

Summary of Consolidated Financial Results for the Year Ended March 31, 2013 [Japan GAAP]

Name of Company:	Furukawa Battery Co., Ltd.
Stock Code:	6937
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
URL:	http://www.furukawadenchi.co.jp
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Scheduled date of ordinary general meeting of shareholders:	June 25, 2013
Scheduled date of commencement of dividend payment:	June 26, 2013
Scheduled date of filing of securities report:	June 25, 2013
Supplementary documents for financial results:	None
Financial results briefing:	None

(Yen in millions, rounded down)

1. Financial results for the fiscal year ended March 31, 2013 (April 1, 2012– March 31, 2013)

(1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2013	44,380	5.5	2,731	9.5	2,870	10.2	1,847	35.3
Fiscal year ended March 2012	42,064	(2.6)	2,494	(26.3)	2,604	(22.6)	1,365	(25.9)

Notes: Comprehensive income

Fiscal year ended March 31, 2013:	2,370 million yen (yoy 74.9%)
Fiscal year ended March 31, 2012:	1,354 million yen (yoy (30.4) %)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2013	56.36	-	16.4	8.3	6.2
Fiscal year ended March 2012	41.65	-	14.1	7.5	5.9

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2013:	- million yen
Fiscal year ended March 31, 2012:	- million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2013	35,057	12,820	35.3	377.03
As of March 31, 2012	34,093	10,624	29.8	310.23

Reference: Equity

As of March 31, 2013:	12,360 million yen
As of March 31, 2012:	10,170 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2013	3,606	(1,974)	(1,131)	1,767
Fiscal year ended March 2012	628	(1,699)	(674)	1,201

2. Dividends

	Dividends per share					Aggregate amount (annual)	Payout ratio (Consoli- dated)	Dividends/ net assets (Consoli- dated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2012	-	-	-	5.00	5.00	163	12.0	1.7
Fiscal year ended March 2013	-	-	-	6.00	6.00	196	10.6	1.7
Fiscal year ending March 2014 (forecast)	-	-	-	6.00	6.00		-	

3. Forecast for the fiscal year ending March 31, 2014 (Consolidated, April 1, 2013 – March 31, 2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	21,000	10.5	400	(0.4)	450	(0.3)	200	4.0	6.10
Full year	48,000	8.2	2,900	6.2	3,000	4.5	1,900	2.8	57.96

(Percentage figures represent year-on-year changes.)

Notes:

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Newly included: None Excluded: None
- (2) Changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements:
 - (a) Changes due to revision of accounting standards: Yes
 - (b) Changes other than in (a): None
 - (c) Changes in accounting estimates: Yes
 - (d) Retrospective restatements: None
- (3) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury stock)

As of March 31, 2013: 32,800,000 shares As of March 31, 2012: 32,800,000 shares
 - (b) Treasury stock

As of March 31, 2013: 16,669 shares As of March 31, 2012: 15,584 shares
 - (c) Average number of shares outstanding during the term

Fiscal Year ended March 31, 2013: 32,784,236 shares Fiscal year ended March 31, 2012: 32,784,932 shares

Non-consolidated Financial Results (For reference)**1. Financial results for the fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)**

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2013	32,734	1.1	1,404	17.8	1,607	16.1	1,106	92.6
Fiscal year ended March 2012	32,367	(1.0)	1,191	(33.9)	1,384	(26.7)	574	(42.5)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended March 2013	33.75	-
Fiscal year ended March 2012	17.53	-

(2) Financial position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2013	26,954	8,414	31.2	256.67
As of March 31, 2012	27,121	7,301	26.9	222.72

Reference: Equity

As of March 31, 2013: 8,414 million yen

As of March 31, 2012: 7,301 million yen

*Information concerning implementation status of the auditing procedure:

This earnings report is not subject to auditing procedure prescribed by the Financial Instruments and Exchange Act. The auditing procedure for the financial statements that is prescribed by the Financial Instruments and Exchange Act had not been completed when this earnings report was released.

* Explanation of the proper use of these earnings forecasts and other matters:

Forward-looking statements in these materials are based on information available to management at the time this report was prepared, and on assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. Please refer to "1. Analysis of Results of Operations and Financial Condition (1) Analysis of Results of Operations" on page 2 for details on the assumptions used and other related matters concerning the forecast of consolidated financial results.

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1. Analysis of Results of Operations and Financial Condition

(1) Analysis of Results of Operations

a) Results of operations

In the fiscal year that ended in March 2013, the Japanese economy recovered because of demand associated with earthquake recovery activities but consumer spending lost momentum following the end of the eco-car subsidy.

Late in 2012, the change to a new ruling party in Japan caused the yen to weaken and stock prices to climb due to expectations about economic and monetary initiatives. The result was a slow recovery in consumer spending as consumer sentiment improved.

Signs of a recovery in overseas economies indicate that the export environment may improve. However, the outlook remains uncertain because of the higher price of imports caused by the yen's weakness and other factors.

In the battery industry, the "smart city" market is emerging in Japan as well because of greater public awareness of this concept triggered by the energy problem following the Great East Japan Earthquake.

In addition, due to growing awareness of global energy and environmental issues, there are an increasing number of applications for batteries in environmental automobiles. One example is storage batteries for idle-stop vehicles.

The Furukawa Battery Group is strengthening its activities in the storage battery business. Developing automotive batteries like a capacitor hybrid lead-acid storage battery (UltraBattery™) for environmental vehicles is one measure. Other examples are activities involving environmental businesses like the smart grid and the development of very safe lithium-ion batteries for industrial use. In addition, we will contribute to earthquake recovery activities by using our designation as a company eligible to receive a subsidy for the restoration of industrial activity in Fukushima prefecture.

Consolidated sales increased 2,315 million yen, or 5.5%, to 44,380 million yen. There were strong sales of railway and other industrial-use batteries, orders at the subsidiary in Thailand for batteries for new cars increased following the flooding of 2011, and sales of replacement automobile batteries were higher. Overseas sales were 11,641 million yen and were 26.2% of total sales.

There were increases in promotion expenses as sales increased and depreciation expenses were higher because of an increase in capital expenditures. This was offset by a decrease in supplies expenses and other items. As a result, operating income increased from 2,494 million yen to 2,731 million yen and ordinary income increased from 2,604 million yen to 2,870 million yen.

There was extraordinary income of 112 million yen for state subsidies, including a Ministry of Economy, Trade and Industry subsidy for industries that create low-carbon employment. Extraordinary losses included a loss of 12 million yen on investment securities valuation and a loss of 12 million yen on disposal of noncurrent assets. After the deduction of taxes, net income was 1,847 million yen compared with 1,365 million yen one year earlier.

Business segment performance was as follows.

Furukawa Battery changed its business segments in association with the absorption of consolidated subsidiary Furukawa Battery Service Co., Ltd. on April 1, 2012. For the prior-year comparisons in the following section, business segments in the previous fiscal year have been revised to match the new business segments.

In the automobile segment, sales increased 1,408 million yen, or 5.2%, to 28,391 million yen and segment income decreased 154 million yen, or 11.6%, to 1,178 million yen. In Japan, there was a decline starting in the second quarter of sales primarily for batteries for new cars following the end of the eco-car subsidy. But at the subsidiary in Thailand, there were higher sales of batteries for new cars and replacement batteries.

In the industrial segment, sales increased 1,036 million yen, or 6.8%, to 16,224 million yen and segment income increased 544 million yen, or 56.7%, to 1,505 million yen. Growth was attributable mainly to higher sales of aircraft batteries and strong sales of alkaline batteries in China.

In the real estate segment, sales decreased 62 million yen, or 13.9%, to 387 million yen and segment income was down 101 million yen, or 54.4%, to 85 million yen. A decline in leasing income was the main cause of these decreases.

In others segment, sales decreased 36 million yen, or 4.6%, to 765 million yen and segment income was down 25 million yen, or 51.8%, to 23 million yen. These declines were caused mainly by a decline in packaging operations.

b) Outlook for fiscal year ending in March 2014

The Furukawa Battery Group will continue to concentrate on achieving more growth in business operations and higher earnings.

In the fiscal year ending in March 2014, we forecast sales of 48.0 billion yen, operating income of 2.9 billion yen, ordinary income of 3.0 billion yen and net income of 1.9 billion yen.

(2) Analysis of Financial Condition

a) Cash flows

Net cash provided by operating activities was 3,606 million yen. Major sources of cash were income before income taxes of 2,958 million yen and a decrease in inventories of 545 million yen. Cash was used by a 376 million yen decrease in trade accounts payable.

Net cash used in investing activities was 1,974 million yen. This was mostly due to payments of 1,972 million yen for the purchase of property and equipment.

Net cash used in financing activities was 1,131 million yen. There were proceeds of 1,310 million yen from short-term and long-term loans but there were payments of 2,135 million yen for the redemption of bonds and repayment of long-term loans and 296 million yen for dividends and lease obligations.

As a result, there was a net increase of 565 million yen in cash and cash equivalents to 1,767 million yen at the end of the fiscal year.

b) Trends of performance indicators associated with cash flows

	Fiscal year ended March 2009	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ended March 2012	Fiscal year ended March 2013
Equity ratio (%)	17.0	21.4	26.3	29.8	35.3
Market value basis equity ratio (%)	84.0	66.0	47.3	47.2	51.6
Interest-bearing debt / cash flow ratio (years)	2.2	2.8	1.6	10.8	1.7
Interest coverage ratio	14.9	15.6	24.4	4.3	31.3

※Equity ratio: equity / total assets

Market value basis equity ratio: market capitalization / total assets

Interest-bearing debt/cash flow ratio: interest-bearing debt/operating cash flows

Interest coverage ratio: operating cash flow / paid interest

Notes:

1. All figures are calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares as of the end of the period.
3. Operating cash flows are operating cash flows as shown in the consolidated statements of cash flows.
4. Interest-bearing liabilities are the sum of bonds and loans shown on the consolidated balance sheets. Interest expenses are interest expenses as shown in the consolidated statements of cash flows.

(3) Basic Policy for Earnings Distributions and Dividend for Current and Next Fiscal Years

Distributing earnings to shareholders is an important obligation of Furukawa Battery to its shareholders. The basic policy is to distribute earnings to shareholders by consistently paying a dividend while taking actions aimed at maintaining stable earnings. For the dividend, the policy is to determine these payments based on results of operations, financial soundness, the payout ratio and all other applicable factors.

To express our appreciation to shareholders for their support, we plan to pay a year-end dividend of 6 yen per share for the fiscal year that ended in March 2013. For the fiscal year ending in March 2014, although the operating environment is expected to remain challenging, we plan to pay a year-end dividend of 6 yen per share.

2. Corporate Group

The Furukawa Battery Group consists of Furukawa Battery Co., Ltd., its parent company, 12 consolidated subsidiaries, three non-consolidated subsidiaries and two affiliated companies not accounted for by the equity method. The primary business activities are the manufacture and sale of storage batteries and associated activities. The roles of the group companies concerning these activities are as follows.

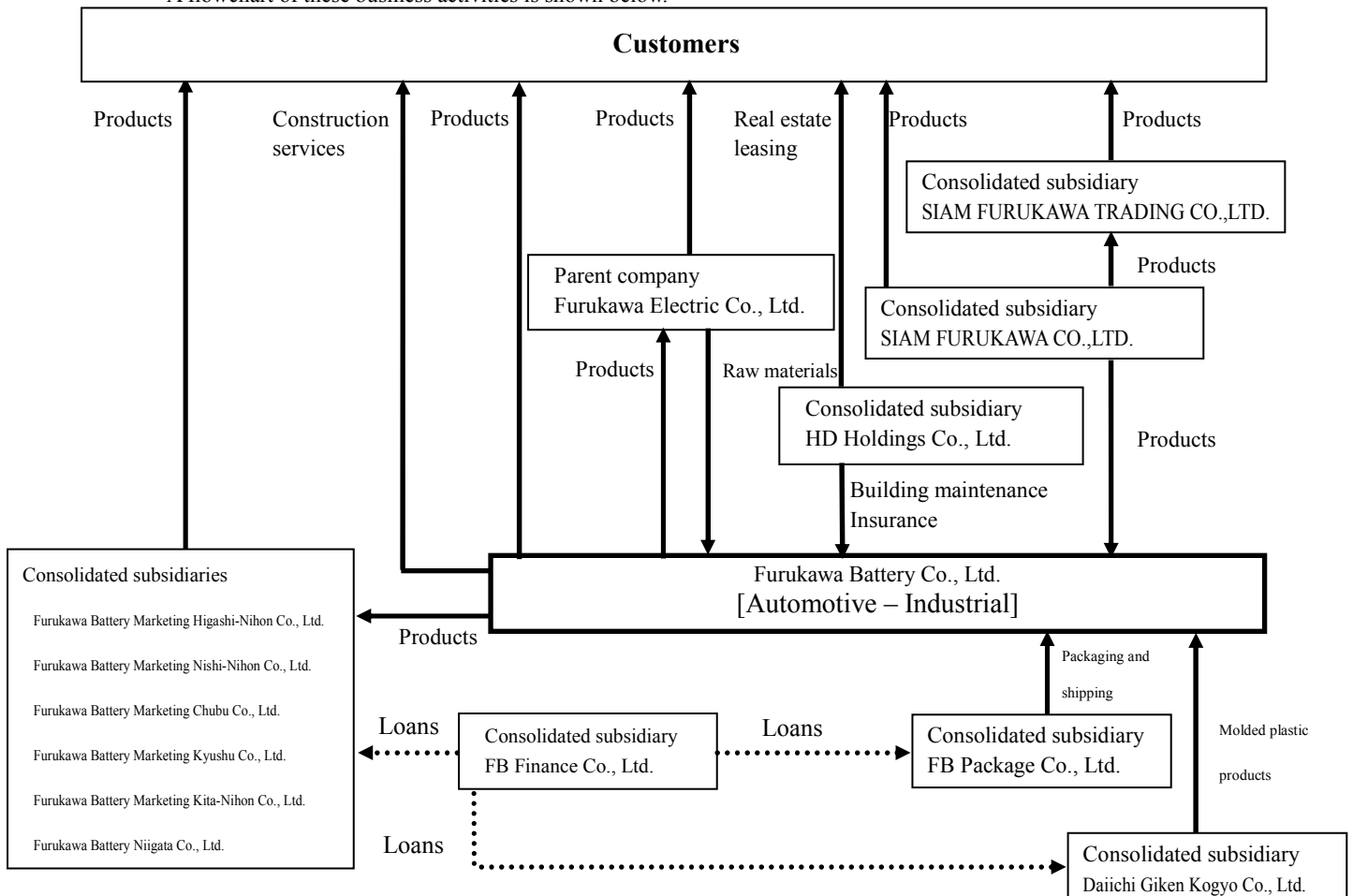
Furukawa Battery manufactures and sells lead-acid storage batteries, alkaline storage batteries, and rectifiers and other power supply devices and performs installations and inspections for these batteries. Consolidated subsidiary Siam Furukawa Co., Ltd., with technical support of Furukawa Battery, manufactures and sells lead-acid storage batteries and supplies some of these batteries to Furukawa Battery.

Consolidated subsidiary Furukawa Battery Marketing Higashi-Nihon Co., Ltd. and other subsidiaries sell some of the lead-acid storage batteries and alkaline storage batteries manufactured by Furukawa Battery.

Consolidated subsidiary FB Package Co., Ltd. performs packaging and shipping operations as well as on-site transport services for Furukawa Battery. Consolidated subsidiary FB Finance Co., Ltd. extends loans to consolidated subsidiaries and affiliated companies.

Some products are sold to parent company Furukawa Electric Co., Ltd. In addition, Furukawa Battery purchases some raw materials and other items from Furukawa Electric.

A flowchart of these business activities is shown below.



Note: Furukawa Battery merged with wholly owned subsidiary Furukawa Battery Service Co., Ltd. on April 1, 2012 with Furukawa Battery the surviving company. Furukawa Battery Service was dissolved after the merger.

3. Management Policy

(1) Basic Management Policy

Drawing on many years of expertise in battery technology, the Furukawa Battery Group will contribute to the realization of a rich and sustainable society through continuous technological innovation.

- a) Live up to the expectations and trust invested in us by society, with fairness and integrity.
- b) Apply the sum total of our expertise to satisfy our customers and grow with them.
- c) Continuously strive to achieve world-class technology innovation, and transform ourselves in every area of endeavor.
- d) Nurture human resources at every level, so that we can become a more diverse and creative organization.

In addition, we adhere to the following Credo of conduct for our business activities.

- a) Maintain high ethical standards, and value honesty and integrity above all.
- b) Continually improve, innovate, and lead, in every area of endeavor.
- c) Take a hands-on approach that addresses the reality of every situation - in the office, at the factory, and on site.
- d) Be proactive-take the initiative and work with others, persevering until a solution is found.
- e) Maintain open channels of communication between departments and divisions so that we can share ideas and help each other.

(2) Targeted Performance Indicators

The profit target and performance indicators (all consolidated) of the Furukawa Group are as follows.

(Targets for year ending March 2014)

Sales: 47.0 billion yen

Return on assets (ROA): 7.3% Equity ratio: 35% Overseas sales ratio: 30%

(3) Medium and Long-term Strategies and Issues to be Addressed

Expectations continue to climb for storage batteries to be used as one solution for global environmental issues and Japan's energy problem following the Great East Japan Earthquake. These batteries are viewed as important devices in the field of new energy, chiefly renewable sources of energy.

The Furukawa Battery Group announced a medium-term management plan in December 2011 for making progress toward the group's long-term vision called Dynamic Innovation 2020. In the fiscal year ending in March 2014, we will return to the spirit of a challenger in order to implement key initiatives. As in the past fiscal year, we will focus resources on carefully selected strategic sectors and seek greater efficiency for all our operations. In addition, we plan to make our products more competitive by rebuilding our manufacturing activities in Japan.

Furthermore, we are committed to remaining a company that can earn the trust of all stakeholders. For this purpose as well, we will conduct socially responsible business activities, implement a rigorous compliance program to ensure that our operations are sound and fair, and perform risk management, including crisis response measures to be prepared for natural disasters and other events.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	1,201	1,767
Notes and accounts receivable-trade	10,008	10,244
Merchandise and finished goods	1,581	1,301
Work in process	2,057	1,829
Raw materials and supplies	628	703
Deferred tax assets	248	260
Other	468	467
Allowance for doubtful accounts	(30)	(27)
Total current assets	16,163	16,545
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,381	11,699
Accumulated depreciation	(7,667)	(8,024)
Buildings and structures, net	3,713	3,674
Machinery, equipment and vehicles	21,800	22,778
Accumulated depreciation	(18,343)	(19,445)
Machinery, equipment and vehicles, net	3,456	3,332
Tools, furniture and fixtures	6,272	6,288
Accumulated depreciation	(5,939)	(5,913)
Tools, furniture and fixtures, net	333	375
Land	6,008	6,030
Lease assets	418	508
Accumulated depreciation	(152)	(243)
Lease assets, net	266	265
Construction in progress	266	875
Total property, plant and equipment	14,044	14,555
Intangible assets		
Goodwill	154	117
Lease assets	37	26
Other	55	173
Total intangible assets	247	316
Investments and other assets		
Investment securities	1,413	1,648
Deferred tax assets	2,067	1,862
Other	169	146
Allowance for doubtful accounts	(13)	(17)
Total investments and other assets	3,637	3,639
Total noncurrent assets	17,929	18,511
Total assets	34,093	35,057

(Million yen)

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	5,456	5,163
Short-term loans payable	3,145	3,432
Current portion of bonds	1,200	200
Lease obligations	111	119
Income taxes payable	560	440
Accrued consumption taxes	223	181
Deferred tax liabilities	—	1
Provision for bonuses	477	553
Provision for directors' bonuses	3	3
Notes payable-facilities	367	171
Other	1,592	1,687
Total current liabilities	13,139	11,955
Noncurrent liabilities		
Bonds payable	300	100
Long-term loans payable	2,170	2,260
Lease obligations	210	189
Deferred tax liabilities	937	937
Provision for retirement benefits	5,788	6,009
Provision for environmental measures	18	18
Negative goodwill	323	258
Asset retirement obligations	8	8
Other	572	498
Total noncurrent liabilities	10,329	10,281
Total liabilities	23,468	22,236
NET ASSETS		
Shareholders' equity		
Capital stock	1,640	1,640
Capital surplus	422	422
Retained earnings	8,118	9,802
Treasury stock	(6)	(6)
Total shareholders' equity	10,174	11,857
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	359	517
Deferred gains or losses on hedges	(12)	13
Foreign currency translation adjustment	(350)	(28)
Total accumulated other comprehensive income	(3)	502
Minority interests	453	460
Total net assets	10,624	12,820
Total liabilities and net assets	34,093	35,057

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net sales	42,064	44,380
Cost of sales	31,277	33,015
Gross profit	10,787	11,365
Selling, general and administrative expenses		
Selling expenses	1,883	1,932
General and administrative expenses	6,409	6,701
Total selling, general and administrative expenses	8,293	8,633
Operating income	2,494	2,731
Non-operating income		
Interest income	10	15
Dividends income	71	48
Amortization of negative goodwill	64	64
House rents borne by employees	32	38
Foreign exchange gains	12	39
Other	94	64
Total non-operating income	286	271
Non-operating expenses		
Interest expenses	146	111
Other	29	21
Total non-operating expenses	175	132
Ordinary income	2,604	2,870
Extraordinary income		
Gain on sales of noncurrent assets	0	—
Gain on sales of investment securities	60	—
Gain on reversal of provision for loss on disaster	25	—
State subsidy	—	112
Total extraordinary income	86	112
Extraordinary loss		
Loss on disposal of noncurrent assets	24	12
Loss on valuation of investment securities	—	12
Loss on sales of investment securities	—	0
Loss on disaster	46	—
Total extraordinary losses	71	24
Income before income taxes	2,619	2,958
Income taxes-current	1,240	996
Income taxes-deferred	(61)	98
Total income taxes	1,178	1,095
Income before minority interests	1,441	1,862
Minority interests in income	75	14
Net income	1,365	1,847

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Income before minority interests	1,441	1,862
Other comprehensive income		
Valuation difference on available-for-sale securities	27	159
Deferred gains or losses on hedges	(77)	25
Foreign currency translation adjustment	(37)	321
Total other comprehensive income	(86)	507
Comprehensive income	1,354	2,370
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,139	2,353
Comprehensive income attributable to minority interests	215	16

(3) Consolidated Statements of Changes in Net Assets

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,640	1,640
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,640	1,640
Capital surplus		
Balance at the beginning of current period	422	422
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	422	422
Retained earnings		
Balance at the beginning of current period	6,917	8,118
Changes of items during the period		
Dividends from surplus	(163)	(163)
Net income	1,365	1,847
Total changes of items during the period	1,201	1,683
Balance at the end of current period	8,118	9,802
Treasury stock		
Balance at the beginning of current period	(6)	(6)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(6)	(6)
Total shareholders' equity		
Balance at the beginning of current period	8,973	10,174
Changes of items during the period		
Dividends from surplus	(163)	(163)
Net income	1,365	1,847
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	1,201	1,683
Balance at the end of current period	10,174	11,857
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	330	359
Changes of items during the period		
Net changes of items other than shareholders' equity	28	158
Total changes of items during the period	28	158
Balance at the end of current period	359	517
Deferred gains or losses on hedges		
Balance at the beginning of current period	63	(12)
Changes of items during the period		
Net changes of items other than shareholders' equity	(76)	25
Total changes of items during the period	(76)	25
Balance at the end of current period	(12)	13

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Foreign currency translation adjustment		
Balance at the beginning of current period	(171)	(350)
Changes of items during the period		
Net changes of items other than shareholders' equity	(179)	321
Total changes of items during the period	(179)	321
Balance at the end of current period	(350)	(28)
Total accumulated other comprehensive income		
Balance at the beginning of current period	222	(3)
Changes of items during the period		
Net changes of items other than shareholders' equity	(226)	506
Total changes of items during the period	(226)	506
Balance at the end of current period	(3)	502
Minority interests		
Balance at the beginning of current period	501	453
Changes of items during the period		
Net changes of items other than shareholders' equity	(47)	6
Total changes of items during the period	(47)	6
Balance at the end of current period	453	460
Total net assets		
Balance at the beginning of current period	9,697	10,624
Changes of items during the period		
Dividends from surplus	(163)	(163)
Net income	1,365	1,847
Purchase of treasury stock	(0)	(0)
Net changes of items other than shareholders' equity	(274)	512
Total changes of items during the period	927	2,195
Balance at the end of current period	10,624	12,820

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	2,619	2,958
Depreciation and amortization	1,661	1,705
Amortization of goodwill	(24)	(9)
Increase (decrease) in allowance for doubtful accounts	(107)	1
Interest and dividends income	(81)	(64)
Interest expenses	146	111
Loss on retirement of property, plant and equipment	24	12
Loss (gain) on sales of property, plant and equipment	(0)	—
Loss (gain) on valuation of investment securities	—	12
Loss (gain) on sales of investment securities	(60)	0
Loss on disaster	46	—
State subsidy	—	(112)
Decrease (increase) in accounts receivable	(559)	(160)
Decrease (increase) in inventories	(203)	545
Increase (decrease) in notes and accounts payable-trade	(1,455)	(376)
Increase (decrease) in provision for bonuses	19	75
Increase (decrease) in provision for directors' bonuses	(0)	—
Increase (decrease) in provision for retirement benefits	373	213
Increase (decrease) in provision for loss on disaster	(68)	—
Increase (decrease) in accrued consumption taxes	102	(36)
Other, net	(157)	(106)
Subtotal	2,276	4,771
Interest and dividends income received	81	64
Interest expenses paid	(145)	(115)
Payments for loss on disaster	(46)	—
Income taxes paid	(1,538)	(1,113)
Net cash provided by (used in) operating activities	628	3,606
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,626)	(1,972)
Proceeds from sales of property, plant and equipment	0	—
Purchase of intangible assets	(12)	(128)
Purchase of investment securities	(4)	(4)
Proceeds from sales of investment securities	88	0
Purchase of investments in subsidiaries	(248)	—
Proceeds from state subsidy	—	112
Other, net	103	18
Net cash provided by (used in) investing activities	(1,699)	(1,974)

(Million yen)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	143	310
Proceeds from long-term loans payable	1,700	1,000
Repayment of long-term loans payable	(560)	(935)
Redemption of bonds	(1,680)	(1,200)
Repayments of lease obligations	(97)	(132)
Cash dividends paid	(163)	(163)
Cash dividends paid to minority shareholders	(16)	(9)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(674)	(1,131)
Effect of exchange rate change on cash and cash equivalents	(26)	65
Net increase (decrease) in cash and cash equivalents	(1,772)	565
Cash and cash equivalents at beginning of period	2,974	1,201
Cash and cash equivalents at end of period	1,201	1,767

(5) Notes to the Consolidated Financial Statements

(Note Concerning Premise of Ongoing Concern)

Not applicable.

(Change in Accounting Policy)

(Change in accounting policy that is difficult to distinguish from a change in an accounting estimate)

In accordance with the revisions to the Corporation Tax Act of Japan, starting with the fiscal year that ended in March 2013, Furukawa Battery and its consolidated subsidiaries in Japan are using the depreciation method in the revised Corporation Tax Act for property and equipment that was acquired on or after April 1, 2012.

Compared with the previous method, this change did not have a material effect on operating income, ordinary income or income before income taxes in the fiscal year that ended in March 2013.

(Segment Information)

a. Segment information

1. Description of reporting segments

Reporting segments of the Furukawa Battery Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

The headquarters of business operations are at the Furukawa Battery head office and there are separate organizational units to oversee operations for specific products and services. Each unit establishes comprehensive strategies for Japan and other countries for its products and services and performs operations based on these strategies.

Consequently, business segments are based on products and services in accordance with these administrative units. Operations are divided into three reportable segments: automobile, industrial and real estate.

The automobile segment manufactures storage batteries and other products for automobiles and motorcycles. The industrial segment manufactures storage batteries for the operation of equipment, uninterruptible power systems and other products. The real estate segment leases space in buildings to tenants.

2. Method of calculating sales, income (loss), assets, liabilities and other items for each reportable business segment

Accounting methods for reportable segments (except the method of valuation of inventories) are the same as the accounting methods described in the “Basis of presenting consolidated financial statements.”

Reportable segment income represents income before adjustment for amortization of goodwill.

Intersegment internal sales or transfers of funds are based upon actual market prices.

3. Sales, income (loss), assets, liabilities and other items for each reportable business segment

Previous fiscal year (from April 1, 2011 to March 31, 2012)

(Million yen)

	Reportable segments				Others (note)	Total
	Automobile	Industrial	Real estate	Total		
Net sales						
Sales to external customers	26,721	14,874	441	42,037	27	42,064
Intersegment internal sales and transfers	260	312	8	582	773	1,356
Total	26,982	15,187	449	42,619	801	43,421
Segment income	1,332	960	187	2,480	48	2,529
Other items						
Depreciation and amortization	1,045	570	29	1,645	16	1,661

Notes: 1. The “others” category includes insurance and other activities that are not included in the reportable segments.

2. Assets are not allocated to business segments.

Current fiscal year (from April 1, 2012 to March 31, 2013)

(Million yen)

	Reportable segments				Others (note)	Total
	Automobile	Industrial	Real estate	Total		
Net sales						
Sales to external customers	28,061	15,929	367	44,358	21	44,380
Intersegment internal sales and transfers	329	294	19	644	743	1,387
Total	28,391	16,224	387	45,002	765	45,767
Segment income	1,178	1,505	85	2,769	23	2,792
Other items						
Depreciation and amortization	1,087	586	21	1,695	10	1,705

(Note) 1. The “others” category includes insurance and other activities that are not included in the reportable segments.

2. Assets are not allocated to business segments.

4. Differences between reportable segment totals and amounts in consolidated financial statements and major components of these differences (adjustments for differences)

(Million yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	42,619	45,002
Sales of “others” category	801	765
Elimination of intersegment transactions	(1,356)	(1,387)
Net sales in consolidated financial statements	42,064	44,380

(Million yen)

Income	Previous fiscal year	Current fiscal year
Reportable segment total	2,480	2,769
Income of “others” category	48	23
Goodwill amortization	(40)	(55)
Elimination of intersegment transactions	5	(6)
Operating income in consolidated financial statements	2,494	2,731

5. Information concerning changes in reportable segments

Furukawa Battery merged with wholly owned subsidiary Furukawa Battery Service Co., Ltd. on April 1, 2012. In association with the absorption of this subsidiary, the construction services business has been moved from the “others” category to the “industrial segment” starting in the fiscal year that ended in March 2013. Figures for the previous fiscal year have been restated to reflect this change.

b. Associated information

Previous fiscal year (from April 1, 2011 to March 31, 2012)

1. Information for products and services

(Million yen)

	Automotive batteries	Industrial batteries	Alkaline and special batteries	Power supplies	Real estate	Others	Total
Sales to external customers	26,721	7,758	3,749	3,363	441	30	42,064

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia	Others	Total
33,481	6,883	1,699	42,064

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia	Total
12,805	1,239	14,044

Current fiscal year (from April 1, 2012 to March 31, 2013)

1. Information for individual products and services

(Million yen)

	Automotive batteries	Industrial batteries	Alkaline and special batteries	Power supplies	Real estate	Others	Total
Sales to external customers	28,061	7,829	4,492	3,607	367	21	44,380

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia	Others	Total
32,739	10,414	1,226	44,380

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia	Total
12,576	1,978	14,555

c. Segment information for impairment of fixed assets

Previous fiscal year (from April 1, 2011 to March 31, 2012)

Not applicable.

Current fiscal year (from April 1, 2012 to March 31, 2013)

Not applicable.

d. Segment information for goodwill amortization and remaining goodwill

Previous fiscal year (from April 1, 2011 to March 31, 2012)

Goodwill is not allocated to individual reportable segments.

Goodwill amortization was 40 million yen in the fiscal year that ended in March 2012 and there was goodwill of 154 million yen at the end of the fiscal year.

Current fiscal year (from April 1, 2012 to March 31, 2013)

Goodwill is not allocated to individual reportable segments.

Goodwill amortization was 55 million yen in the fiscal year that ended in March 2013 and there was goodwill of 117 million yen at the end of the fiscal year.

e. Segment information for gains from negative goodwill

Previous fiscal year (from April 1, 2011 to March 31, 2012)

Not applicable.

Current fiscal year (from April 1, 2012 to March 31, 2013)

Not applicable.

(Per Share Information)

	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net assets per share	310.23 yen	377.03 yen
Net income per share	41.65 yen	56.36 yen

Notes: 1. Diluted earnings per share are not shown because there were no common stock equivalents.

2. The basis for calculating net income per share and net assets per share is as follows.

Item	Previous fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net income per share		
Net income	1,365 million yen	1,847 million yen
Net income attributable to common stock	1,365 million yen	1,847 million yen
Average number of outstanding shares of common stock during the fiscal year	32,784 thousand shares	32,784 thousand shares

Item	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Total net assets	10,624 million yen	12,820 million yen
Deduction from net assets	453 million yen	460 million yen
(Minority interests included)	(453) million yen	(460) million yen
Net assets attributable to common stock at the end of the fiscal year	10,170 million yen	12,360 million yen
Number of shares of common stock used as the basis of calculating net assets per share	32,784 thousand shares	32,783 thousand shares

(Important Subsequent Events)

Not applicable.

(Omission of Disclosure)

Notes other than the items shown above are omitted because the disclosure of this additional information is not believed to be necessary for this document.

5. Other

(1) Changes in Officers (to become effective on June 25, 2013)

1. Candidates for election as new directors

Shigeru Fukuhara (currently Executive Officer, Deputy General Manager of Corporate Planning Office, General Manager of Strategic Planning Office)

Tetsuya Sato (currently Director and Managing Executive Officer and General Manager of the Strategy Division and General Manager of the Smart Grid New Business Development Department in the division of Furukawa Electric Co., Ltd.)

Note: Tetsuya Sato is a candidate for election as an outside director.

2. Directors to resign

Akira Wada (currently Director and Managing Executive Officer)

Toshimitsu Aoki (currently Director and Executive Officer)

(to become President and Representative Director of HD Holdings Co., Ltd. after leaving the current position)

3. Candidate for election as new outside corporate auditor

Masako Tanaka (currently General Manager of CSR Promotion Department, General Affairs and CSR Division of Furukawa Electric Co., Ltd.)

4. Corporate auditor to resign

Takahiro Kashiwagi

5. New executive officer

Shinichiro Ota (currently Deputy General Manager of Overseas Strategy Division)