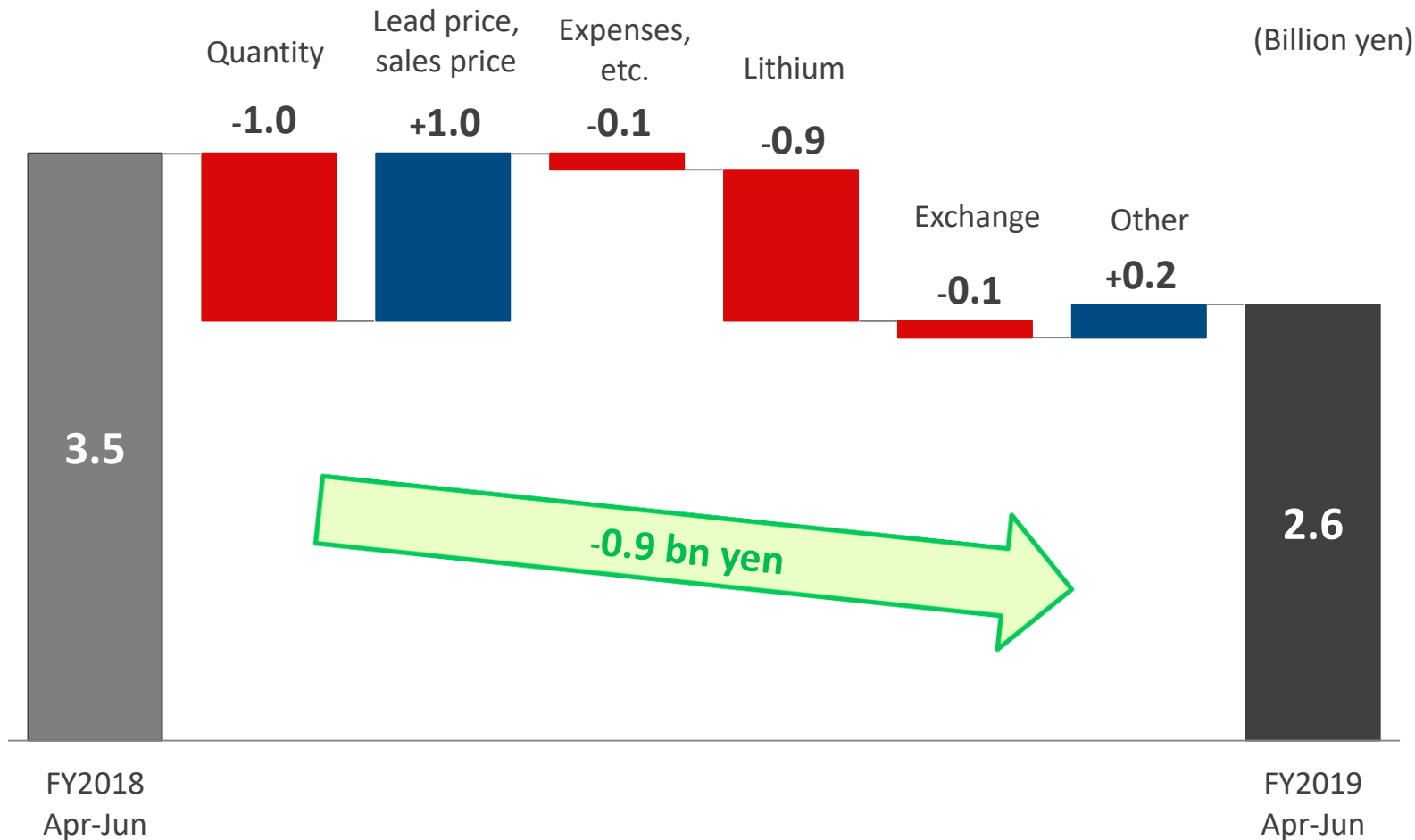
2. Net Sales, Profits

(Billion yen)

	FY2018 Apr-Jun	FY2019 Apr-Jun	Change	(YoY%)
Net Sales	96.3	90.1	-6.2	(-6.4%)
Operating income (Operating income ratio)	2.9 3.0%	2.0 2.3%	-0.9 -0.7P	(-30.1%)
Operating income before amortization of goodwill (Operating income ratio before amortization of goodwill)	3.5 3.6%	2.6 2.9%	-0.9 -0.7P	
Ordinary income	3.2	2.9	-0.3	(-9.2%)
Extraordinary income	0.2	0.0	-0.2	
Extraordinary loss	0.2	0.1	-0.1	
Profit before income taxes	3.2	2.8	-0.4	
Income taxes	1.0	0.8	-0.2	
Profit attributable to non-controlling interests	0.8	0.6	-0.2	
Profit attributable to owners of parent (Net profit ratio)	1.4 1.5%	1.5 1.6%	+0.1 +0.1P	(+3.0%)
Profit attributable to owners of parent before amortization of goodwill (Net profit ratio before amortization of goodwill)	2.0 2.1%	2.0 2.3%	+0.0 +0.2P	
Domestic lead price quote	¥322,700/t	¥272,500/t	-50,200/t	
LME	2,387US\$/t	1,886US\$/t	-501US\$/t	
Exchange rate	¥109.53/US\$	¥109.67/US\$	+¥0.14/US\$	

2. Net Sales, Profits

Factors for Operating Income Change (year-on-year comparison)



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

3. Segment Results

(Billion yen)

		FY2018 Apr-Jun		FY2019 Apr-Jun		Change	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: pp)
Automotive Battery	Japan	19.7	0.9 (4.5)	19.1	0.6 (3.1)	-0.6	-0.3 (-1.4)
	Overseas	44.3	2.7 (6.1)	40.9	2.7 (6.6)	-3.4	-0.0 (+0.5)
Industrial Battery and Power Supply		16.2	-0.3 (-1.8)	15.6	-0.2 (-1.0)	-0.6	+0.1 (+0.8)
Automotive Lithium-ion Battery		11.5	0.1 (1.0)	10.3	-0.8 (-7.8)	-1.2	-0.9 (-8.8)
Others		4.7	0.0 (0.6)	4.2	0.3 (6.0)	-0.5	+0.3 (+5.4)
Total		96.3	3.5 (3.6)	90.1	2.6 (2.9)	-6.2	-0.9 (-0.7)

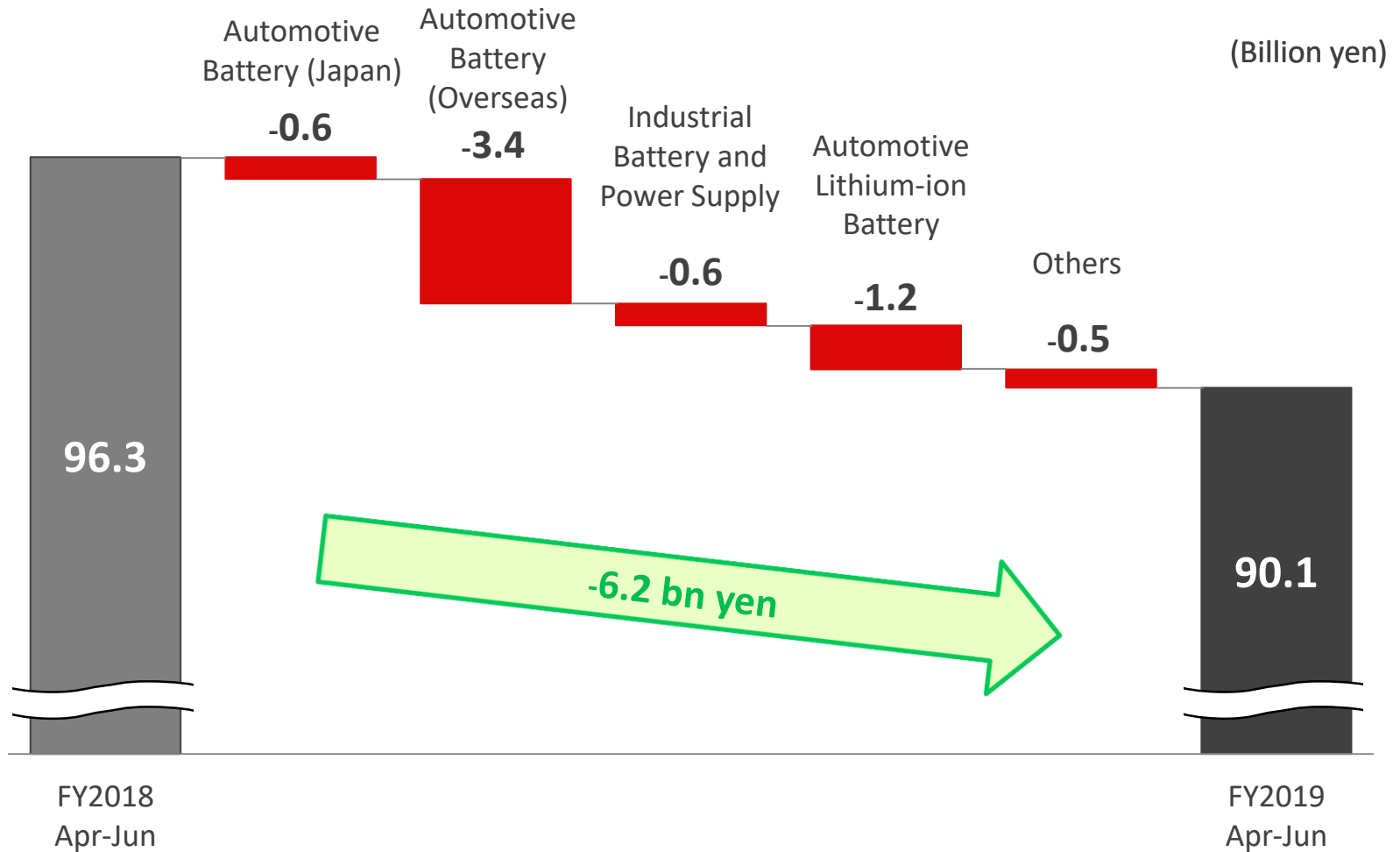
Note1: Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

Note2: From FY2019, some consolidated subsidiaries that were included in “Automotive Batteries-Overseas” have been reclassified to “Industrial Batteries and Power Supplies.”

Segment information for FY2018 has been recast to conform to this revision.

3. Segment Results

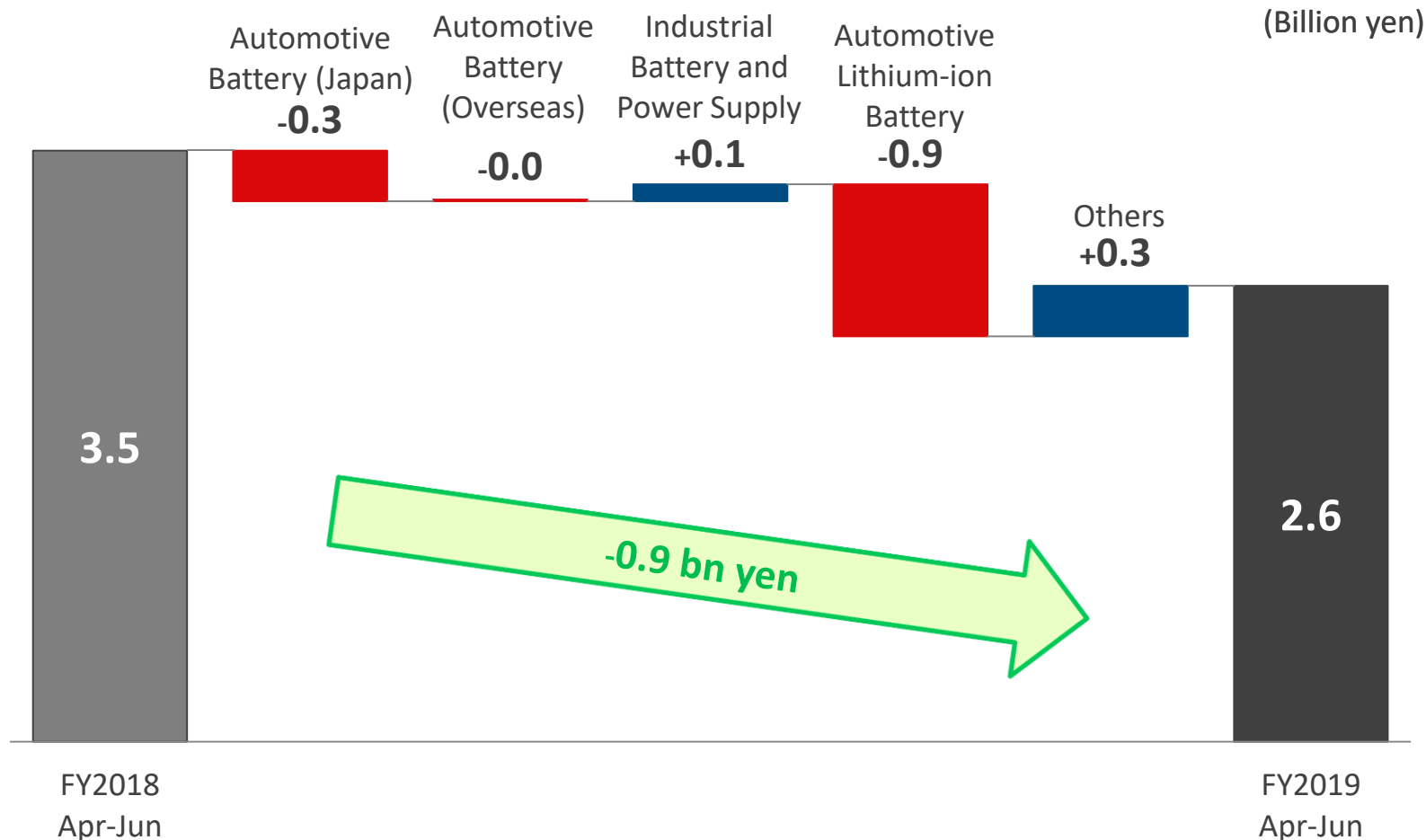
Factors for Segment Net Sales (year-on-year comparison)



Note: From FY2019, some consolidated subsidiaries that were included in "Automotive Batteries-Overseas" have been reclassified to "Industrial Batteries and Power Supplies." Net sales figures have been recast to conform to this revision.

3. Segment Results

Factors for Segment Operating Income (year-on-year comparison)



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

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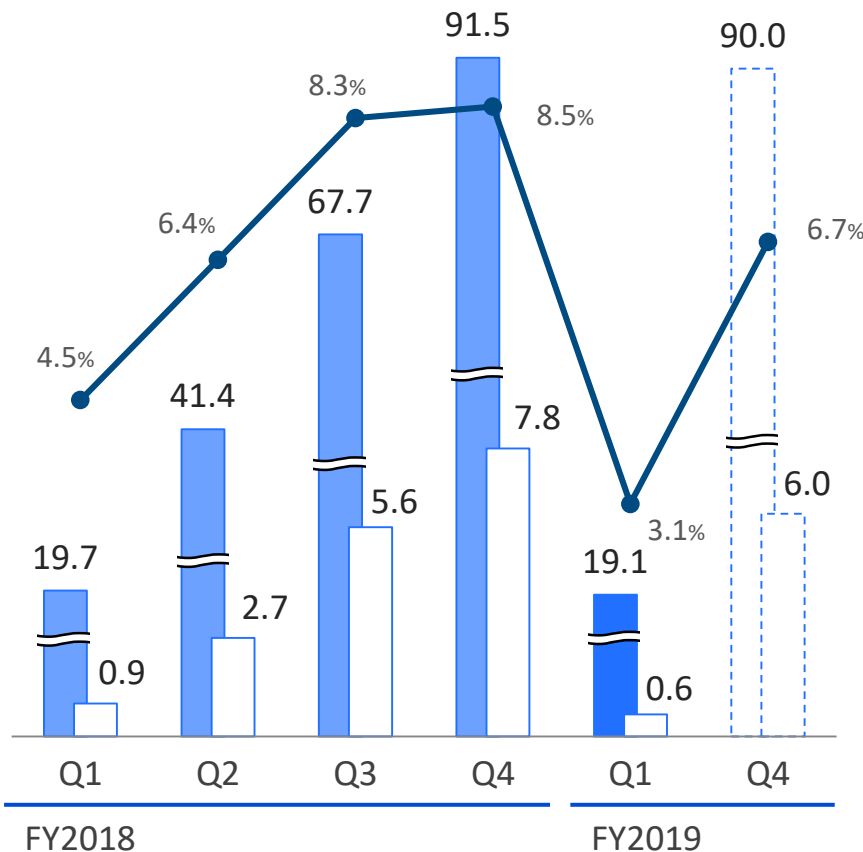
Operating income figures have been recast to conform to this revision.

3. Segment Results

Automotive Battery (Japan)

(Billion yen)

Net Sales, Operating income, Op. income ratio



FY2019 Q1 Sales Overview

- Sales of new automobile batteries increased led by EN (European Norm) Standard batteries
- Sales of replacement batteries declined as a whole, while sales of batteries for start & stop vehicles increased
- The impact of selling price decline due to decline in lead price

Main Profit Change Factors

Quantity	-0.4
Lead prices, sales prices	+0.3
Streamlining, expenses, etc.	-0.2

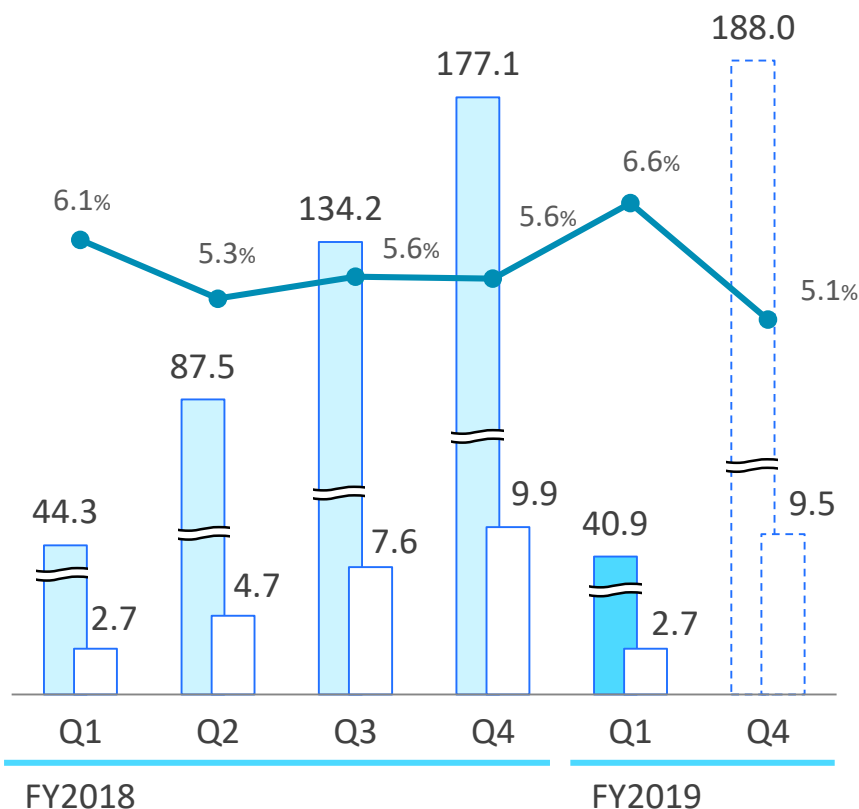
Note: Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill.

3. Segment Results

Automotive Battery (Overseas)

(Billion yen)

Net Sales, Operating income, Op. income ratio



FY2019 Q1 Sales Overview

- Sales of automotive lead-acid storage batteries declined primarily due to worsening market conditions in China
- Sales of motorcycle lead-acid batteries declined except in Southeast Asia
- The impact of foreign currency translation due to the stronger yen

Main Profit Change Factors

Quantity	-0.8
Lead prices, sales prices	+0.5
Streamlining, expenses, etc.	+0.3
Exchange	-0.1

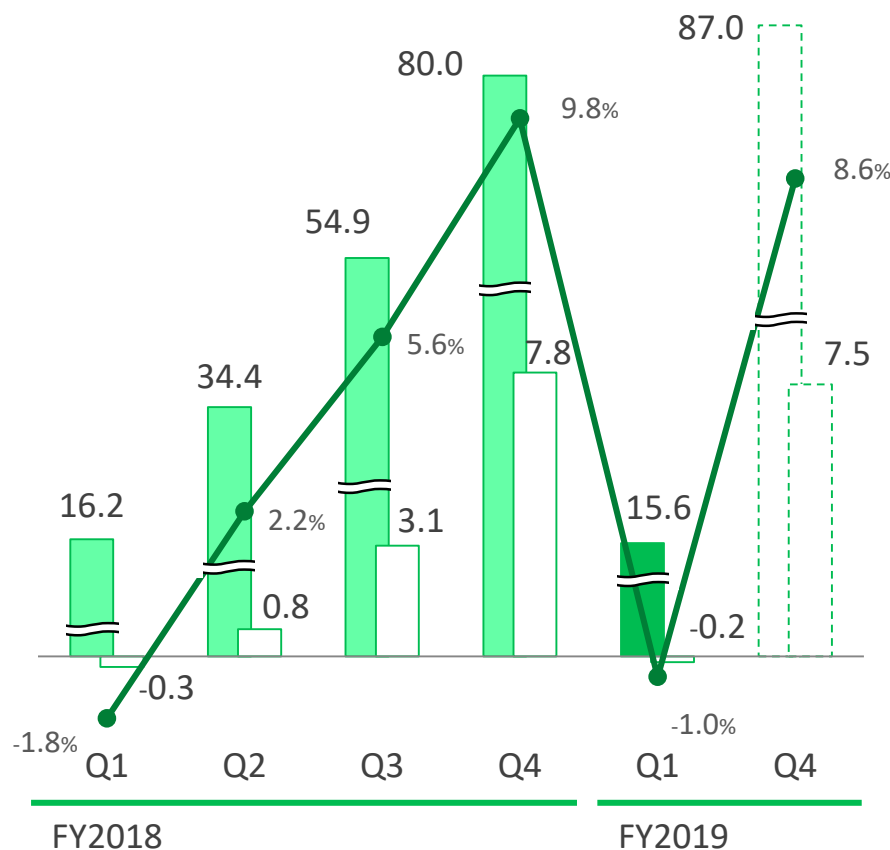
Note: From FY2019, some consolidated subsidiaries that were included in "Automotive Batteries-Overseas" have been reclassified to "Industrial Batteries and Power Supplies." Segment information for FY2018 has been recast to conform to this revision.

3. Segment Results

Industrial Battery and Power Supply

(Billion yen)

Net Sales, Operating income, Op. income ratio



FY2019 Q1 Sales Overview

- Sales of industrial lithium-ion batteries were strong
- Sales of lighting equipment declined
- The impact of specialized equipment business transfer

Main Profit Change Factors

Quantity	+0.1
Lead prices, sales prices	+0.1
Streamlining, expenses, etc.	-0.1

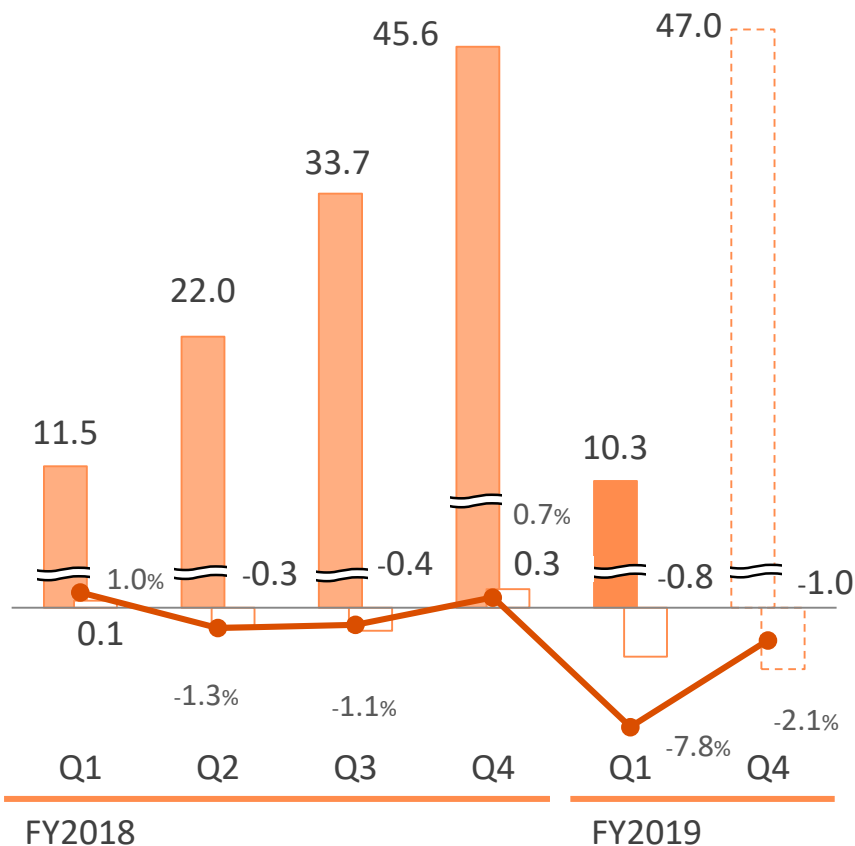
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3. Segment Results

Automotive Lithium-ion Battery

(Billion yen)

Net Sales, Operating income, Op. income ratio



FY2019 Q1 Sales Overview

- [Lithium Energy Japan]
Sales of lithium-ion batteries for plug-in hybrid vehicles declined
- [Blue Energy]
Sales of lithium-ion batteries for hybrid vehicles increased

Main Profit Change Factors

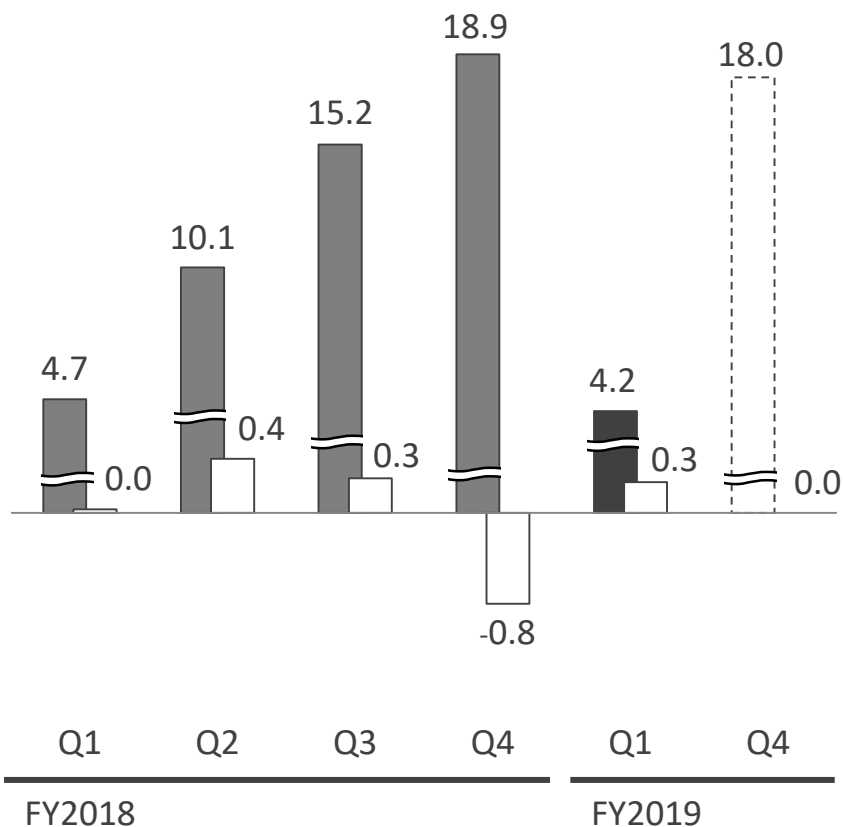
Increase in start-up expenses in Hungary

3. Segment Results

Others

(Billion yen)

Net Sales, Operating income



FY2019 Q1 Sales Overview

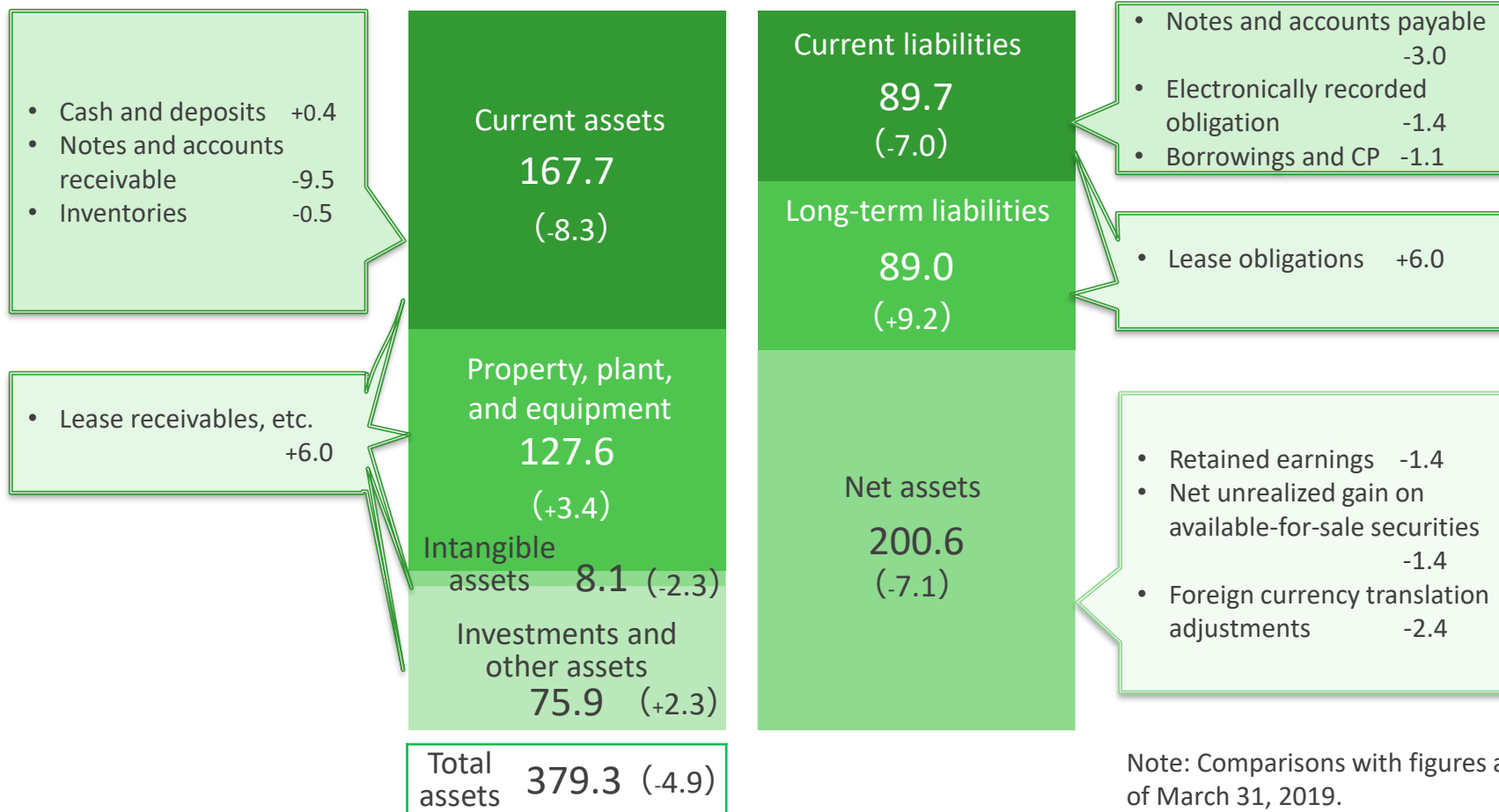
- Temporary production dip for some special application batteries
- Increase in sales of lithium-ion batteries for aircraft

Main Profit Change Factors

Mainly reduction in administrative division overhead costs

4. Balance Sheet

(Billion yen)



Note: Comparisons with figures as of March 31, 2019.

	3/31/2019	6/30/2019
Equity ratio	46.4%	45.3%
Interest-bearing debt	¥66.9bn	¥65.0bn

Released “DATAWINDOW-S” Storage Battery Monitoring System



DATAWINDOW-S
sensor unit (front) and control unit (back).

- Infrastructure already in place in Japan and demand for backup batteries and power supply systems has peaked



Working to Expand and Enhance IoT-based Koto Zukuri (Service Creation) Services

Ensures soundness of storage battery systems through constant monitoring, facilitates swift maintenance response through remote monitoring, and reduces maintenance workload. Utilization of recorded data supports the drafting of optimal upgrade plans

GS Yuasa LiB Installed in Japan’s First Fully Battery-Powered Vessel “e-Oshima”



Fully battery-powered vessel “e-Oshima”

- Demand for environment-responsiveness including CO2 emission reduction
- Decline in working population due to overall population decline



Achieved zero emission using high capacity lithium-ion batteries as sole power source

The batteries supply all of the electric power required during operations including power for navigation purposes thereby contributing to automatic navigation technologies, which facilitate labor saving and enhanced safety

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.

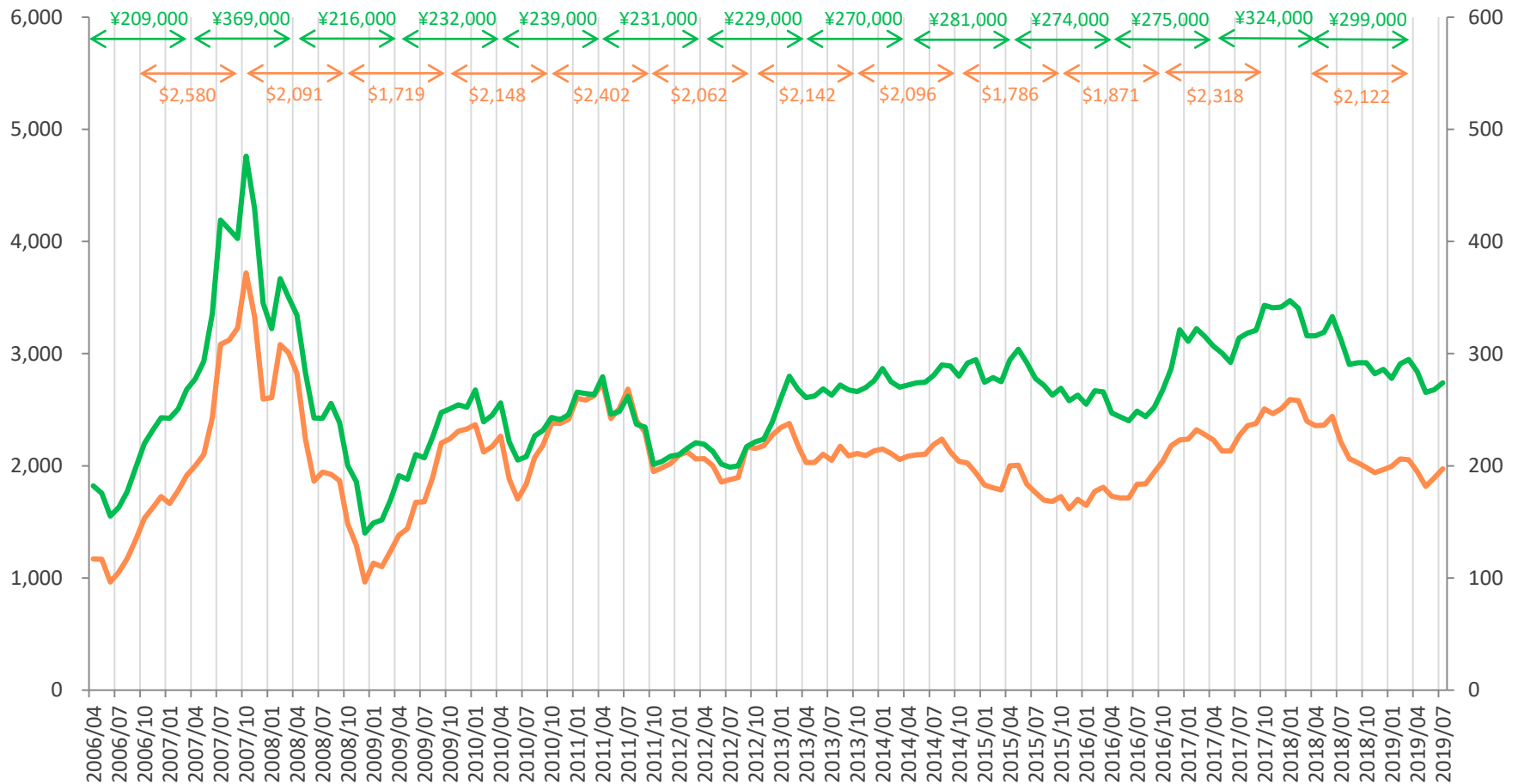


Reference

Raw Materials Prices

LME

Domestic basis
of lead price

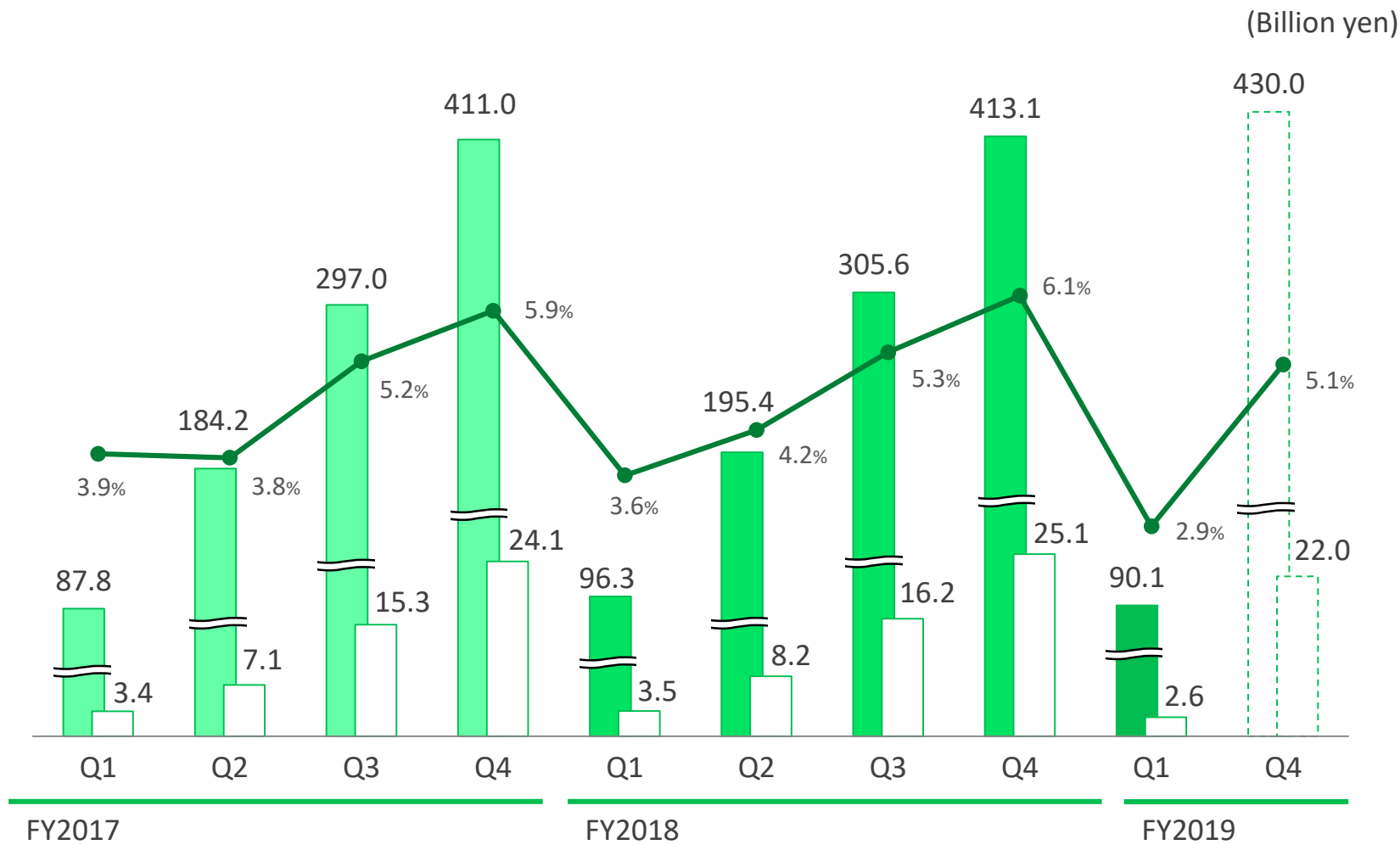


— LME (US \$ /t)

— Domestic basis of lead price (thousand yen/t)

Recent quotes (as of July 31, 2019)
LME \$1,982 Domestic basis of lead price ¥282,000

Net sales, Operating income, Op. income ratio



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