GS Yuasa Corporation

Head Office 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520, Japan
Tel: +81-75-312-1211

Tokyo Office 1-7-13, Shiba-koen, Minato-ku, Tokyo 105-0011, Japan
Tel: +81-3-5402-5800

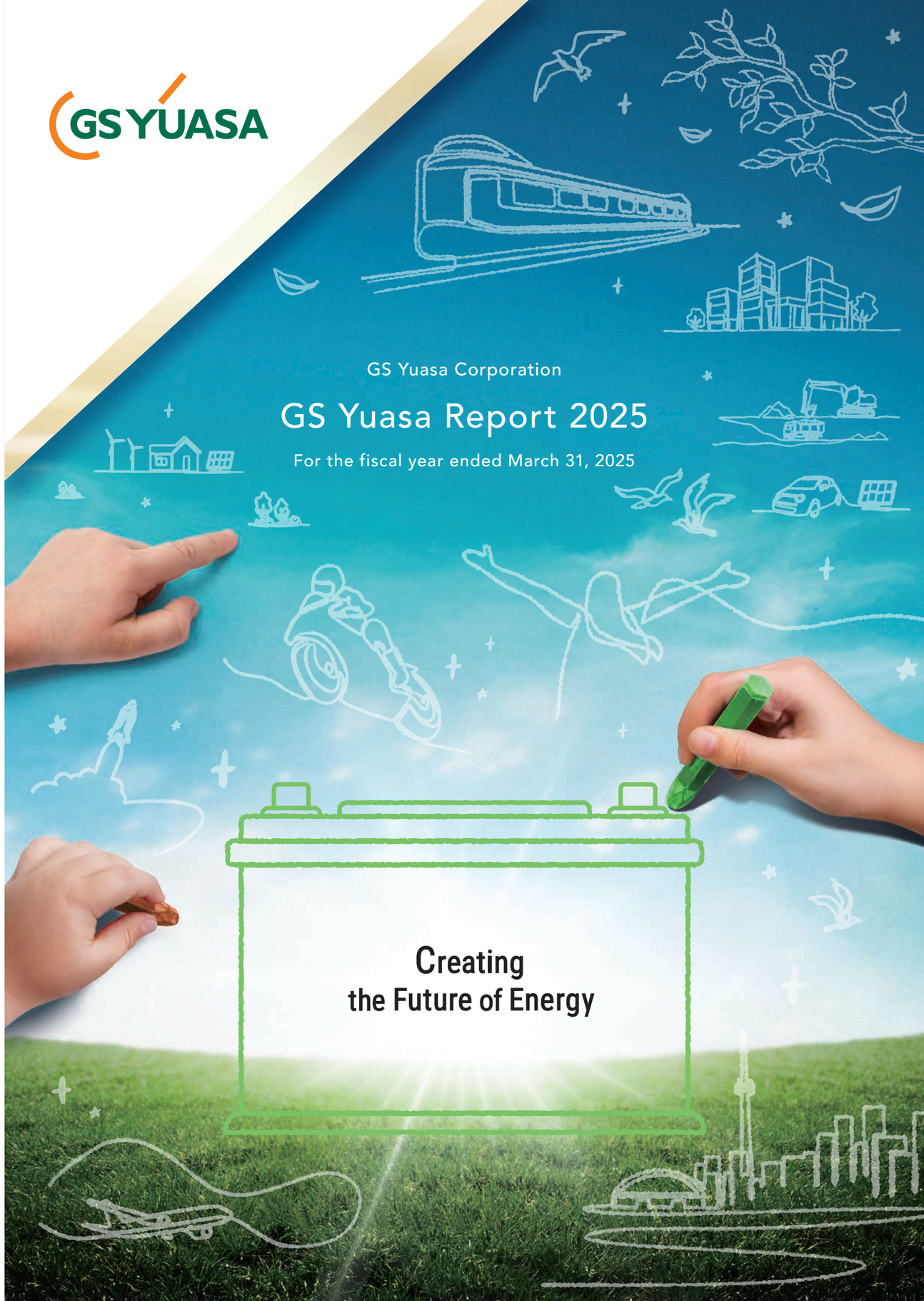
Website https://www.gs-yuasa.com/en/

Contact Corporate Office
Email: web_contact@jp.gs-yuasa.com

GS Yuasa Corporation

GS Yuasa Report 2025

For the fiscal year ended March 31, 2025



Creating the Future of Energy

Continuing to Create the Future of Energy

In a world where the forms and usages of energy change with each generation,
GS Yuasa has worked to support society through its dedication to storage battery technology
for the past 100 years and counting.
Under the slogan “Creating the Future of Energy,” we at GS Yuasa promise to uphold
our founder’s commitment to look for new ways of supplying energy
to better serve society. Moving forward, we will continue to search for new forms of energy
and applications for storage battery technologies,
while addressing social concerns and demands and changing generational needs.
Today, we reaffirm our commitment to continue creating new value for the future.





Philosophy

“Innovation and Growth”

We are committed to people, society, and the global environment through
the “Innovation and Growth” of our employees and business entities.



At a Glance

Where Our Products Are Used

GS Yuasa is an energy and device company that provides comfort, security, and safety through batteries. Its products are supporting people's lives in every industry in the world, mainly in the Mobility and Public Infrastructure fields.



01 Automobiles

With our technological expertise built up over many years, we develop batteries suitable for automotive technological innovations such as vehicles with start-stop systems (ISS: idling stop systems) and auxiliary equipment used in electric vehicles, thereby supporting the evolution of automobiles.

Our long track record and technological capabilities enable us to offer a lineup of products that support a wide range of models, from compact cars to large commercial vehicles and electric vehicles.



02 Motorcycles

We have won high levels of trust around the world through technologies supporting motorcycle-specific use environments, such as vibration durability and engine start-up performance.

We are responding to rapidly growing demand in emerging countries, including those in Southeast Asia, Africa, and Central and South America.



03 Battery Electric vehicles

Lithium-ion batteries for battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles (HEVs) contribute to the spread of eco-friendly vehicles.

Our lithium-ion batteries are installed in the electric vehicles of Japanese automakers such as Honda, Toyota, and Mitsubishi Motors.



Honda "FIT HYBRID"

04 Railways

Our backup batteries and power supply systems contribute to the improvement of the Earth-friendliness of railways and the realization of effective energy utilization and stable transportation.

One of the key roles we play is to back up the power network of the signal systems and communication systems that are essential for stable railway transportation.



Twilight Express Mizukaze (Photo courtesy of West Japan Railway Company)

05 Port facilities

Our industrial lithium-ion batteries contribute to the electrification of port AGVs (Automatic Guided Vehicles) and gantry cranes for transporting containers.

Our lithium-ion drive battery system for port AGVs operates at Shanghai's Yangshan Deep-Water Port, the world's largest automated wharf.



06 Power plants

Our battery and power systems for backup contribute to the stable operation of power plants.

We play a key role in ensuring the continued operation of important infrastructure by enabling a range of backup operations, from turning on the emergency lighting in the event of a blackout to starting up emergency power generators.



07 Solar and wind power generation

Our energy storage systems contribute to the effective utilization of solar power generation, which is affected by the weather, and the enhancement of disaster protection functions, while also contributing to the mitigation of output variations in wind power generation and the stabilization of systems.

We delivered storage battery facilities with a capacity of 720 MWh to the Kitatoyotomi Substation, and this is combined with a wind power generation system to help stabilize systems.



Storage battery facilities (Photo courtesy of Chiyoda Corporation)

08 Buildings

Battery and power supply systems to be used as backup for power interruption in the event of a disaster contribute to the security and safety of social life; for example, emergency lighting systems.

Recent attention has focused on the importance of backup power supplies to key infrastructure such as office buildings and hospitals as a means to continue business and services even if an emergency occurs.



09 Data centers

Demand for data centers has grown in recent years, and our backup batteries contribute to the stable supply of power to these facilities.

We provide high-quality, domestically produced lead-acid batteries to meet the growing demand for the UPS and storage batteries that are used to back up data center servers.



10 Space (ISS, satellites, etc.)

Our high-capacity and high-performance lithium-ion batteries for space that can be used for a long time in harsh environments are contributing to space development projects.

We pioneered the development of lithium-ion batteries for space applications, which are installed on the International Space Station (ISS) and other systems.



International Space Station (ISS)

11 Forklifts

High-capacity and long-lasting batteries are adopted in forklifts which are indispensable in materials handling in a factory and logistics sites.

In addition to their groundbreaking high-capacity specifications tailored for high power and long working hours, these forklifts are highly rated at worksites for their long-life design.



12 Aircraft

Our aircraft lithium-ion batteries are installed in cutting-edge aircraft, contributing to improved environmental performance and economic viability.

We have developed lightweight, high-performance lithium-ion batteries to respond to demand for both a stable power supply and maximized weight reduction to save energy.



At a Glance

GS Yuasa in Numbers

Business Segments and Main Products

Automotive Batteries (Japan)

Domestic market share

- Lead-acid batteries for automobiles and motorcycles **No.1**

Main products

- Lead-acid batteries for automobiles and motorcycles



Automotive Batteries (Overseas)

Global market share

- Lead-acid batteries for automobiles **No.2**
- Lead-acid batteries for motorcycles **No.1**

Main products

- Lead-acid batteries for automobiles and motorcycles



Industrial Batteries and Power Supplies

Domestic market share

- Lead-acid batteries for backup
- Lead-acid batteries for forklifts
- Lithium-ion batteries for renewable energy **No.1**

Main products

- Lead-acid batteries and power supplies for backup
- Lead-acid batteries for forklifts
- ESS*
- Lithium-ion batteries for renewable energy



* Energy Storage System

Automotive Lithium-ion Batteries

Cumulative installations

Lithium-ion batteries for approx. **3.6** million HEVs
(As of the end of March 2025)

Main products

- Lithium-ion batteries for HEVs, PHEVs, and BEVs



Specialized Batteries and Others

Global market share

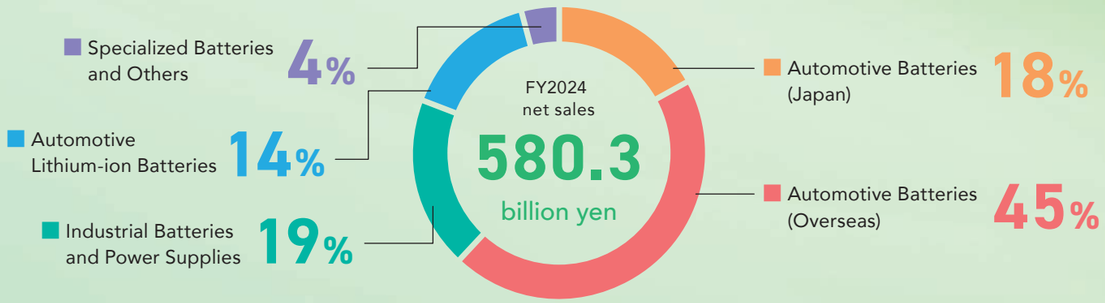
Lithium-ion batteries for space **Top-class**

Main products

- Lithium-ion batteries for submarine, aircraft, defense, and space use
- Lead-acid batteries and lithium-ion batteries for rockets
- Other special batteries



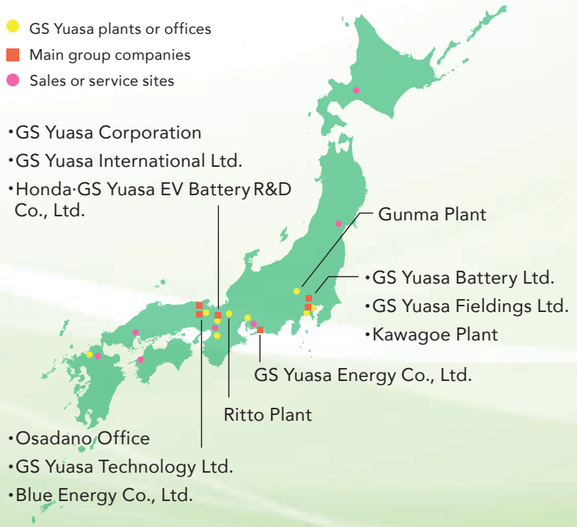
Breakdown of Net Sales by Business Segment



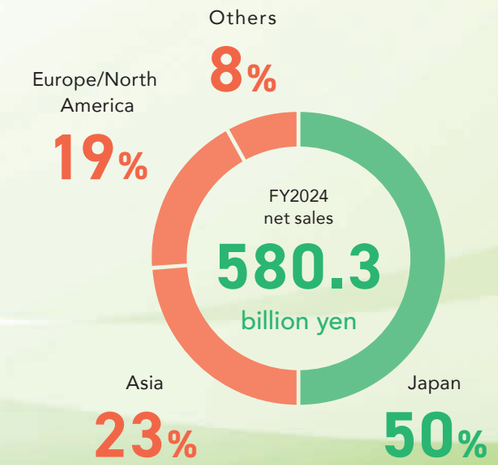
Main Indices

Operating profit growth (compared to FY2004)	**+57.1** times
ROE (Fiscal year ended March 31, 2025)	**9.2%**
Number of employees (As of March 31, 2025)	**12,478**
Number of global sites (As of March 31, 2025)	**35** sites in **19** countries
Sales ratio of environmentally considered products (FY2024)	**36.7%**
Ratio of reduction of CO_2 emissions (FY2024, compared with FY2018)	**16.9%**

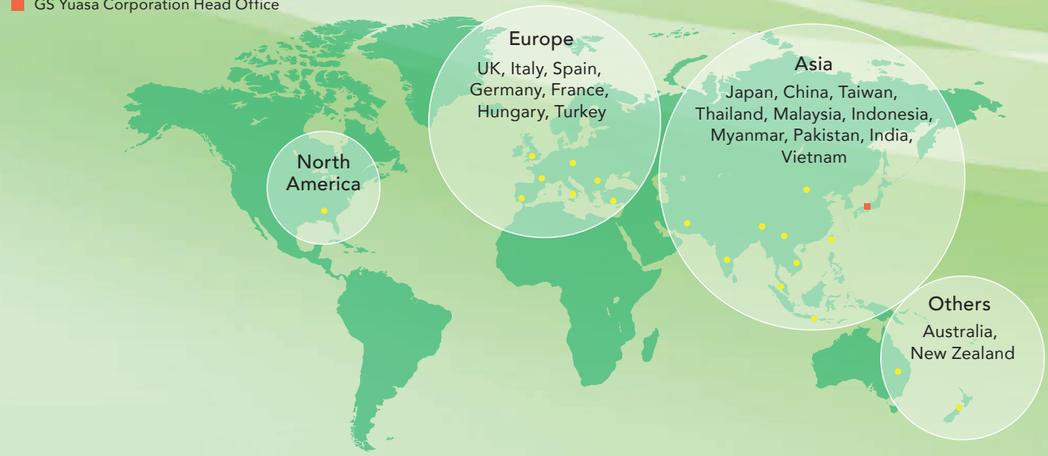
Main Sites in Japan



Breakdown of Net Sales by Region



Main Sites Overseas



Scope of This Report

The GS Yuasa Report 2025, an integrated report, has been issued to familiarize our stakeholders including shareholders and investors with the management policies and business strategies of the GS Yuasa Group.

Amidst increasingly active initiatives to solve social issues globally, this report was created to present an easy-to-understand path for the GS Yuasa Group to work on its business, focusing on the fields of Mobility and Public Infrastructure, by taking advantage of its energy technologies to contribute to the creation of a sustainable society while also pursuing sustainable growth and increased corporate value by the Group itself. We also report on ESG initiatives and key issues (materiality), which are essential for corporate management.

In particular, the GS Yuasa Report 2025 was compiled with a focus on the following point.



Cover art concept

A child drawing a picture of a battery in the sky symbolizes the future that GS Yuasa is trying to create, and the other illustrations represent the realization of a sustainable society and depict energy technologies and their applications. The solid yet warm design evokes the everyday lives of people and our social contribution.

Key point Promote the superiority of our technologies and products that support growth as the strengths of GS Yuasa

We often receive inquiries from our stakeholders asking about the superiority of GS Yuasa products and technologies. To promote our superiority, this report includes feature articles that explain the reasons why GS Yuasa products continue to be chosen in regular fields of the industrial battery and power supply business, as well as in the automotive battery business, industrial battery and power supply business, and specialized batteries business. The messages from the directors and the pages describing the strategy by business segment also highlight the strengths of GS Yuasa.

Information disclosure system

Business and financial information

PDF Website **GS Yuasa Report**

This report is the Group's integrated reporting tool. It summarizes initiatives for value creation, business models, and medium- to long-term strategies, primarily for investors.

Website Investor Relations

On this website, we disseminate a variety of information, including financial materials and financial highlights, in a timely manner.
▶https://ir.gs-yuasa.com/en/ir.html

PDF Investors' Guide

The guide is a brief and easy-to-understand summary of basic information including an overview of the Company, financial results, and ESG information.
▶https://ir.gs-yuasa.com/en/ir/library/investorsguide.html

PDF Financial Report for Shareholders (in Japanese only)

We issue quarterly for shareholders a report of business performance information, details of initiatives, and other information.
▶https://ir.gs-yuasa.com/jp/ir/library/report.html (in Japanese)

Sustainability and ESG information

Website Sustainability

An explanation of our policy and initiatives relating to sustainability.
▶https://www.gs-yuasa.com/en/csr/

PDF Sustainability Report

A summary of sustainability-related initiatives.
▶https://www.gs-yuasa.com/en/csr/archive.php

Website Diversity, Equity & Inclusion (in Japanese only)

A summary of GS Yuasa's diversity-related initiatives.
▶https://www.gs-yuasa.com/jp/diversity/ (in Japanese)

Guide to website



Investor Relations

On this website, we disseminate a variety of information, including financial materials and financial highlights, in a timely manner.
▶https://ir.gs-yuasa.com/en/ir.html



Sustainability

An explanation of our policy and initiatives relating to sustainability.
▶https://www.gs-yuasa.com/en/csr/

Production Process for GS Yuasa Report 2025

01 Do	02 Check	03 Plan & Act	04 Create	05 Do
Issue GS Yuasa Report 2024	Listen to opinions and evaluations about GS Yuasa Report 2024 by conducting feedback interviews and questionnaires for institutional investors and collecting external evaluations	Report the collected opinions and evaluations of institutional investors to internal employees and formulate a plan for GS Yuasa Report 2025	Conduct interviews with each department and discussions on how to improve the contents, and then create each page	Issue GS Yuasa Report 2025

GS Yuasa Report 2025 Reading Guide

01 To learn about the management ideas behind the corporate philosophy	01 Creating the Future of Energy 10 Message from the President 48 Message from the CFO
02 To learn about our basic approach to financial strategy and capital costs	48 Message from the CFO 52 Actions to Implement Management That Is Conscious of Cost of Capital and Stock Price
03 To learn about the direction of future growth businesses and our basic approach to investments	10 Message from the President 26 Vision 2035 36 [Feature 1] Initiatives in the Regular Field to Achieve Carbon Neutrality 48 Message from the CFO 56 Strategy by Business Segment
04 To learn about our existing business initiatives and GS Yuasa's strengths	10 Message from the President 41 [Feature 2] Initiatives to Strengthen the Foundation of Existing Business 56 Strategy by Business Segment
05 To learn about our mobility and public infrastructure strategies and initiatives	26 Vision 2035 36 [Feature 1] Initiatives in the Regular Field to Achieve Carbon Neutrality 41 [Feature 2] Initiatives to Strengthen the Foundation of Existing Business 56 Strategy by Business Segment
06 To learn basic information about each business	02 At a Glance - Where Our Products Are Used 04 At a Glance - GS Yuasa in Numbers 54 Business Overview and Market Environment 56 Strategy by Business Segment
07 To learn about our efforts to achieve carbon neutrality and our TCFD initiatives	76 Environment 80 Environment - Response to Climate Change (TCFD)
08 To learn about our human capital strategy	10 Message from the President 84 Social
09 To learn about our initiatives to strengthen governance	92 Governance - Messages from Outside Directors 94 Governance - Corporate Governance

Contents

Introduction

01 — Creating the Future of Energy
02 — At a Glance - Where Our Products Are Used
04 — At a Glance - GS Yuasa in Numbers
06 — Scope of This Report
08 — Contents



Section 01 GS Yuasa's "Value Creation" - Steady Evolution Generates Value

10 — Message from the President
16 — GS Yuasa's DNA
18 — History of GS Yuasa
20 — GS Yuasa's Strengths
22 — Value Creation Process
24 — Materiality



Section 02 "Company-Wide Strategy" for Value Creation

26 — Vision 2035
30 — Evolution of Mid-Term Management Plans
32 — Sixth Mid-Term Management Plan(FY2023-2025)
32 — Sixth Mid-Term Management Plan(FY2023-2025)
34 — Progress of Materiality
36 — [Feature 1] Initiatives in the Regular Field to Achieve Carbon Neutrality
41 — [Feature 2] Initiatives to Strengthen the Foundation of Existing Business
48 — Message from the Director in Charge of Finance
52 — Actions to Implement Management That Is Conscious of Cost of Capital and Stock Price



Section 03 "Business and Technical Strategies" for Value Creation

54 — Business Overview and Market Environment
56 — Strategy by Business Segment
56 — Automotive Batteries (Japan)
58 — Automotive Batteries (Overseas)
60 — Industrial Batteries and Power Supplies
62 — Automotive Lithium-ion Batteries
64 — Specialized Batteries and Others
66 — Research and Development/Intellectual Property
70 — DX Promotion Initiatives
72 — Efforts Toward New Business Creation
—New Business Creation Challenge Project "Biz-Challenge"



Section 04 "Foundations" of Value Creation

74 — Sustainability Management
76 — Environment
76 — Message from the Director in Charge of Environment
77 — Environmental Initiatives
80 — Response to Climate Change (TCFD)
84 — Social
84 — Message from the Director in Charge of Human Resources
85 — Social Initiatives
92 — Governance
92 — Messages from Outside Directors
94 — Corporate Governance
106 — Directors and Auditors





Section 05 Corporate Data

108 — Summary of Key Financial Data
110 — Summary of Key Non-Financial Data
112 — External Evaluation
114 — Corporate Information
115 — Stock Information



Period and content covered

Results for FY2024 (April 1, 2024–March 31, 2025)

Date of issue

August 2025

Companies covered

This report covers the GS Yuasa Group, comprised of GS Yuasa Corporation, the holding company; GS Yuasa International Ltd., the Group's core operating company; and consolidated subsidiaries. Notes are included for data that fall outside the scope of the companies covered.

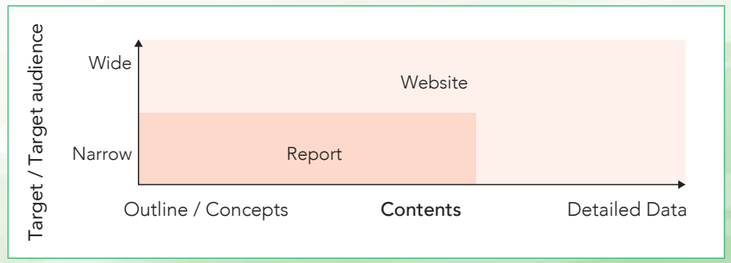
Referenced guidelines, etc.

- IFRS Foundation, International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation
- Global Reporting Initiative (GRI), GRI Sustainability Reporting Standards

Environment Social Governance
Guidance for Collaborative Value Creation

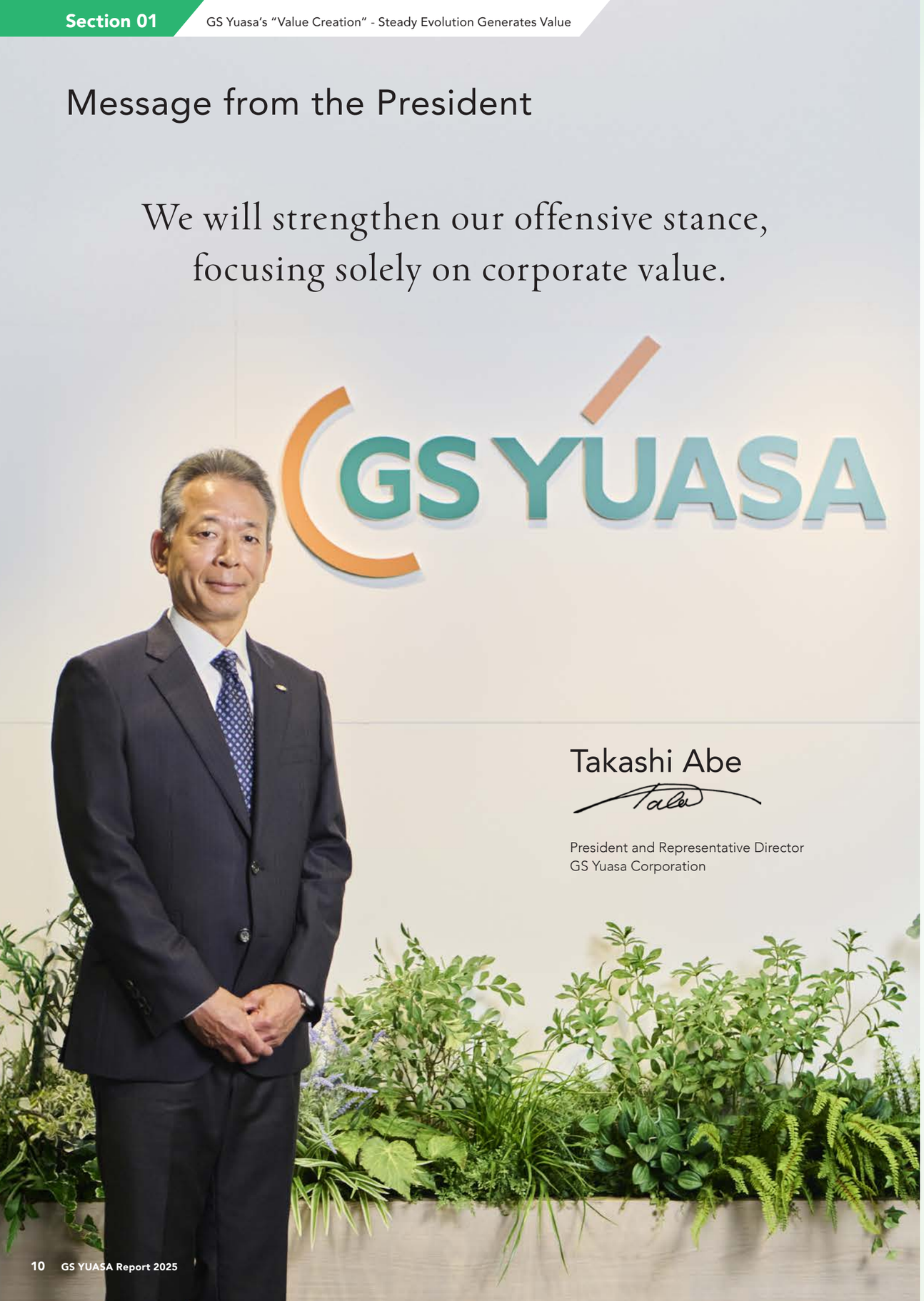
About importance and comprehensiveness

This report focuses on particularly important information, presented in such a way as to be easy to read and understand. The website discloses even more comprehensive information in order to meet public demands.



Message from the President

We will strengthen our offensive stance, focusing solely on corporate value.



Takashi Abe

President and Representative Director
GS Yuasa Corporation

Deepening convictions after one year in office

Over the year since I assumed the role of President, I have worked tirelessly to carry the baton passed on by my predecessor, Mr. Murao, and to steadily carry out the policies set forth in our long-term vision, Vision 2035, and the Sixth Mid-Term Management Plan (FY2023–FY2025). To be honest, my unvarnished impression is that it has been a year of continually addressing the challenges right in front of us. It may seem self-evident, but as a corporate executive, my responsibility is ultimately to continuously enhance corporate value, and all decision-making criteria must converge on that single point.

People gravitate toward companies with high corporate value. The same holds true for technologies, partners, and business opportunities. Only by becoming a company that is chosen by all stakeholders can we create a virtuous cycle of sustained corporate value enhancement. I recognize that the visible form of stakeholder evaluation for such corporate value is our stock price. However, despite recording record-high profits for three consecutive years, our PBR has remained below 1. As indicated by our PER—one of the elements of PBR and a key indicator of expectations for a company's future—languishing in the eight-times range, the market unfortunately is not valuing our future scenario, and this is clearly reflected in our stock price. As long as expectations for the future are represented directly in the stock price, we must take this situation seriously.

With the strengthened management foundation we have built under the current Sixth Mid-Term Management Plan, we will move forward in FY2026 to launch the Seventh Mid-Term Management Plan. During the period of the Seventh Plan, we will respond flexibly to changes in the trajectory of the BEV battery business while preparing for the Eighth Plan. We intend to present stakeholders with an offense-focused Mid-Term Management Plan based on a convincing, highly transparent growth story that embodies our corporate philosophy, "Innovation and Growth." Even within the Company, I have consistently communicated to management that enhancing corporate value is essential under the Seventh Mid-Term Management Plan and have been advancing discussions on specific directions for corporate value enhancement, as well as improving management indicators. In order to build the inherent strength to sustain strong performance, we will continuously update our growth story to reflect the prevailing environment and steadily execute it, thereby creating a virtuous cycle that links results to shareholder returns. To that end, we will see the Sixth Mid-Term Management Plan through to completion at all costs.

P.52-53 Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Direction of the long-term vision "Vision 2035"

Looking back from the super-long-term future through 2050, when global demand for storage batteries is projected to expand, we formulated our long-term vision, Vision 2035, in FY2023 as a roadmap for enhancing corporate value through 2035. Since our founding, we have walked a long path with lead-acid batteries as our core business. Based on this history, we will thoroughly enhance profitability in our existing businesses while leveraging our strength as a dedicated storage battery manufacturer with an exceptionally broad product lineup to capture expanding demand in all directions. While generating stable cash in these areas, we will invest that cash into the growth domains of Mobility and Public Infrastructure to build a highly profitable business portfolio and address social issues. This growth

Vision of GS Yuasa in 2035

Based on the "Four Re" formula, we strive for innovation in energy technology, address the challenges facing society through the development of mobility and other public infrastructure and seek to create comfortable living environments and play a vital part in the global effort toward sustainability.

Vision 2035

- **Re**born — A century on and still inspired anew every day by the GS Yuasa founding spirit.
- **Re**newable — Making a genuine contribution to carbon neutrality.
- **Re**liable — Committed to technical innovation and delivering solid, reliable energy.
- **Re**spect — Earning the respect of the world through solid action toward achieving the SDGs.

Message from the President

scenario remains unchanged.

At the same time, considering the current market environment since the announcement of Vision 2035, we believe there is room to review the pace of business structure reforms. Specifically, we expect demand for lead-acid batteries is expected to remain strong at least through 2040, continuing to provide a solid foundation for our business performance. Though growth in demand for batteries for BEVs may slow relative to initial expectations, demand for HEV and PHEV batteries is projected to continue. In specialized batteries, our defense-related business is expanding in line with the policy of fundamentally strengthening defense capabilities, and demand is expected to remain firm going forward. Accordingly, we will continue to closely monitor developments in each business and recognize the **need to make prudent judgments regarding the outlook for business structure reforms.**

P.26-29 Vision 2035

Toward our fourth consecutive year of record-high profits

I have long made it a habit to run about 20 km each week. In a position of responsibility requiring important management decisions, maintaining both mental and physical health is vital, so I try to keep this up even when the weather doesn't cooperate. Running requires you to constantly assess your own capabilities and condition objectively, adjusting your pace while considering factors such as the weather. In a full marathon, if you keep moving forward, you will surely reach the finish line; but if you grow complacent and don't continue to improve, you risk not only failing to finish but also sustaining serious injury. Likewise, for our Company **to reach the goal of Vision 2035, we must continually view our strengths and weaknesses objectively, prepare for risks and changes, and move forward steadily, step by step.**

In FY2024, the second year of the Sixth Mid-Term Management Plan, operating profit exceeded both



the initial target and the upwardly revised target, marking our third consecutive year of record-high profits. Operating profit before amortization of goodwill, which had remained at the 20 billion yen level through FY2021, rose to the 30 billion yen level in FY2022, the 40 billion yen level in FY2023, and the 50 billion yen level in FY2024—evidence of our performance improving steadily, step by step.

I would like to once again express my appreciation for the efforts of our employees, which have driven this progress. In particular, by both steadily capturing demand and revising sales prices, we were able to absorb rising personnel costs and increases in raw material and other costs, reinforcing my sense that the earning power of our existing businesses has been further refined. I was also able to see that the culture that encourages employees to unite their efforts to achieve set targets has firmly taken root.

On the other hand, we experienced declines in sales and profits for automotive lithium-ion batteries due to reduced sales volume and lower selling prices resulting from falling lithium market prices, leaving the issue of improving profitability as a challenge we must face going forward. In FY2025, we are expecting the depreciation burden accompanying the expansion of production capacity at the Blue Energy No. 2 plant and fluctuations in volume are expected to affect profitability. We will work steadily to resolve profitability issues, including reviewing sales price contracts.

In this final year of the Sixth Mid-Term Management Plan, we will address these outstanding issues while aiming to improve on our record for the highest-ever profit and steadily achieve our targets.

P.32-35 Sixth Mid-Term Management Plan

Flexible response to changes in electrification trends

U.S. tariff policies are currently shaking the global economy, prompting companies worldwide to review production sites and supply chains. Our business centers on local production for local consumption, so we believe the impact of tariffs will be limited. However, there is some risk of volume decline for exports from Japan and Southeast Asia to the U.S. We also recognize that economic slowdowns in ASEAN countries, affected by U.S. tariff policies and economic deceleration, pose an indirect downside risk to earnings, and we have factored this into our FY2025 earnings forecast to some extent.

Shifts in battery demand trends in the Mobility Field are also increasing uncertainty in the business environment. Global warming is an issue that must be addressed regardless of short-term political and economic changes, so demand for BEV lithium-ion batteries is expected to expand steadily over the long term. However, the situation has changed dramatically from several years ago, when BEVs, buoyed by preferential measures in various countries, dominated the market. Now, BEV momentum is slowing worldwide, and demand for HEVs and PHEVs is rising once again. We are proceeding with capacity expansion at Blue Energy, which produces HEV batteries, as initially planned, and we expect demand for HEV batteries to continue growing for some time. We see room to consider further capacity increases as demand expands further. While there is no change at present in our policy to advance R&D and production preparation for BEV lithium-ion batteries, demand growth for BEV batteries may progress more moderately than initially expected, and we believe it is necessary to closely monitor future demand trends.

Even in such an uncertain environment, we can rely on the strength of our multi-battery solutions. In addition to lead-acid batteries for ICE vehicles and electric vehicles, our lineup includes lithium-ion batteries for HEVs, PHEVs, BEVs, 12 V auxiliary equipment, and ESS. Our BEV lithium-ion battery factory, now under construction, will also be capable of producing lithium-ion batteries for PHEVs and ESS, thanks to its flexible production lines. Leveraging this strength, we can flexibly respond to customer and market movements **regardless of the direction electrification trends take, ensuring business stability.**

P.26-29 Vision 2035

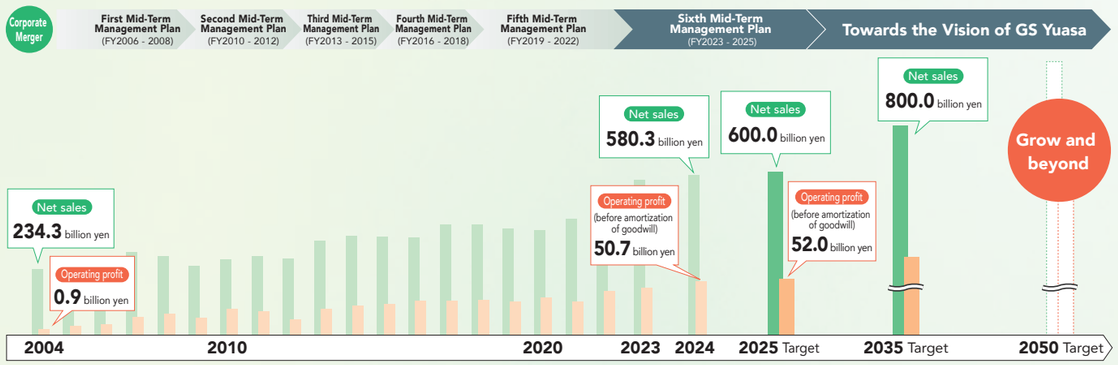
Strength in capturing expanding ESS demand

In Japan, which is relatively poor in energy resources, expanding the introduction of renewable energy is recognized as an extremely important issue from the perspective of energy security. Renewable energy is affected by weather and other factors, but ESS devices are the key to resolving this instability, and demand for both is expanding significantly.

Against the backdrop of recent fragmentation of global supply chains, demand for domestically produced batteries is growing. We have been receiving inquiries about our ESS lithium-ion batteries that exceed our production capacity, and while we are responding to demand by increasing production capacity, we expect the tight supply-demand situation to continue for the time being. While our basic approach is in-house battery production, we will respond to demand by exploring various possibilities.

Demand for ESS lithium-ion batteries is expected to continue expanding steadily in the medium- to long-term, with annual demand projected at 4.5 to 5 GWh by 2030. As noted above, the BEV lithium-ion battery factory currently under construction is also planned to produce ESS lithium-ion batteries, and we aim to differentiate ourselves through cost

Business growth under Vision 2035



Note: Scale of operating income graph is adjusted.

Sixth Mid-Term Management Plan targets

Sixth Mid-Term Management Plan targets (FY2025 target)	Net sales	Operating profit (before amortization of goodwill)	ROE (return on equity)	ROIC (return on invested capital)	Total payout ratio
	600.0 billion yen	52.0 billion yen	9.5%	13.0%	23.6%
Difference	+82.3 billion yen	+19.9 billion yen	+3.0P	+1.6P	(4.3)P
Fifth Mid-Term Management Plan Results	517.7 billion yen	32.1 billion yen	6.5%	11.4%	27.9%

Note 1:Above indicators refer to profit before amortization of goodwill (operating profit and profit).
Note 2:ROIC is calculated as follows: Operating profit before amortization of goodwill (pre-tax) / Invested capital (fixed assets [excl. goodwill amortization] + working capital). Invested capital is the average of amount at beginning and end of term.

Message from the President

competitiveness achieved by mass production effects.

Business operators introducing renewable energy calculate business profitability on the assumption of using facilities for 15 to 20 years. For ESS as well, it is essential to provide maintenance and support to ensure stable operation, in addition to high construction quality. The Group has built a nationwide service network in Japan—including construction agents and authorized distributors—developed over many years in the emergency battery and power supply business. **This 24/7/365 response capability anywhere in the country is a powerful differentiating factor for our ESS offerings.** In addition to further strengthening this service structure, we will enhance differentiation through the use of advanced technologies, including the STARELINK Service, which enables constant monitoring of battery deterioration status and storage battery system operating conditions.

P.36-40 [Feature 1] Initiatives in the Regular Field to Achieve Carbon Neutrality

Relentlessly reinforcing earning capacity in existing business

To ensure that we continue to generate stable cash to invest in growth areas in an uncertain environment, we will remain firmly focused on strengthening the profitability of existing businesses. Many of our existing businesses have significant remaining potential for improved productivity through investment, as we restricted capital investment during periods of low profitability in the past. We aim to improve profitability further over the medium term by securing sales through enhanced added value and improving productivity through strategic investment.

For automotive lead-acid batteries, demand is expected to remain steady in FY2025, centered on the replacement market. **Considering current demand trends and advantages in cost and recycling, we forecast that demand for automotive lead-acid batteries will remain at around 90% of current levels even in 2035.** Similarly, demand for motorcycle lead-acid batteries is expected to continue expanding, particularly in the ASEAN region. We intend to reliably capture demand by providing added value that leverages our strengths as a top manufacturer, in addition to ensuring quality as the foundation of trust. In Japan, we are actively advancing our business continuity plan (BCP) to build a system capable of manufacturing products of the same quality at any of our manufacturing sites in East, Central, or West Japan, so that customer production lines will not be stopped under any circumstances, including disasters. Overseas, we are considering investment as an option to further strengthen our market position.

In industrial batteries and power supplies, profitability has been improving in the emergency field, particularly for the backup of public infrastructure. In addition to growing demand for infrastructure renewal, such as roads and railways, we are advancing our efforts to revise sales prices. In addition, the recent rush to build data centers for AI has continued, expanding inquiries for backup power supplies. From among the various options in the market, we will reliably capture demand by further strengthening our maintenance and support structure and production system, which are our core strengths.

In addition to continuing initiatives for automotive lithium-ion batteries including reviewing sales price contracts, we will strengthen our production and sales structures to reliably respond to growing demand for HEV and PHEV batteries and customer needs.

For specialized batteries, our strengths include products with a 100% market share and groups of products with extremely high market shares. In the defense business as well, profitability is expected to expand in line with growing demand. We will continue to secure profits commensurate with our investments in R&D.

P.41-47 [Feature 2] Initiatives to Strengthen the Foundation of Existing Business

Promotion of human capital strategy linked with management strategy

As part of our efforts to strengthen human capital to achieve Vision 2035, we will advance initiatives for recruitment, development, and appropriate placement of personnel in closer alignment with our management strategy. To put our corporate philosophy of "Innovation and Growth" into practice, we are developing an environment that fosters autonomous-minded human resources who learn and take on challenges independently. We are continuing to implement the "Biz-Challenge" program, which solicits new business ideas from employees, and the "Job Challenge" internal application program to promote personnel mobility. From April 2025, we incorporated elements of an occupation-specific system into the managerial personnel system to advance business strategies more dynamically, creating an environment where important roles can be assigned regardless of age or years of experience. We will be expanding this system to all employees in the future. Through these initiatives, we will break away from the seniority-based system and continue to enhance our framework that enables employees to choose their careers proactively.

Improving employee engagement is an essential part of enhancing corporate value. We aim to foster a culture that accepts diverse values and work styles, increases job satisfaction, and ensures employees take pride in being members of the Group by presenting and sharing a clear vision for the future. Through such initiatives, **we intend to become a company with autonomous-minded personnel that are eager to grow and who feel that their growth is part of the Company's growth.**

P.84-91 Society



Preparing for risks

Our PBR remains low, and our shares are undervalued, so we recognize the potential risk of TOB or acquisition. We take this as evidence that doubts remain about our future growth.
As mentioned earlier, we will focus on explaining our growth story clearly and carefully, while working to pursue management that is even more conscious of capital efficiency, capital cost, and stock price.

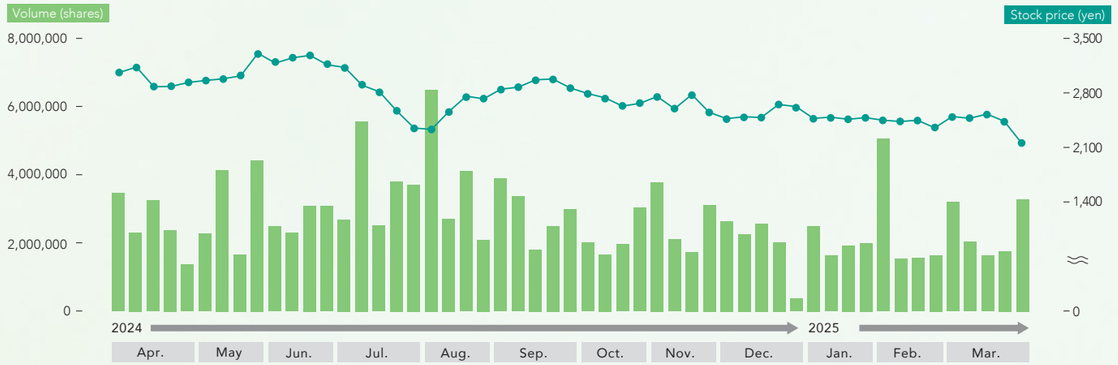
Addressing risks in raw material procurement is also an ongoing challenge. For lead-acid batteries, we will leverage their high recyclability to both reduce procurement price fluctuation risk and conserve resources by increasing the ratio of recycled lead. For lithium-ion batteries, many raw materials are concentrated in certain countries, in terms of both reserves and production, and procurement risk is a constant concern. In the midstream refining stage, procurement is particularly dependent on certain countries, and risks from changes in international political conditions are ever present. To mitigate these risks, we are exploring procurement diversification through collaboration with materials manufacturers and automakers. Through technology development, we are also working to reduce rare metal usage and develop alternative raw materials, thereby improving resilience to materials procurement risk.

Shifting to an offensive strategy

As a dedicated battery manufacturer with over 100 years of history, we have built a steady corporate culture through many years of persistent efforts to reliably meet customer needs. However, this can also be seen as conservative, and investors have often pointed out that our performance has consistently exceeded our targets in recent years. The practice of setting conservative performance targets and being satisfied with achieving them must be changed—not only by myself but by all management and the Company as a whole—and that a reset of our mindset is needed. Setting a target of updating our record profit even in FY2025, when market uncertainty is high, reflects this thinking. We will continue to advance initiatives to delegate authority to the front lines in order to accelerate decision-making processes. From the Seventh Mid-Term Management Plan starting in FY2026, we will fully shift to offense and take on higher targets, and we hope you will look forward to seeing the Group meet this challenge.

Focusing solely on enhancing corporate value, we will unite the Company's mindset toward offense as the next step and pursue our corporate philosophy of "Innovation and Growth." We appreciate your continued support.

Stock price and trading volume



GS Yuasa's DNA

Philosophy

"Innovation and Growth"

We are committed to people, society, and the global environment through the "Innovation and Growth" of our employees and business entities.

GS Yuasa's **DNA**

GS

Japan Storage Battery (1917 - 2004)

An inventor's spirit contributing to society through high-quality product development



Founder of Japan Storage Battery Co., Ltd.

Genzo Shimadzu

(1869 - 1951)

"Making practical use of science"

Produced Japan's first lead-acid battery (Planté-type lead-acid battery plates). A founder chosen as one of Japan's top ten inventors.

"We want to create innovative products for the world and contribute to society." This founding spirit began with the former founders of Japan Storage Battery and Yuasa Corporation, Genzo Shimadzu and Shichizaemon Yuasa, and is still passed down to every employee today.

Continuing "Innovation and Growth" in the battery field and contributing to social development



YUASA

Yuasa Corporation (1918 - 2004)

Entrepreneurship in pioneering new businesses ahead of its time

Founder of Yuasa Storage Battery Co., Ltd.

Shichizaemon Yuasa

(1877 - 1943)

"Business is people"

Reformed the management of Yuasa Shichizaemon Shoten (now Yuasa Trading Co., Ltd.), which had been preserving feudal traditions. Created new developments through quick decision-making and actions, seizing business opportunities.





History of GS Yuasa

Supporting a secure, safe, and comfortable society through the energy of its accumulated 100 years of "Innovation and Growth" from the two companies GS and YUASA

1900 — 1960 — 2000 — 2010 — 2020

History of Japan Storage Battery (GS)

1895
Genzo Shimadzu manufactured Japan's first lead-acid battery



1917
Established Japan Storage Battery Co., Ltd.



1919
Start of automotive lead-acid batteries production



1931
Lead-acid batteries for submarines became a pillar of business



1966
Establishment of Siam GS Battery Co., Ltd. (Thailand), as the first overseas site

1993
Development of prismatic lithium-ion batteries



History of Yuasa Corporation

1913
Shichizaemon Yuasa began research on metal electrolytic science

1918
Established Yuasa Storage Battery Co., Ltd.



1920
Start of automotive lead-acid batteries production



1925
Start of supply of dry cell batteries for radios



1954
Supply of small and light lead-acid batteries for motorcycles



1963
Establishment of Yuasa Battery (Thailand) Pub. Co., Ltd., as the first overseas site

1998
Development of ultra-thin lithium-ion polymer secondary batteries



History of GS Yuasa

2004 Corporate Merger
Establishment of GS Yuasa Corporation



2007
Establishment of a joint venture company for large lithium-ion batteries, Lithium Energy Japan with Mitsubishi Corporation and Mitsubishi Motors Corporation



2009
Established a joint venture company for lithium-ion batteries for hybrid vehicles, Blue Energy Co., Ltd. with Honda Motor Co., Ltd.



2014
Establishment of GS Yuasa Asia Technical Center Ltd. in Thailand

2016
Transfer of lead-acid batteries business from Panasonic Corporation (currently GS Yuasa Energy Co., Ltd.)

2016
Installation of lithium-ion batteries on the International Space Station



2021
Transfer of infrastructure business from Sanken Electric Co., Ltd.

2021
Installation of world's largest scale storage battery facilities for wind power generation



2022
Start of operation of second plant for Blue Energy Co., Ltd.



2023
Established Honda·GS Yuasa EV Battery R&D Co., Ltd. for research and development of lithium-ion batteries focused on EVs in collaboration with Honda Motor Co., Ltd.

Main applications

- Submarines
- Building and public infrastructure
- Automobiles and motorcycles
- EV
- Information and communication devices, such as mobile phones
- Space and satellites
- ESS

Providing Comprehensive Battery Technology

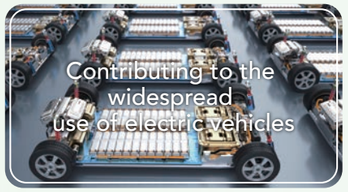
Main social contributions













GS Yuasa's Strengths

Developing sure strength through built up "Innovation and Growth"







Providing Comprehensive Battery Technology

Throughout its 100-year history, GS Yuasa has consistently focused on battery manufacturing.
The relentless passion and strength ingrained in its DNA continue to pave the way for the future of batteries.

Strengths 01

Storage Battery Technology Serving Various Fields

The Company has supplied batteries across various fields, from deep sea to space. It pioneered the development and supply of lead-acid batteries for ISS vehicles or EN batteries. The Company is also a leading manufacturer of automotive lithium-ion batteries, which are adopted by many Japanese car manufacturers. Additionally, GS Yuasa supplies backup batteries and power supplies for public infrastructure and special batteries for space, contributing to a safe and secure society.

Strengths 02

Production, Sales, and Maintenance Network

We establish a global network of business sites and offer proposals tailored to needs in each region. In the industrial battery and power supply business, we have extensive service network with over 100 locations nationwide in Japan, a workforce of 1,000 people, and offer 24/7/365 maintenance and inspection service. The Company is one of the few battery-focused manufacturers globally and going forward will continue to supply storage batteries and power supplies.

Strengths 03

Trust and Customer Base Built Through Quality and Stable Supply

Even before integration, the Company pursued technological innovation through collaboration with customers in the automotive and industrial battery and power supply businesses. The quality fostered through our product development and our stable supply capabilities have together strengthened relationships with customers, establishing trust and a solid customer base as a battery-focused manufacturer.

Value Creation Process

Input | Mega Trends | Materiality | Honed Competitive Advantages | Value Provided | Outcome

Input

01 Human capital

Number of employees
12,478
(As of March 31, 2025)

02 Financial capital

Total assets
¥693,738 million
(As of March 31, 2025)

03 Intellectual capital

Number of patents held (in Japan and overseas)
4,179
(As of March 31, 2025)

04 Manufacturing capital

Number of manufacturing, sales, and development sites
35 sites in 19 countries
(As of March 31, 2025)

05 Social capital

- Dealers in the automotive battery business (Japan)
  Over 4,000 sites
- Domestic service sites in the industrial battery and power supply business
  Over 100 sites

Mega Trends

- Economic and social transformation due to resource and environmental constraints
- Transition to a digital economy through the Fourth Industrial Revolution
- Increased importance of resilience
- Slowed global population growth
- Rising geopolitical risks

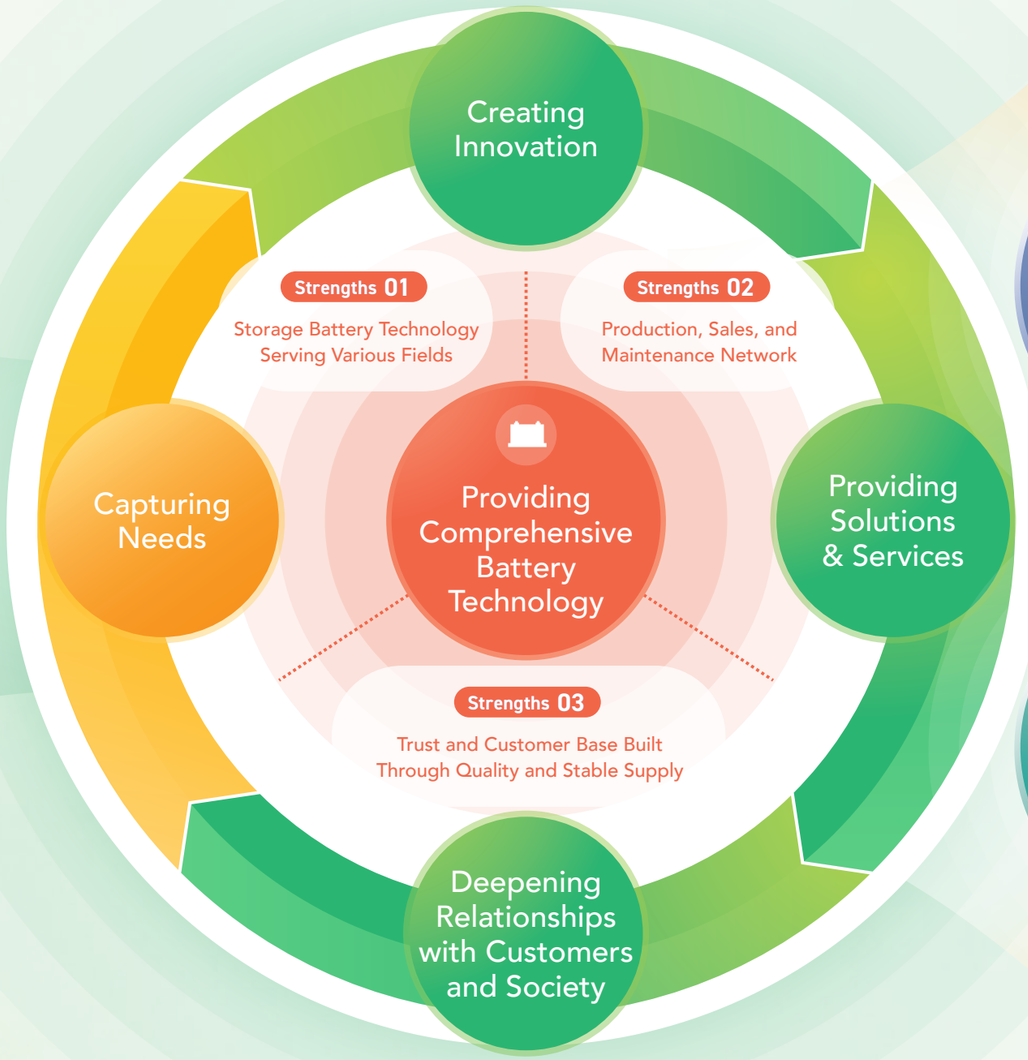
Materiality

E Environment
Contribute to sustainability of the global environment
P.76

S Social
Respect for human rights and contribution to society
P.84

G Governance
Promotion of fair, transparent, and swift group-wide governance
P.92

Honed Competitive Advantages



Value Provided

Mobility
To realize a society where people can move securely, safely, and comfortably, we provide lithium-ion batteries for BEVs and HEVs
P.28

Public infrastructure
We provide optimal batteries for a wide range of public infrastructure, such as power and communications, and deliver swift and accurate services leveraging our nationwide network
P.29

Outcome

Mission

Energy Management Company

Realizing a sustainable society and comfortable living for people by providing comprehensive value through energy technologies, including storage battery technology

Philosophy

"Innovation and Growth"

We are committed to people, society, and the global environment through the "Innovation and Growth" of our employees and business entities.

Materiality

The Group identifies the risks and opportunities relating to the action guidelines (the CSR Policy) aimed at achieving the Sustainability Management Policy and assesses the impacts on its businesses and society to determine key sustainability issues (materiality) concerning the CSR Policy. In addition, the Group has compiled business plans to deal with materiality (the materiality response plans), taking into account such aspects as enhancement of business foundation and corporate value, and has set management indicators and targets to track the progress of the plans. The conference body (the Sustainability Promotion Committee), tasked with promoting sustainability in the Group, regularly reviews and determines materiality and the materiality response plans, taking into account the needs and expectations of stakeholders and sustainability issues. As for significant risks relating to the CSR Policy, the Group implements appropriate responses to them by utilizing its risk management system.

Materiality and the Mid-Term Management Plan

The GS Yuasa Group has been steadily expanding its business areas since the corporate merger in 2004. In 2023, we formulated our long-term vision "Vision 2035" that sets out the vision we aim to achieve by 2035, and we are promoting business activities to realize this vision.

As the first step toward this vision, we started the Sixth Mid-Term Management Plan in FY2023. The Sixth Mid-Term Management Plan is positioned as a period for laying the foundation for reform to realize our vision. While taking into account changes in the external environment, we are formulating growth strategies and key initiatives to transform our business structures, as well as creating materiality response plans.

The GS Yuasa Group aims for enhanced management of financial and non-financial operations, as well as for sustainable growth from both the corporate and social perspectives through business processes that incorporate materiality in the Long-Term Vision and Mid-Term Management Plan.

P.32-35 Sixth Mid-Term Management Plan

Materiality Identification Process

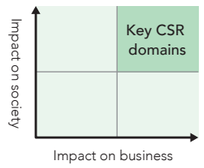
Step 1
Select risks and opportunities relating to the CSR Policy

The Group selects risks and opportunities relating to the CSR Policy, taking into account key issues of the Mid-Term Management Plan formulated based on the Sustainability Management Policy. When selecting risks and opportunities, the Group refers to international guidelines related to responsible business conduct.

Step 2
Identify significant risks and opportunities relating to the CSR Policy

The Group conducts a scoring evaluation on the risks and opportunities selected in Step 1 and identifies the risks and opportunities that may have significant impacts on businesses. Regarding the risks and opportunities with significant impacts, the Group then assesses the impacts of its business activities on society and identifies significant risks and opportunities relating to the CSR Policy.

●Domains for identifying significant risks and opportunities relating to the CSR Policy (key CSR domains)



Step 3
Determine materiality

The Group analyzes the risks and opportunities identified in Step 2 and determines key sustainability issues (materiality) relating to the CSR Policy. The Group determines materiality, incorporating the opinions of external experts and other stakeholders, to ensure the appropriateness of materiality.

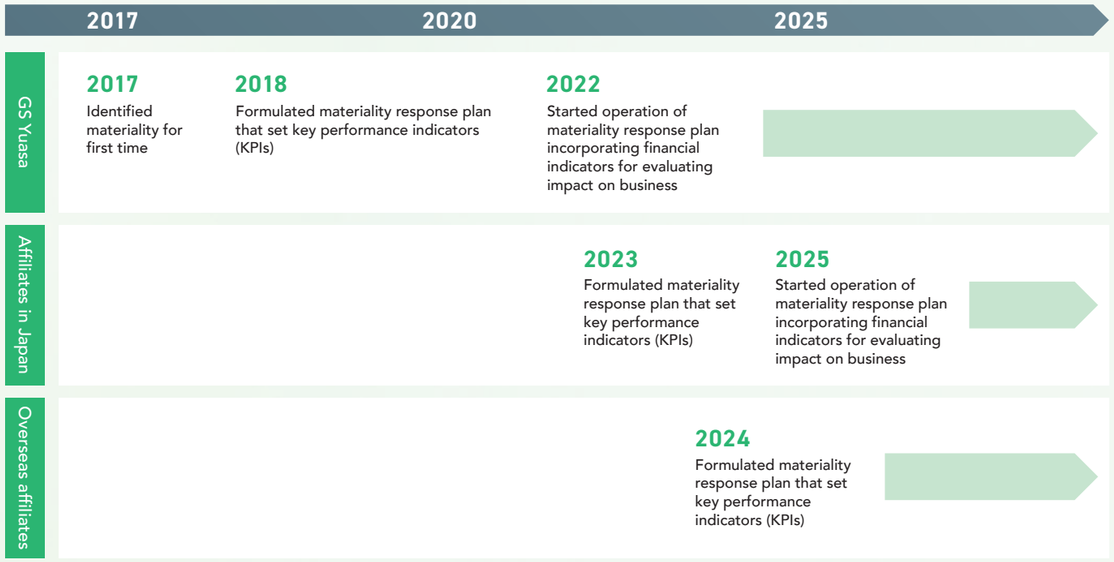
Summary of Materiality Response Plans

		Materiality	Major activities and targets (FY2025 target)	Reference page
E Environment	**Environment** Global Environmental Conservation P.76	● Promoting environmental protection ● Developing and popularizing environmentally considered products	● Ratio of reduction of CO_2 emissions: **15%** or more (compared with FY2018)	P.78
			● Ratio of reduction of water use: **15%** or more (compared with FY2018)	P.79
			● Ratio of recycled lead used: **70%** or more	P.77
			● Sales ratio of environmentally considered products: **45%** or more	P.77
S Social	**Social** Creation of a sustainable society based on respect for human rights P.84	● Respect for individuality ● Respect for diversity ● Human resources development ● Enhancement of work environments and occupational health and safety ● Provision of high-quality products ● Responsible procurement promotion	● Promotion of compliance education and thorough management of human rights risks	P.85
			● Promotion of diversity & inclusion	P.87
			● Promotion of human resource development programs	P.86
			● Work-life balance	P.89
			● Promotion of occupational health and safety risk management	P.89
			● Promotion of health management	P.90
			● Strengthening of product safety management, promotion of quality improvement and strengthening of quality communication	P.90
			● Responses to responsible mineral procurement and managing CSR risks in the supply chain	P.91
G Governance	**Governance** Promotion of fair, transparent, and Sound business activities P.92	● Ensuring compliance ● Respect and protection for intellectual property ● Strict management of confidential information	● Promotion of compliance education, thorough provision of legal information	P.100
			● Thorough avoidance of patent infringement and elimination of counterfeit products	P.68
			● Promotion of security measures and information security training	P.104

We operate and manage the materiality response plans based on measurable targets and management criteria, and we are making ongoing improvements, and performing effective maintenance and management. The plans are periodically reviewed and revised according to changes in sustainability issues and the needs and expectations of stakeholders.

P.34-35 Sixth Mid-Term Management Plan - Progress of Materiality

Evolution of Materiality Response Plans



Vision 2035

The medium- to long-term business environment surrounding the Company is expected to see a further expansion in demand for storage batteries, including those for electric vehicles (EVs) and renewable energy, driven by the active movement toward realizing a sustainable society, exemplified by the trend toward carbon neutrality.

To adapt to these changes in the business environment and contribute to solving social issues, we have formulated our long-term vision, Vision 2035. In Vision 2035, to achieve "Innovation and Growth" for the next 100 years, we have defined the "Four Re" formula as the foundation for illustrating the vision of GS Yuasa in 2035.

Vision of GS Yuasa in 2035

Based on the "Four Re" formula, we strive for innovation in energy technology, address social challenges that arise from the growth of mobility and other public infrastructure, and seek to create comfortable living environments and play a vital part in the global effort toward sustainability.

Vision 2035

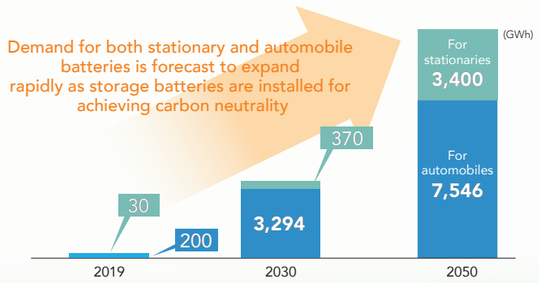
- **Re**born — A century on and still inspired anew every day by the GS Yuasa founding spirit.
- **Re**newable — Making a genuine contribution to carbon neutrality.
- **Re**liable — Committed to technical innovation and delivering solid, reliable energy.
- **Re**spect — Earning the respect of the world through solid action toward achieving the SDGs.

You can also view the key points of Vision 2035 on our website. ▶https://ir.gs-yuasa.com/en/ir/management/plan.html

Business Environment Surrounding GS Yuasa and Value Provided

Business environment

Global storage battery installation forecast by 2050



Source: Compiled by the Company from the International Renewable Energy Agency (IRENA), Global Renewables Outlook: Energy Transformation 2050 (2020).

As the market undergoes significant changes towards achieving carbon neutrality by 2050, global demand for stationary*1 and automotive storage batteries is expected to surge from 230 GWh in 2019 to approximately 10,000 GWh by 2050, about a 43-fold increase. We recognize this market expansion as a significant opportunity, as we have expertise in manufacturing stationary and automotive storage batteries. In addition to steadily capturing this expanding market demand, we believe it is also important to further innovate and implement existing technologies.

*1 Stationary batteries are those installed on the demand side, such as in homes, buildings, commercial facilities, and factories, or connected to the power grid to mitigate fluctuations in renewable energy output.

Value provided by GS Yuasa

Mobility



- Acceleration of electrification toward zero emissions
- Advancing levels of self-driving cars
- Acceleration of shift from ownership to use (e.g., car sharing)

Value provided by GS Yuasa

Contributing to the widespread use of eco-friendly vehicles (cars)



Public infrastructure



- In conjunction with increased introduction of renewable energy, the importance of storage batteries and the need for energy management are expanding in order to control fluctuations and adjust supply and demand
- Increasing importance of backup for electric power, information, and communication infrastructure, etc.

Value provided by GS Yuasa

Contributing to the expansion of renewable energy and provision of safe and secure public infrastructure

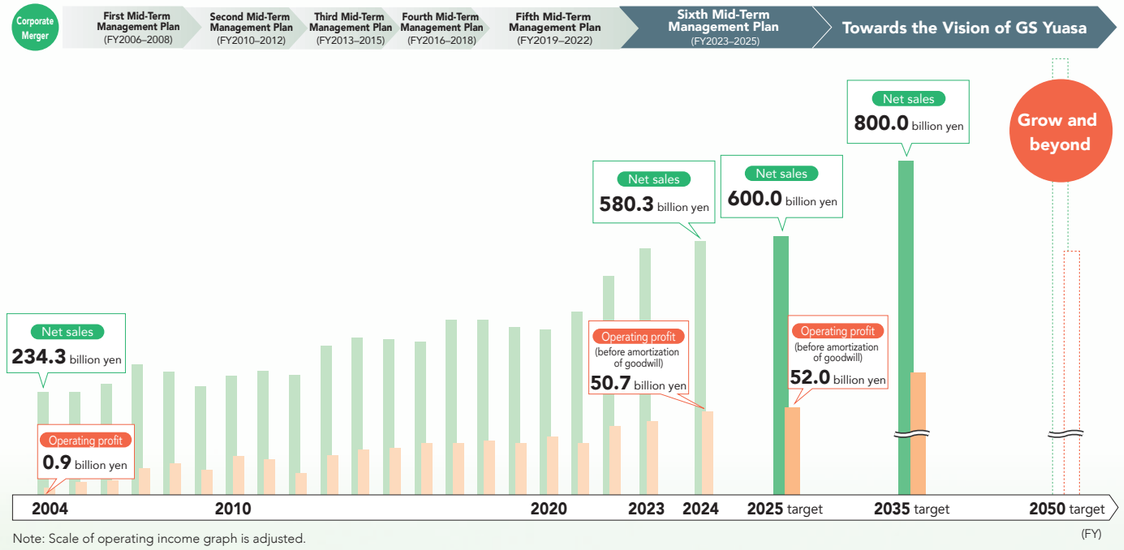


Direction Towards 2050

To achieve Vision 2035 and realize carbon neutrality, we recognize the need for significant transformation in our business structure and have decided to focus on two areas: Mobility and Public Infrastructure. While demand for automotive lead-acid batteries is expected to decline gradually in the long term, we aim to enhance profitability through regional and temporal strategies and secure investment funds for growth areas. For automotive lithium-ion batteries, we will continue to steadily respond to the demand for HEV and PHEV lithium-ion batteries. Industrial batteries and power supplies play a role in the maintenance of public infrastructure, and demand is expected to remain stable. Additionally, we will focus on high-capacity, high-output lithium-ion batteries centered on BEVs and ESSs as a growth area, delivering innovative storage battery technology. Around 2035, we will also foster new businesses that contribute to society as a new initiative.

By continuing to steadily expand our business in the future, we aim to see 800 billion yen in net sales in FY2035.

Business growth outlook



Note: Scale of operating income graph is adjusted.

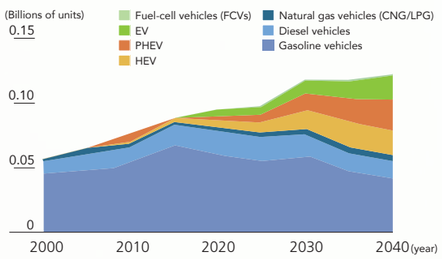
Vision 2035

Strategy in the Mobility Field

Our lithium-ion drive batteries that power automobiles are installed in EVs, PHEVs, and HEVs. Alongside that, our 12 V batteries for auxiliary equipment, which are needed to start the system and supply electricity to electronic devices such as the car navigation system, are installed in all vehicle types, regardless of whether they are fuel-cell vehicles, internal combustion engine (ICE) vehicles, or electric vehicles. 12 V starting batteries are installed in current gasoline vehicles, with lead-acid batteries being the most widely used type. Even as electrification of automobiles advances further, we expect demand for lead-acid batteries to remain solid up to around 2040.

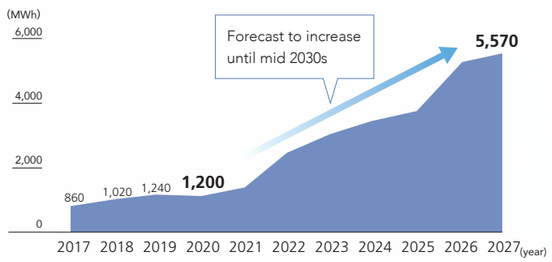
GS Yuasa's strength is our multi-battery solutions. In addition to lead-acid batteries for ICE vehicles and electrified vehicles, our lineup includes lithium-ion batteries for HEVs, PHEVs, BEVs, 12 V auxiliary equipment, and ESS. Our BEV lithium-ion battery factory, now under construction, will also be capable of producing lithium-ion batteries for PHEVs and ESS, thanks to its flexible production lines. Leveraging this strength, we can respond to customer and market movements regardless of the direction electrification trends take, ensuring business stability.

Market share for automobiles (global)



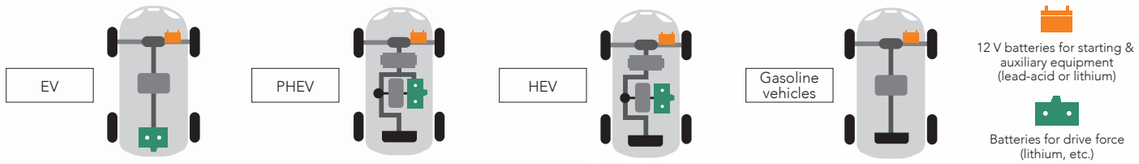
Source: IEA/ETP (Energy Technology Perspectives) 2017

Changes in volume of lithium-ion batteries for HEVs



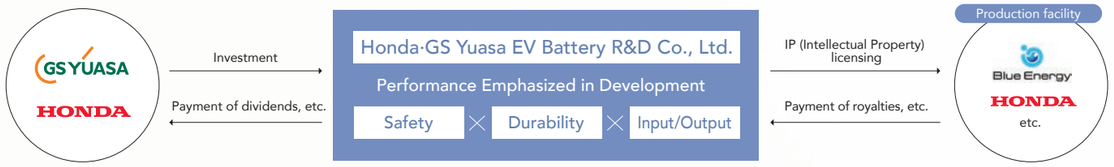
Source: "FY2020 In-depth Analysis and Research on the Market Related to HEVs and EVs" by Fuji Keizai
Note: Expectation for 2020; forecasts for 2021 and beyond

Status of storage battery usage by vehicle type



Business model for lithium-ion batteries for BEVs

We are engaged in research and development at Honda·GS Yuasa EV Battery R&D Co., Ltd. (HGYB), our joint venture with Honda Motor Co., Ltd., toward mass production of lithium-ion batteries for BEVs. The BEV lithium-ion battery technology developed at HGYB, focusing on key technologies such as safety, durability, and input/output, will be utilized in the form of IP (intellectual property rights) for lithium-ion batteries for BEVs produced at the new Blue Energy Co., Ltd. (BEC) plant. As a result, HGYB will earn royalty income from BEC. In addition to BEC, HGYB's IP will be provided for the production of lithium-ion batteries for BEVs at Honda and other production plants.



Materials and briefing video for automotive battery business

On March 15, 2024, we held an Automotive Battery Business Briefing for institutional investors and analysts. Takashi Abe, former Business Unit Manager of Automotive Batteries, provided an explanation of future market trends in Japan and overseas, as well as the mid- to long-term strategy. Please take a look.

▶https://ir.gs-yuasa.com/en/ir/library/strategy_meeting.html



Strategy in the Regular Field

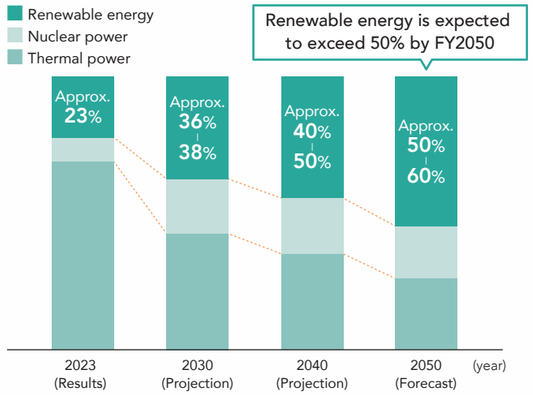
P.36-40 [Feature 1] Initiatives in the Regular Field to Achieve Carbon Neutrality

Numerous subsidies related to carbon neutrality are planned in Japan, so the introduction of renewable energy is also expected to expand, increasing the importance of ESS for fluctuation control and supply-demand adjustment. Accordingly, inquiries in the regular field, mainly for ESS, are robust, and from FY2024, GS Yuasa has increased its production capacity by 1.3 times compared to FY2023. From 2027 onward, we plan to further expand production capacity by utilizing the production lines of the new BEV lithium-ion battery factory. In addition, because the competitive environment in the regular field is severe, we are currently developing new lithium-ion batteries. We aim to strengthen our competitiveness further by bringing them to market and enhancing our presence in the regular use market. As a result of these policies, by FY2030, we expect to increase our sales capacity in the regular field to about eight times the level in FY2023.

	Sixth Mid-Term Management Plan period (to FY2025)		Afterward
		Strengthening competitiveness Improving customer satisfaction	Further strengthening competitive ability and achieving high-added value
Products	●Storage batteries + Remote monitoring service (STARELINK Service)*2	●Storage batteries + Remote monitoring service + Development of large-capacity PCS*3 integrated ESS	●Development of new (third generation) batteries ●Package system + Installation work + Maintenance

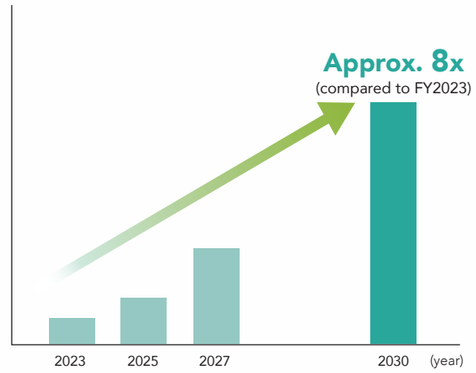
*2 A maintenance service that uses proprietary remote monitoring technology and forecasting and preventive technologies. We offer preventive maintenance services that use AI and DX to maintain the stable operations and optimal control essential for power generating facilities used for extended periods.
*3 Power conditioners

Forecast of power supply composition in Japan



Source: Seventh Strategic Energy Plan

Sales capacity target for GS Yuasa Group in regular field



Vision 2035 (long-term vision) website

Vision 2035 Key Points are explained in an easy-to-understand and concise manner. Please take a look.

▶https://ir.gs-yuasa.com/en/ir/management/plan.html



Materials and briefing video for industrial battery and power supply business

On March 17, 2025, we held an Industrial Battery and Power Supply Business Briefing for institutional investors and analysts. Takashi Taniguchi, former Business Unit Manager of Industrial Batteries and Power Supplies, provided an explanation of future market trends and the mid- to long-term strategy. Please take a look.

▶https://ir.gs-yuasa.com/en/ir/library/strategy_meeting.html



Evolution of Mid-Term Management Plans

Third Mid-Term Management Plan
(FY2013–2015)



Become an energy device company that offers comfort and security

Fourth Mid-Term Management Plan
(FY2016–2018)



Build a foundation for sustainable growth over the long term with the aim of becoming an energy device company, the "Renewed GS Yuasa"

Fifth Mid-Term Management Plan
(FY2019–2022)



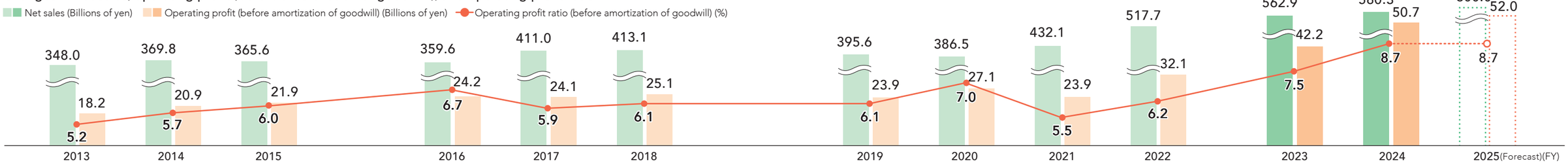
Based on the *Mono-Koto zukuri* (product and service creation) concept, GS Yuasa will promote strategic activities that lead to sustainable growth of both the lead-acid battery and lithium-ion battery businesses through creation of new value.

Sixth Mid-Term Management Plan
(FY2023–2025)



Positioning this period as one for laying the foundation for reform to realize the vision envisioned in Vision 2035, we will implement a variety of measures to reform our business structure.

Changes in net sales, operating profit (before amortization of goodwill), and operating profit ratio



Strategic pillars

Lithium-ion battery business
Stabilize foundations of business by building a competitive advantage for new businesses (lithium-ion batteries and new energy sectors)

Overseas business
Improve position through global expansion based around overseas growth markets

Automotive battery business and industrial battery and power supply business
Improve earning power by leveraging technological strengths and cost responsiveness of existing domestic business

New business
Ensure profit in the lithium-ion battery business and firmly put the business on a stable growth track

Growth business
Further expand the business domain of overseas operations and improve its profitability

Existing business
Expand and stabilize cash flow from the automotive battery business and industrial battery and power supply business, and invest for future growth

Lead-acid battery business
Strengthen management foundations by boosting profits in the lead-acid battery business and expanding overseas business

Lithium-ion battery business
Lay the groundwork to expand both the scale and profits of the lithium-ion battery business beyond the Sixth Mid-Term Management Plan

Establishment of business processes with CSR issues incorporated into business strategies
Strengthen initiatives to solve key CSR issues that are identified in business processes

Development of batteries for BEVs
Promote the development of high-capacity, high-output lithium-ion batteries by utilizing a joint venture company with Honda, and establish a production and supply system for BEV batteries

Reinforcement of earning capacity in existing business
- Strive to maximize value-added creation and improve profitability
- Maximize profits by leveraging unparalleled superiority in industrial battery and power supply business in Japan
- Transform regional strategy, including review of business in China, and maximize profits by concentrating resources at main sites

DX / new business
- Promote DX to enable business structure transformation
- Aim to create new businesses that contribute to solving social issues

Achievements and issues / implemented measures

Achievements
- Strengthened business structure overseas through corporate acquisitions, etc.
- Improved profitability through increased sales of automotive batteries for vehicles with start-stop systems (ISS: idling stop systems)

Issues
- Responding flexibly to intensifying competition and other changing market conditions

Achievements
- Expanded applications for industrial lithium-ion batteries
- New plant in Turkey began operations, boosting sales to Europe, the Middle and Near East, and North Africa
- New company launched in Myanmar, strengthening sales in the Mekong economic zone
- Expanded earnings with the acquisition of Panasonic Corporation's lead-acid battery business, solidifying the structure of the automotive battery business in Japan

Issues
- Ensuring early returns on investments in a severe competitive environment
- Strategy for conquering undeveloped regions
- Responding to rising raw material and other costs
- Ensuring earnings in the industrial battery and power supply business in response to changes in market conditions

Achievements
[Automotive batteries (Japan/overseas)]
Created synergistic effects with GS Yuasa Energy Co., Ltd., converted Turkish site into a consolidated subsidiary
[Industrial batteries and power supplies]
Delivered lithium-ion batteries for wind power generation in Hokkaido, acquired the social infrastructure systems business from Sanken Electric Co., Ltd., started Koto (service) business
[Automotive lithium-ion batteries]
Started operation of Blue Energy No. 2 plant, started to supply lithium-ion batteries for HEVs for Toyota Motor Corporation, signed basic agreement toward collaboration with Honda

Issues
[Automotive batteries (Japan/overseas)]
Intensifying competition in China, revisions to sales price due to soaring raw material price, etc.
[Industrial batteries and power supplies]
Delivery delay due to shortage of components and materials, securing profits in regular field business
[Automotive lithium-ion batteries]
Response to entry into EV market

Main implemented measures
- Strengthened the earning power of existing businesses, focusing on automotive batteries and industrial batteries and power supplies
- Reconsidered the business portfolio through selection and concentration
- Transferred China business
- Executed strategy in growth areas centered on the BEV business
- Established system for 70 million cells per year at Blue Energy Co., Ltd.
- Expanded public infrastructure (regular field) business

Sixth Mid-Term Management Plan (FY2023-2025)

GS Yuasa announced the Sixth Mid-Term Management Plan in April 2023, but because the results in FY2023, the first fiscal year of the plan, already achieved the initial operating profit target for FY2025, we revised the management targets in July 2024. However, the results of FY2024 also beat the revised FY2025 operating profit target, mainly due to sales price revisions that progressed faster than expected in existing businesses, in particular the automotive battery business and industrial battery and power supply business. As a result, we revised the FY2025 management targets again in May 2025.

Our goal for FY2025, the final fiscal year of the Sixth Mid-Term Management Plan, is to generate net sales of 600.0 billion yen and operating profit of 52.0 billion yen before amortization of goodwill, and we will continue to reinforce our earning capacity to achieve this.

Sixth Mid-Term Management Plan targets

		FY2023 results	FY2024 results	FY2025 target		
				Initial target (April 2023)	Revised target (July 2024)	Revised forecast (May 2025)
Net sales		562.9 billion yen	580.3 billion yen	610.0 billion yen or more	600.0 billion yen or more	600.0 billion yen
Operating profit before amortization of goodwill (Operating profit ratio before amortization of goodwill)		42.2 billion yen 7.5%	50.7 billion yen 8.7%	41.0 billion yen or more 6.7% or more	46.0 billion yen or more 7.7% or more	52.0 billion yen 8.7%
ROE (return on equity)		11.6%	9.2%	8.0% or more	8.0% or more	9.5%
ROIC (return on invested capital)		13.7%	14.8%	10.0% or more	10.0% or more	13.0%
Total payout ratio		20.6%	24.3%	30.0% or more	30.0% or more	23.6%
Prerequisite	Domestic lead price quote	373,400 yen/t	376,400 yen/t	342,000 yen/t	372,000 yen/t	369,000 yen/t
	LME	2,121 US$/t	2,046 US$/t	2,000 US$/t	2,100 US$/t	2,100 US$/t
	Currency exchange	145.31 yen/US$	152.57 yen/US$	140.0 yen/US$	145.0 yen/US$	145.0 yen/US$

Note: Above indicators refer to profit before amortization of goodwill (operating profit and profit).
Note: ROIC is calculated as follows: Operating profit before amortization of goodwill (pre-tax) / Invested capital (fixed assets [excl. goodwill amortization] + working capital). Invested capital is the average of amount at beginning and end of term.

Targets by segment

(Billions of yen)

		FY2023 results		FY2024 results		FY2025 target					
						Initial target (April 2023)		Revised target (July 2024)		Revised forecast (May 2025)	
		Net sales	Operating profit (profit ratio: %)	Net sales	Operating profit (profit ratio: %)	Net sales	Operating profit (profit ratio: %)	Net sales	Operating profit (profit ratio: %)	Net sales	Operating profit (profit ratio: %)
Automotive batteries	Japan	94.0	8.1 (8.6)	101.9	10.7 (10.5)	100.0	7.0 (7.0)	100.0	9.0 (9.0)	100.0	11.0 (11.0)
	Overseas	252.9	15.1 (6.0)	260.1	18.7 (7.2)	240.0	17.0 (7.1)	260.0	17.0 (6.5)	250.0	18.0 (7.2)
Industrial batteries and power supplies		109.7	13.2 (12.0)	113.1	17.9 (15.8)	140.0	11.0 (7.9)	120.0	13.0 (10.8)	130.0	19.0 (14.6)
Automotive lithium-ion batteries		84.8	2.6 (3.1)	82.8	1.4 (1.7)	110.0	6.0 (5.5)	100.0	5.0 (5.0)	100.0	2.0 (2.0)
Specialized batteries and others		21.5	3.2 (14.9)	22.4	2.1 (9.5)	20.0	0 (-)	20.0	2.0 (10.0)	20.0	2.0 (10.0)
Total		562.9	42.2 (7.5)	580.3	50.7 (8.7)	610.0	41.0 (6.7)	600.0	46.0 (7.7)	600.0	52.0 (8.7)

Note: 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.

Main reasons for FY2025 target revision

- Automotive batteries, and industrial batteries and power supplies: Reflecting the impact of price revision
- Automotive batteries (Overseas): Reflecting strong performance of main sites, mainly in Southeast Asia
- Industrial batteries and power supplies: Considering the strong demand environment in the emergency and regular fields
- Automotive lithium-ion batteries: Reflecting the impact of the decrease in models delivered to new car manufacturers and the drop in lithium market conditions

Financial policy and capital policy

FY2025 forecast			Sixth Mid-Term Management Plan 3-year total		
Interest-bearing debt to operating cash flow ratio*1	Total payout ratio*2	Equity ratio	Operating cash flow	Investing cash flow	Free cash flow
1.4 years	23.6%	51.5%	140.0 billion yen	-190.0 billion yen	-50.0 billion yen

*1 Interest-bearing debts (including lease obligations) / Operating cash flow *2 The total payout ratio is before amortization of goodwill.

Capital investment, depreciation, R&D costs

(Billions of yen)

		FY2023	FY2024	FY2025 (forecast)	FY2023–2025 total (planned)
Capital investment		49.4	58.8	65.0	190.0
Automotive batteries	Japan	3.2	3.0	4.0	12.0
	Overseas	7.3	8.8	9.0	20.0
Industrial batteries and power supplies		2.0	5.7	7.0	16.0
Automotive lithium-ion batteries		15.0	13.0	15.0	105.0*3
Specialized batteries and others		21.8	28.1	30.0	37.0
Depreciation expenses		22.8	24.7	26.0	65.0
Automotive lithium-ion batteries		0.49	6.1	7.7	24.0
R&D expenses (including costs in equity method affiliates)		14.0	18.5	22.0	60.0
Automotive batteries (Japan/overseas)		2.0	2.0	—	—
Industrial batteries and power supplies		4.1	3.0	—	—
Automotive lithium-ion batteries		7.6	13.2	—	—
Specialized batteries and others		0.3	0.4	—	—

- Invest in expanding production of the Blue Energy No.2 plant
- Invest in increasing capacity of 12 V lithium-ion batteries for auxiliary equipment, etc.

Prepare for production of BEV batteries, etc.

*3 The investment in the BEV business is included in "Automotive lithium-ion batteries" of FY2023–2025 total (planned).

Measures

1 Development of batteries for BEVs



- Development of a high-capacity, high-output lithium-ion batteries by utilizing joint venture company with Honda
- Establishment of production and supply systems of batteries for BEVs to expand mobility and public infrastructure business

2 Reinforcement of earning capacity in existing business



- Thorough value-added creation and improvement in profitability
- Maximization of profits due to unparalleled superiority in Industrial Batteries and Power Supplies Business in Japan
- Transformation of regional strategy, including review of business in China, maximization of profits by concentrating resources at main sites

3 DX / new business



- DX promotion to enable business structure transformation
- Creation of new businesses that contribute to solving social issues

For details on the strategies and initiatives of each segment, please refer to "Strategy by Business Segment."

P.56-59 Automotive Batteries P.60-61 Industrial Batteries and Power Supplies P.62-63 Automotive Lithium-ion Batteries P.64-65 Specialized Batteries and Others

Financial Results Briefing for the Fiscal Year Ended March 31, 2025: Materials and briefing video (Sixth Mid-Term Management Plan Update Briefing)



https://ir.gs-yuasa.com/en/ir/library/presentation.html

Sixth Mid-Term Management Plan Update Briefing: Materials and briefing video



https://ir.gs-yuasa.com/en/ir/library/strategy_meeting.html

Long-Term Vision and Mid-Term Management Plan website



https://ir.gs-yuasa.com/en/ir/management/plan.html

Sixth Mid-Term Management Plan (FY2023-2025) - Progress of Materiality

E Environment S Social G Governance D Domestic O Overseas G Global

	Materiality	Activity outline	Scope of application	Indicator	Potential impact on business	FY2024 results	FY2025 target	Link to Sustainability Report
Governance	G Ensuring compliance P.100	Provision of legal information and promotion of compliance training Promotion of the use of company intellectual property rights	D	(1) Number of times compliance education information disseminated annually (2) Number of significant compliance violations	Opportunity loss due to penalties, damages, administrative sanctions, or suspension of transactions	**(1) 16** **(2) None**	(1)16 (2) None	▶ Developing Fair, Transparent and Sound Business and Anti-Corruption
			O	(1) Achievement ratio of compliance training plan (2) Achievement ratio of significant compliance violation risk response plan	Opportunity loss due to penalties, administrative sanctions, or suspension of transactions due to relation with cartels or bribery	**(1) 100%** **(2) 100%**	(1)100% (2)100%	
	G Respect and protection for intellectual property P.68	Promotion of the use of company intellectual property rights	G	Achievement rate of patent acquisition plans that contribute to the expansion of business	Opportunities for business growth and new business creation	**100%**	100%	
		Thorough avoidance of infringement of third-party intellectual property rights	D	Number of third-party intellectual property rights infringement incidents	Losses due to infringement of third-party intellectual property rights	**None**	None	
		Elimination of infringing products	O	Number of websites operated by infringing vendors of imitation products that were shut down	Future revenue loss due to the sale of counterfeit products	**1,000**	1,000	
			G	Number of civil lawsuits brought against infringing vendors of imitation products	Temporary profits due to damages obtained from winning civil lawsuits	—	100	
	G Strict management of confidential information P.104	Promotion of security measures and strengthening of illegal / inappropriate access monitoring	G	Cyberattack response ratio at time of detecting high security alerts	Losses due to leakage of confidential information	**100%**	100%	
			D	Information leak confirmation and response ratio at time of large data output		**100%**	100%	
		Promotion of information security training	D	Ratio of employees passing information security proficiency test		**96%**	95% or more	
Social	S Respect for individuality P.85	Promoting human rights education	D	Achievement rate of human rights training plan	・Opportunity loss due to transaction suspension caused by human rights violations ・Loss of manufacturing and sales opportunities due to labor disputes ・Human resource loss due to decreased productivity (resignation, leave, strike) ・Litigation and damage compensation risks	**100%**	100%	▶ Respect for Human Rights
			O	Achievement rate of harassment education plan (resident staff)		**100%**	100%	
		Thorough management of human rights risks	D	Harassment incident response ratio		**100%**	100%	
	S Respect for diversity P.85	Women's empowerment	D	(1) Ratio of women in managerial positions (2) Ratio of women in new graduates hired for career-track positions (3) Ratio of women in the workforce (4) Achievement ratio of training plan for female senior managers	・Increase in shareholder equity due to recognition related to women's participation and adoption as a women-friendly investment stock ・Securing labor capacity by increasing the retention rate for female employees	**(1)4.6%** **(2)27.0%** **(3)15.6%** **(4)100%**	(1)6.0% or more (2)30.0% or more (3)17.0% or more (4)100%	▶ Respect for Individual Work-Life Balance
		Promotion of the employment of persons with disabilities	D	Employment rate of persons with disabilities	・Securing labor capacity ・Losses due to falling below the statutory employment rate	**2.83%**	2.70% or more	
	S Human resources development P.85	Promotion of human resource development programs	D	(1) Achievement rate of training plan for development of autonomous-minded human resources (2) Achievement rate of next-generation manager education plan	・Securing personnel who meet the functional requirements ・Securing personnel for future management positions and key roles	**(1)100%** **(2)100%**	(1)100% (2)100%	▶ Human Capital Management ▶ Mid- to Long-term Human Resources Development
	S Enhancement of work environments and occupational health and safety P.89	Promotion of the thorough management of employees' working hours and prevention of the recurrence of long working hours	D	(1) Response ratio to prevent the recurrence of long working hours (2) Annual frequency of labor-management consultations relating to working hours (3) Operational achievement ratio of standard for number of days of paid leave taken annually	・Losses associated with the violation of the Agreement 36 ・Losses due to unused paid leave	**(1)100%** **(2)12** **(3)99.4%**	(1)100% (2)12 (3)100%	▶ Occupational Health and Safety Management / Health Management
			O	Number of times overtime work exceeded statutory upper limit	・Losses associated with work-related accidents due to overwork resulting from long working hours	Achievement ratio of overtime work reduction target: **67%**	None	
		Thorough implementation of appropriate employment management	D	Number of corrective recommendations from the Labor Standards Inspection Office based on spot inspections	Losses associated with corrective recommendations	**None**	None	

	Materiality	Activity outline	Scope of application	Indicator	Potential impact on business	FY2024 results	FY2025 target	Link to Sustainability Report
Social	S Enhancement of work environments and occupational health and safety P.89	Promotion of a work-life balance	D	Job turnover of full-time employees	・Increase in additional hiring costs due to employee turnover	**2.1%**	Less than 2.3%	▶ Occupational Health and Safety Management / Health Management
		Promotion of health management	D	Rate of high stress individuals	・Losses due to employees taking leave or resigning because of mental health issues	**9%**	10% or less	
		Promotion of occupational health and safety risk management	G	(1) Number of serious occupational accidents (2) Number of workers not meeting internal blood lead concentration management standards	・Losses due to major industrial accidents	**(1)None** **(2)420**	(1)None (2)None	
			G	Number of accidents resulting in missed work		**41**	28 or less	
	S Provision of high-quality products P.90	Promotion of quality improvement and strengthening of quality communication	G	Achievement ratio of targets for complaints and in-process defects	・Losses due to quality defects	**105%**	100%	▶ Fulfillment of Our Responsibilities to Provide Safe and Secure Products and Services
		Reinforcement of product safety management	G	(1) Number of serious product accidents (2) Achievement ratio of product safety-related incident reduction target (3) Achievement ratio of product safety education plan	・Losses due to product safety incidents	**(1)None** **(2)37%** **(3)70%**	(1)None (2)100% (3)100%	
		Reinforcement of service provision	D	Achievement ratio of cross-department project plan	・Increased revenue from the promotion of services (including revenue from product maintenance and other service-based sales)	**100%**	100%	
Environment	E Promoting environmental protection P.77	Promotion of effective use of water resources	G	Ratio of reduction of water use (compared with FY2018)	・Sales opportunity loss due to reputational damage and brand image decline from delays in water usage reduction initiatives	**14.8%**	15.0% or more	▶ Response to Climate Change and Energy Management ▶ Water Security ▶ Contribution to Creating a Recycling-Oriented Society / Chemical Substance Emissions Management / Biodiversity Conservation
		Contribution to realization of low-carbon society	G	Ratio of reduction of CO_2 emissions (compared with FY2018)	・Sales opportunity loss due to reputational damage and brand image decline from delays in carbon neutrality initiatives	**16.9%**	15.0% or more	
		Prevention of environmental pollution	G	Number of major environmental accidents	・Losses due to environmental accidents	**None**	None	
		Improvement in ratio of use of recycled materials in products provided to markets	G	Ratio of recycled lead used as lead raw materials in lead-acid batteries	・Sales opportunity loss due to reputational damage and brand image decline from delays in contributing to a recycling-oriented society	**72.4%**	70.0% or more	
	E Developing and popularizing environmentally considered products P.77	Expansion of market for GS Yuasa products contained in products contributing to the curbing of global warming	G	Percentage of environmentally considered products in total sales of all products	・Sales opportunity loss due to reputational damage and brand image decline from delays in carbon neutrality initiatives	**36.7%**	45.0% or more	▶ Development and Provision of Environmentally Considered Products
Social	S Responsible procurement promotion P.91	Responses to responsible mineral procurement	G	Achievement ratio of responsible mineral survey plan	・Losses due to the materialization of supply chain CSR risks	**100%**	100%	▶ Ensuring Social Responsibility within Our Supply Chain
		Management of supply chain CSR risks	G	Achievement rate of supplier CSR issues improvement plan		**100%**	100%	
			D	(1) Achievement ratio of internal education plans related to CSR procurement (2) Achievement ratio of supplier education plans related to CSR procurement		**(1)100%** **(2)100%**	(1)100% (2)100%	

Note: The scope of application may not cover all Group companies. This plan is periodically reviewed, and as a result, there may be differences from the details of the plan disclosed last time.

Please refer to our website for the latest data on the materiality response plan.
▶ https://www.gs-yuasa.com/en/csr/pdf/materiality_2025.pdf

For other non-financial data, aggregation ranges, and other detailed information, please refer to the ESG Data Book.
- Environmental Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Environmental_Data_2025.pdf
- Social Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Social_Data_2025.pdf
- Governance Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Governance_Data_2025.pdf

Return to the Table of Contents

Feature 1 Initiatives in the Regular Field to Achieve Carbon Neutrality



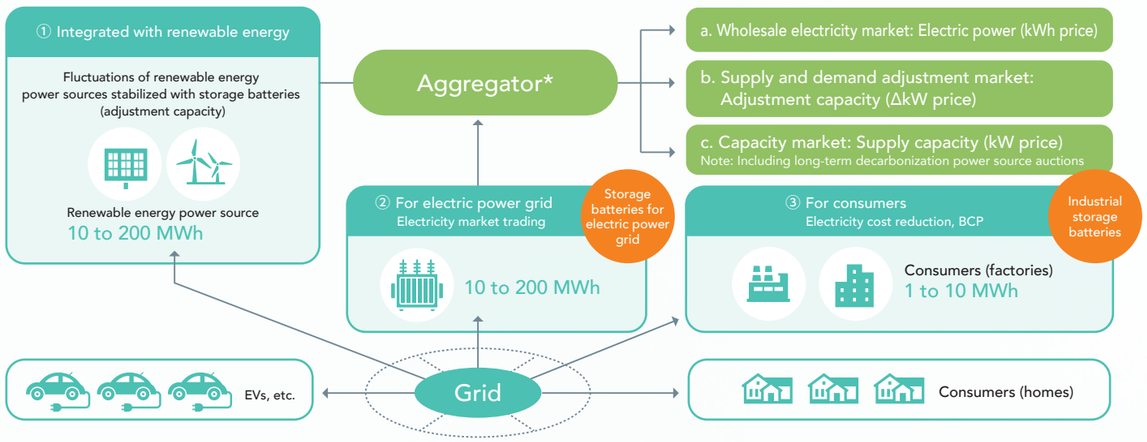
Efforts to achieve carbon neutrality are accelerating to address environmental issues on a global scale. Among such initiatives, the utilization of renewable energy is an indispensable element of achieving carbon neutrality, and the stabilization of the power supply has become extremely important as renewable energy installations are expanded. This is the context for the rapid increase in demand in the regular field, and subsidies and other policy support from the national government are also providing a favorable tailwind.

At GS Yuasa, we see these trends as an opportunity and are actively promoting businesses that position the regular field of the industrial battery and power supply business as one of our growth drivers. This Feature describes our initiatives in the regular field.

What Is the Regular Field?

The regular field refers to applications used for daily, uninterrupted charging and discharging in renewable energy, energy management, and other areas. Our storage battery products are devices that currently play a key role in adjusting the balance between supply and demand for renewable energy; specifically, wind and solar power generation. Furthermore, demand is growing from a wide range of facilities and means of transportation that use electric power, such as the substations responsible for power transmission, large factories, buildings, residential homes, and railways, resulting in further expansion of our fields of contribution.

There are three main methods of utilizing storage batteries in the regular field: (1) Integrated with renewable energy, (2) For electric power grid, and (3) For consumers.



Note: This was created based on the "Battery Industrial Strategy" issued by the Public-Private Council for the Storage Battery Industry Strategy of the Ministry of Economy, Trade and Industry of Japan.
* A vendor that controls the balance between electric power companies and consumers in order to control the amount of demand from consumers and maintain the power supply and demand.

Market Environment

Based on growing market demand and the high levels of trust that we have built with customers, we have experienced increasing business demand, with inquiries exceeding our production capacity continuing to rise year by year. As a result, we face the issue of needing to increase our supply capacity to meet this demand.

In addition to further enhancing our products and service capabilities, we are also expanding our production capacity. Furthermore, we are considering future expansion overseas, including the construction of overseas production sites and the establishment of training plans in each region. We will clarify the future direction in more specific terms during the period covered by the Seventh Mid-Term Management Plan.

Government budget related to renewable energy (partial)

Description	Period	Support amount, etc.
Subsidies for electric power grid storage batteries	Up to 2026; Up to 2027	40.0 billion yen/1.3 GWh; 40.0 billion yen/1.3 GWh
Tokyo Metropolitan Government subsidies for electric power grid storage batteries	Up to 2030	13.0 billion yen/0.6 GWh
Support for storage batteries integrated with renewable energy power sources	Planned continuously (period not decided)	16.0 billion yen/0.5 GWh

Note: Support amount is the total amount for three years, including the national debt burden

GS Yuasa's Strengths

We can respond to the various needs of our customers at a high level from all of the perspectives of QCDS (Q: Quality, C: Cost, D: Delivery, and S: Service). This response capability is a strength of GS Yuasa.

High quality

Post-delivery after-sales service

Cost effectiveness

Thorough dedication to product performance

- Safety (maintaining and improving high manufacturing quality and implementing safer designs)
- Long-life system that can withstand about 20 years of operation
- Highly efficient charging and discharging performance

Highly cost effective

- Understand customer needs to delivery both low cost and quality

Strict process management and backup system

- Execute tight process plans and formulate backup plans to deal with unexpected situations
- Build systems so that in the event of a problem, we can quickly present solutions and continue production at all times

After-sales service and trust-based relationships with customers

- Provide peace of mind with remote monitoring systems
- With sites nationwide built through both networks and footwork, our service system is available 24/7/365

Initiatives for improving QCDS

The Lithium-ion Batteries Business Unit is leading efforts to improve production, with the aim of further improving QCDS.

1

We enhanced production capacity by modifying production lines in FY2024, resulting in a 30% increase of cell assembly capacity per line.

2

We respond flexibly to production needs at all times based on close inter-departmental sharing of information about production results and delivery times between the Lithium-ion Batteries Business Unit and the Industrial Batteries and Power Supplies Business Unit.

3

We conduct cross-departmental activities to improve processes and yields, and in FY2024, we changed the manufacturing conditions for the polar plate manufacturing process, which improved quality.

Quality in the regular field

The reason we are highly rated by customers in the regular field is our quality control system, which keeps defective products to an extremely low level near 0%. This strength leverages the know-how that we have cultivated in the automotive lithium-ion battery business, where extremely strict quality control is required.

Also, when developing products in the regular field, although the required performance is similar to that for BEVs, this performance cannot be achieved unless detailed changes are made to the structure. At GS Yuasa, we have researched battery recipes that are suitable for the regular field for more than ten years, and this enables us to sell batteries that satisfy customer needs.

In the future, we will improve quality even more while also continuously developing new products with the aim of improving cost effectiveness.

Check Development of new products

We are developing products that ensure safety even as they guarantee quality that meets the needs of our customers, and we succeeded in developing a battery with high energy density. Usually, it is extremely difficult to achieve both high energy density and high levels of safety in the same product. However, in the new lithium-ion battery that we developed, we achieved both these characteristics by building a mechanism that prevents adjacent cells from exploding in succession, and we also took measures to prevent them from burning in the first place. This development meets customer needs and is also a big technological leap forward for GS Yuasa.

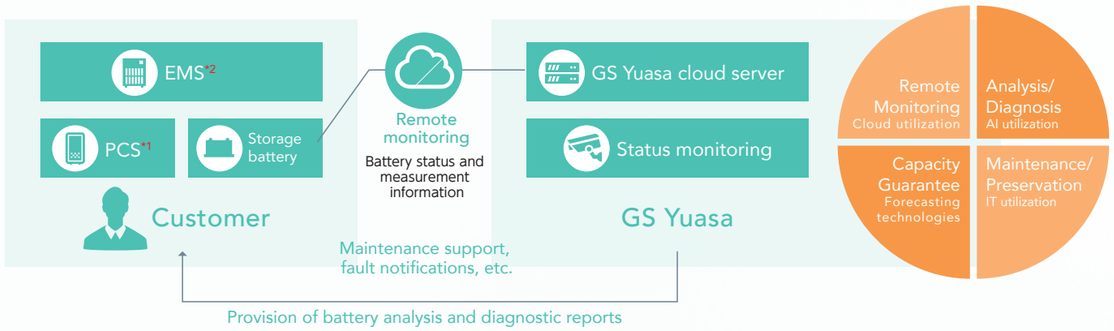
After-sales service in the regular field

In the emergency field, the main applications are for backup in case of emergency, and under normal circumstances, there is almost no opportunity for actual operation. However, storage batteries in the regular field adjust electric power by continuously charging and discharging electricity, making after-sales service very important. While maintaining the foundations of our service capabilities that we cultivated in the emergency battery field, we made new investments to strengthen our after-sales service. Our high-quality after-sales service is one way that we differentiate ourselves from competitors.

Network: STARELINK® Service

STARELINK is a maintenance service that uses proprietary remote monitoring technology and forecasting and preventive technologies. We offer preventive maintenance services that use AI and DX to maintain the stable operations and optimal control essential for power generating facilities used for extended periods, which ensures long-term recurring revenue.

Service flow



For more information on STARELINK Service, please refer to the website.
▶https://ps.gs-yuasa.com/products/service/starelink/ (in Japanese)

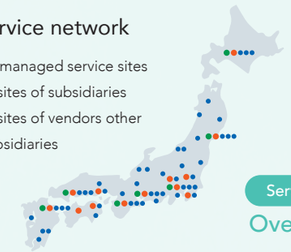
*1 Power conditioners *2 Energy management system

Footwork

GS Yuasa's strength is our proprietary maintenance and service network that spans 14 sites across Japan and is made up of 1,036 people, which we have built over more than one hundred years of history. Our industry-leading support system provides 24/7/365 maintenance and helps customers achieve their BCP, making it widely recognized as offering added value unique to GS Yuasa.

Field service network

- Directly managed service sites
- Service sites of subsidiaries
- Service sites of vendors other than subsidiaries



Service sites are available nationwide, and they coordinate with the STARELINK® Service Center if a problem occurs in storage battery facilities to enable a fast response

Service sites
Over 100 sites across Japan

VOICE Comment from an employee at GS Yuasa Fieldings Ltd.



General Manager of Kansai Construction Division, GS Yuasa Fieldings Ltd.
Yoshiharu Hirano

GS Yuasa Fieldings Ltd. provides comprehensive engineering services for industrial storage batteries and power systems. Our company deploys 1,036 technical staff throughout the nation, including those from certified partner companies, supporting the stable operation of diverse facilities such as lifelines and transportation systems. In the event of natural disasters such as typhoons or earthquakes, our staff capitalize on their mobility to swiftly arrive on the scene and dedicate themselves to emergency response efforts, including installing temporary power sources and restoring equipment to its original state. Our ability to respond with such mobility has earned high praise from many customers as "reassuring," and we will continue to strive to provide the same level of service hereafter as well.

TOPIC Installation of world's largest storage battery facilities at Kitatoyotomi Substation, North Hokkaido Wind Energy Transmission Corporation

From July 2020 to November 2021, we carried out the construction of lithium-ion battery facilities at the Kitatoyotomi Substation in Hokkaido, consisting of the world's largest capacity of 720 MWh (equivalent to 45,000 BEVs) and 3,840 storage battery cabinets (an installation area equivalent to two soccer fields). We received the order for this project thanks to the reputation for highly reliable technical skills and long-term support capabilities that we have cultivated over the years. This substation started commercial operation in April 2023. GS Yuasa will provide maintenance for the storage batteries for 20 years after the start of operation.





Customer voice

Comment from North Hokkaido Wind Energy Transmission Corporation



President
North Hokkaido Wind Energy Transmission Corporation
Toru Sumiyoshi

As they installed the world's largest storage battery facilities, GS Yuasa responded diligently to our strict safety and reliability requirements. In particular, with so much recent attention focused on the safety of lithium-ion batteries, GS Yuasa pursued a design that did not compromise on safety anywhere, from the cell level to the system level. When they passed the final testing of NITE*, the tears of joy from the manager showed how much effort he had spent, and it warmed the hearts of my employees and I. This project will bring major benefits because it allows the installation of large-scale wind power generation to address the power transmission issues facing northern Hokkaido, and it will contribute to the realization of carbon neutrality.

GS Yuasa also designed a remote monitoring system in meticulous detail that we are now using after the start of operations, and we are deeply grateful for their technological capabilities and assiduous attitude.

* National Institute of Technology and Evaluation

Major orders received and delivery records

Kitatoyotomi Substation
(Toyotomi Town, Teshio District, Hokkaido)

Operator	North Hokkaido Wind Energy Transmission Corporation
Date of operation	From March 2023
Output	240 MW
Capacity	720 MWh



Storage battery facilities
Photo courtesy of Chiyoda Corporation

Tagawa Power Storage Station
(Kawara Town, Tagawa District, Fukuoka Prefecture)

Operator	NTT Anode Energy Corporation, Kyushu Electric Power Company Incorporated, Mitsubishi Corporation
Date of operation	From July 2023
Output	1.4 MW
Capacity	4.2 MWh



Installation example

Muroran Station, ENEOS Corporation
(Muroran City, Hokkaido)

Operator	ENEOS Corporation
Date of operation	FY2023
Output	50 MW
Capacity	88 MWh



Muroran Station, ENEOS Corporation

Chiba Refinery, Osaka International Refining Company, Limited
(Ichihara City, Chiba Prefecture)

Operator	ENEOS Corporation
Date of operation	FY2025
Output	100 MW
Capacity	202 MWh



Chiba Refinery, Osaka International Refining Company, Limited

Kumamoto Factory, Honda Motor Co., Ltd.
(Ozu Town, Kikuchi District, Kumamoto Prefecture)

Operator	Honda Motor Co., Ltd.
Date of operation	From April 2024
Output	2.6 MW
Capacity	20 MWh



Hosoe Outboard Engine Plant, Honda Motor Co., Ltd.
(Hamamatsu City, Shizuoka Prefecture)

Operator	Honda Motor Co., Ltd.
Date of operation	From April 2025
Capacity	2 MWh



Storage battery facility with new power conditioners (Konohana Ward, Osaka City), Osaka Gas

Partner to contract for demonstration experiment	Osaka Gas Co., Ltd.
Operation period for demonstration	April 2025 to March 2028 (planned)
Equipment	Power conditioners: 500 kW Lithium-ion batteries: 840 kWh
What to verify	Verification of operation for multiple uses supporting multiple electricity markets and verification of patterns of optimal operation control in line with storage battery characteristics and operation of the storage battery facility

Division of roles
[Osaka Gas] ・Construction of equipment and provision of a site required for operating the storage battery facility ・Maintenance of the storage battery facility based on simulated transactions in electricity markets [GS Yuasa] ・Provision of the Storage Battery Facility and implementation of action in terms of operation and maintenance (O&M) ・Implementation and review of equipment modifications and improvements based on data

Tsunokobaru Power Storage Station, Nijio Co., Ltd.
(Oita City, Oita Prefecture)

Operator	Nijio Co., Ltd.
Date of operation	FY2026 (planned)
Output	25 MW
Capacity	50 MWh



Conceptional image
Created by Chiyoda Corporation
(using Google Maps and map data from the Geospatial Information Authority of Japan)

Eurus Shiratori Battery Park
(Tagawa City, Fukuoka Prefecture)

Operator	Eurus Energy Holdings Corporation
Installation location	Tagawa City, Fukuoka Prefecture
Date of operation start	From January 2024
Capacity	4.58 MWh



External view of lithium-ion storage battery facility

Yatogo Energy Storage Station
(Kumagaya City, Saitama Prefecture)

Operator	Bandou Power Storage Station No. 1 Limited Liability Company
Date of operation	From February 2025
Output	1.96 MW
Capacity	7.46 MWh



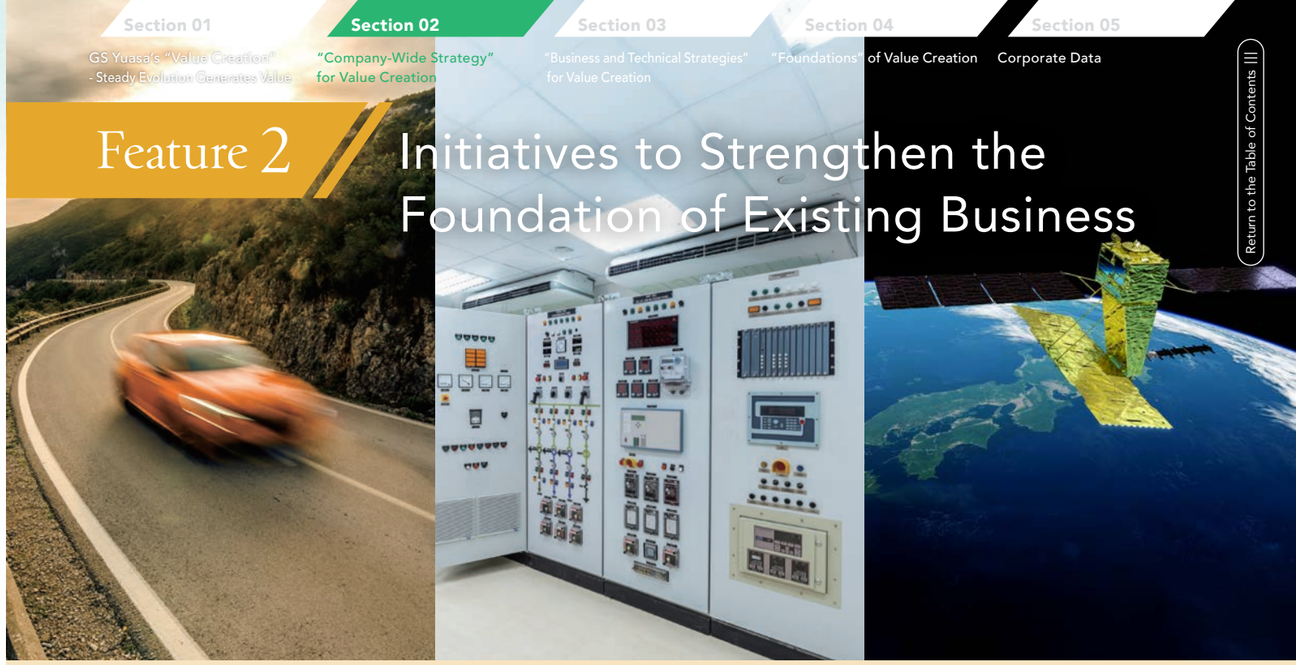
Conceptual image of Yatogo Energy Storage Station

Niraduka Energy Storage Station
(Isesaki City, Gunma Prefecture)

Operator	Bandou Power Storage Station No. 1 Limited Liability Company
Date of operation	From June 2025
Output	1.96 MW
Capacity	7.46 MWh



Conceptual image of Niraduka Energy Storage Station



Feature 2 Initiatives to Strengthen the Foundation of Existing Business

Guided by our philosophy of "Innovation and Growth," the GS Yuasa Group has contributed to society through our storage batteries and other business initiatives. Among these, our lead-acid battery business has a history spanning more than a century. We achieved steady growth in this field by strengthening our revenue base through such measures as pursuing high quality and improving our technological capabilities. Furthermore, we have won high levels of trust from our customers through company-wide initiatives, extending from development and manufacturing to sales and after-sales service.

This Feature describes GS Yuasa's strengths by focusing on our measures to reinforce earning capacity in the automotive battery business, industrial battery and power supply business, and specialized battery business, and our initiatives to raise added value.

Automotive Batteries

In the automotive battery business that makes up more than 60% of GS Yuasa's net sales, we supply lead-acid batteries to Japanese new car manufacturers, with whom we have long maintained strong relationships. Overseas as well, we entered foreign markets at an early stage together with Japanese new car manufacturers in order to build production systems and sales networks. We have leveraged these to supply high-quality lead-acid batteries that meet market requirements, and we have also won a high share in the replacement market. By winning a high market share in both the new car and the replacement fields, we were able to build a stable revenue base.

To date, new car manufacturers have consistently required stable quality and performance, as well as stable supply. In response to changes in the automobile and motorcycle markets, and trends such as electrification, there is now also demand for the supply of products that satisfy requirement specifications that differ according to each individual customer. To meet such customer needs in a steady manner, we always develop and supply products that put first priority on safety and security, and we believe that this attitude has won us high levels of trust from customers.

Strengths in Automotive Battery Business

1. Quality and technologies
2. Quality and technologies
3. Creation of synergies via M&A
4. After-sales service

1 Quality and technologies

Development of products that meet market and customer requirements

At GS Yuasa, we have developed products in line with the evolution of the mobility field and that meet ever-changing customer requirements. We have proactively developed new technologies that support the newly developed vehicles of new car manufacturers, while also developing and bringing to market pioneering products that meet replacement market needs.

1 Support for start-stop systems (ISS: idling stop systems) — Lead-acid batteries for ISS vehicles

ISS vehicles require large amounts of electricity to be supplied from the lead-acid battery to cover the electrical load of various devices while the engine is stopped and to perform frequent restarting of the engine. For this reason, the lead-acid batteries in such vehicles deteriorate much faster than conventional lead-acid batteries. Furthermore, to improve fuel efficiency, charging from the vehicle's generator should be minimized and the regenerative energy during braking should be used to charge the battery as much as possible. Since conventional lead-acid batteries cannot meet these requirements specific to ISS vehicles, around the year 2000 we started full-scale development of a dedicated battery. We were able to mass-produce a high-performance battery that could bring out the desired performance of ISS vehicles ahead of our competitors, and this battery received high acclaim from new car manufacturers.





2 Support for electric vehicles — Newly developed technology: Electrolyte loss reduction technology (GR Tech Liquid Plug)

The ENJ Series (EN type) incorporates a catalytic device made by W. L. Gore & Associates (Gore) and uses the world's first GR Tech Liquid Plug that was newly developed in collaboration with Gore in Japan, significantly improving the electrolyte loss characteristics (electrolyte loss reduced by 90%*).

In conventional engine vehicles, the lead-acid battery is usually installed under the hood, but batteries for auxiliary equipment in electric vehicles are often installed in places that cannot be visually checked from the outside, such as in the trunk or under the seats. This makes checking the battery fluid level and replenishing any fluid loss more difficult than in conventional vehicles. Using the GR Tech Liquid Plug reduces fluid loss and greatly reduces the frequency of maintenance needed to replenish the fluid, which makes life easier for both users and maintenance staff while also improving safety by reducing the risk of battery explosion due to decreased fluid level.

GS YUASA × GORE® CATALYTIC DEVICE



Catalytic device (White circular section inside the liquid plug)

* Comparison between GS Yuasa's conventional product 375LN2-IS and ECO.R ENJ 375LN2-IS. Own testing by GS Yuasa. This was not an actual driving test.

Note: GORE and the logo design shown here are trademarks of W. L. Gore & Associates.

Customer evaluations

We have been highly evaluated by customers for developing products that meet their needs.

Direct evaluations — Our quality has been highly evaluated by many new car manufacturers

■ Awards/commendations received from new car manufacturers (FY2024)

DAIHATSU MOTOR CO., LTD.
Awarded for six consecutive years
Special prize: Continuous Quality Excellence Award



Mazda Motor Corporation
Awarded for three consecutive years
Continuous Zero Delivery Defects Appreciation Award (12-month continuous award)



Nissan Motor Co., Ltd.
Awarded for two consecutive years
Quality Excellence Award



2 Stable supply

From a sense of responsibility as the company with the top market share in Japan, we believe that it is our important duty to ensure the stable supply of products to customers. Recent years have seen an increasing number of natural disasters such as typhoons, floods, and earthquakes, as well as other growing risks in business management, such as material procurement and cyberattacks. This has led us to take proactive measures to build a stable supply system. Specifically, we have implemented initiatives that include the diversification of our supply chains, preparing manuals on how to respond to emergencies, strengthening inventory management, and leveraging our production sites across eastern, central, and western Japan to enable "Anywhere Production."

"Anywhere Production" project

Based on our four domestic production sites in Gunma (Isesaki City), Shizuoka (Kosai City), and Kyoto (Kyoto City and Fukuchiyama City), we are implementing the "Anywhere Production" initiative to build a product supply system that is even more stable.

Background — Importance of BCP support and increased responsibilities/expectations for new car manufacturer supply

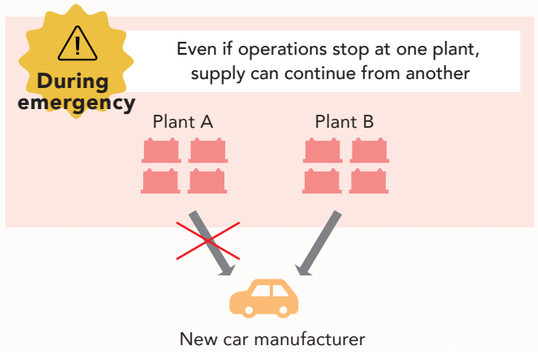
- Increased risk not only of natural disasters, but also risks related to fire, equipment trouble, and material procurement
- Increased supply responsibilities and customer expectations due to our overwhelmingly high market share for new cars

Purpose — To build a supply system that can respond to emergencies

We will build a supply system for new car manufacturers that can respond to emergencies and clarify the corresponding issues to minimize the impact on customers

In the field of automotive batteries (Japan), we manufacture products at four plants.

Currently, there are some products for certain customers that have only received customer approval or are only manufactured at one plant, resulting in the risk that the supply of certain products will stop if operations at that plant are halted. By building a system that can supply the same product at multiple plants, we will be able to continue to supply the product to the customer even in the event of an emergency. Also, receiving approval from new car manufacturers for operations at each plant will also have the benefit of allowing us to manufacture products in the location closest to the production site of the new car manufacturer and to supply the product with the optimal delivery times and costs.



3 Creation of synergies via M&A

At GS Yuasa, in order to strengthen our revenue base in the automotive battery field, we have been expanding the scale of our business and making our existing business more efficient through strategic M&A and business restructuring. In the future, we will continue to analyze the business environment and the issues of each region and consider collaborations and other initiatives with companies that can complement each other in order to further increase our corporate value.

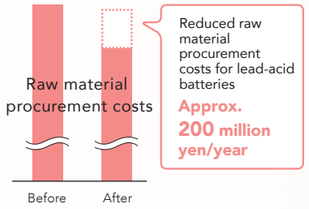
A recent example of M&A in Japan is the transfer in 2016 of the lead-acid battery business from Panasonic Corporation and its establishment as GS Yuasa Energy Co., Ltd. (GYE). GYE's strength is high productivity for mass-produced products, while GS Yuasa's strengths are its lead-acid battery technologies and production capacity for a wide range of products. By leveraging these strengths, we have been striving to build the optimal production system and streamline production by dividing work among production sites, increase development speed through technological exchange, and strengthen our negotiation and procurement capabilities through joint purchases. As a result, we have dramatically increased our operating profit since FY2017 and the benefits of integration are making a real contribution to our results.

Creating synergistic effects with GS Yuasa Energy

1 Joint purchasing

Synergistic effects

- Costs reduced due to increased volume
- Costs reduced due to sharing of raw material costs



2 Reciprocal supply of storage batteries

Synergistic effects

- Expanded lineup
- Sales opportunities maximized through flexible supply capacity
- Investments controlled

Large storage batteries (for commercial vehicles), EN batteries
[Approx. 100,000/year]

GS YUASA ⇄ GS Yuasa Energy Co., Ltd.

Small storage batteries, VRLA batteries
[Approx. 400,000/year]

3 Reciprocal sharing of manufacturing equipment installation support and technical expertise

Synergistic effects

- Manufacturing processes improved through mutual cooperation
- Faster development and evaluations

Examples of main M&A and business restructuring in recent years

Year	Description	Purpose
2023 to 2024	Transfer of equity interests of three China-based consolidated subsidiaries/conversion into equity method affiliates	To optimize the China business strategy
2022	İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi (Turkey) converted into a consolidated subsidiary	To boost sales to Europe, the Middle and Near East, and North Africa as an export base
2016	Panasonic Corporation's lead-acid batteries business (Japan)	To build unparalleled superiority in the domestic business
2015	İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi (Turkey) converted into an equity method affiliate	To expand sales to Europe, the Middle and Near East, and North Africa
2013	Siam GS Battery Co., Ltd. (Thailand) converted into a consolidated subsidiary	To strengthen management foundations in the ASEAN region

4 After-sales service

At GS Yuasa, not only do we sell products, but our technical service departments specializing in the after-sales market also conduct surveys about the actual use of batteries in the market, respond to complaints, and offer advice about how to use batteries as a pre-sales service. Our technical service for the after-sales market is one of our unique strengths, unmatched by competitors. When an incident occurs that may be due to a malfunctioning battery, we ask the customer in detail about how the battery was used, and hold discussions and give feedback to identify the cause of the problem and prevent reoccurrence. This process leads to increased customer satisfaction. We also use the contents of customer feedback to develop new technologies and products.



To ensure we continue to be chosen in the future

GS Yuasa is building a stable supply system, not only in Japan but globally. For example, we supply products that are manufactured at multiple sites in Asia to sales site in Europe by combining them in the optimal cost and lineup mix, which boosts competitiveness in the market. Each site manufactures competitive products in its own area of expertise, and the sites then supply products to each other to create a global supply chain. Furthermore, GS Yuasa in Japan conducts integrated control of all the overseas sites to optimize the entire organization. In the future, we will continue to optimize our supply chain to meet customer needs on a global scale.

Industrial Batteries and Power Supplies

In the industrial battery and power supply segment, we have expanded our business in the emergency, regular, and forklift fields, in each of which there is demand for products with high performance and cost effectiveness. Particularly in the emergency field focused on public infrastructure backup and the regular field where products are used to adjust the supply and demand of renewable energy, our reliability and safety differentiates us from our competitors and we continue to expand our customer base. By steadily enhancing our quality and strengthening our after-sales service, we will continue to increase our added value and reinforce our earning capacity.

Strengths in Industrial Battery and Power Supply Business

1 Quality and technologies

2 After-sales service

3 Creation of synergies via M&A

1 Quality and technologies

Our products have received high acclaim from many customers. We conduct manufacturing by working closely with customers for each application to enable us to satisfy 100% of their specification requirements. By increasing added value through the relentless pursuit of quality, we build strong trust-based relationships with our customers, leading to increased profitability through differentiation.

Development of products that meet market and customer requirements

In the emergency field, we are developing lead-acid batteries that can deliver long life even under high temperatures. By leveraging new technology, the frequency of air conditioning use is reduced, leading to a reduction in CO_2 emissions.

In the regular field, we are concentrating all resources on developing services and products (lithium-ion batteries, power conditioners, and peripheral equipment) that can provide higher added value.



Customer evaluations

We have been highly evaluated by customers for developing products that meet their needs.

Key points of customer evaluations

Safety and security / Service and maintenance / Long lifespan

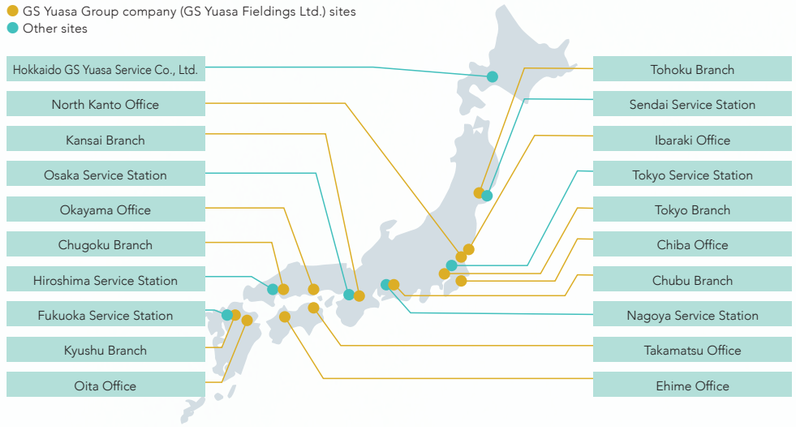
2 After-sales service

We differentiate ourselves not only through our product quality, but also our after-sales service. Our footwork is based on a maintenance service framework that extends all across Japan, and our remote management system increases added value and earns us more trust from customers. Building strong relationships with customers over the long term results in stable profits and further opportunities to win even more service business.

Building a reliable, secure, and swift support system

Support system based on maintenance companies specialized in storage batteries, made up of 1,036 people (including partner companies) at 14 sites across Japan

Periodic inspection, part replacement, spare part deployment, and assistance services are provided.

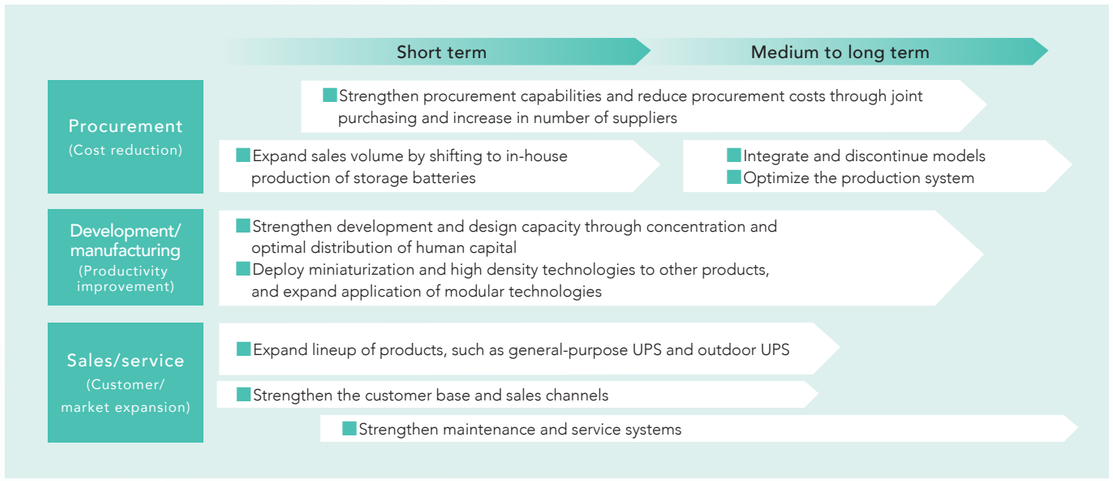


3 M&A

A recent example of M&A is the acquisition of the infrastructure business from Sanken Electric Co., Ltd. in 2021. In the emergency field, although we had worked to strengthen our technological and development capabilities, the transfer of the infrastructure business enabled us to acquire even more extensive experience in uninterruptible power supplies (UPS) and power supply equipment for base stations. This also led to the creation of synergies that enhanced our technology development capabilities even further and complemented each other's sales networks.

We recognize that alliances with other companies will continue to be required in the future to expand our business fields. We will continue to secure human resources to strengthen our service and maintenance business both in Japan and overseas, while also considering the formation of alliances with companies for cooperation in the power supply field. In the regular field as well, we are studying alliances for future overseas expansion.

Synergistic effects by acquiring the social infrastructure systems business from the former Sanken Electric Co., Ltd.



Specialized Batteries

In the specialized battery business, we manufacture over 100 types of batteries every year, including those for aircraft, space, and defense, such as submarines. Each of these fields requires extremely high levels of safety, as well as a compact and lightweight design, high output performance, and high energy density. Even though performance requirements are only expected to become tougher in the future, we believe that the technologies we have cultivated over the years provide us with the ability to meet these strict customer requirements and give us timely commercialization and supply capabilities, which will continue to win us the trust of customers going forward.

Strengths in Specialized Battery Business

1 Quality and technologies

2 Reasonable prices

3 Stable supply

1 Quality and technologies

To meet the differing quality and delivery time requirements of each customer, we implement strict schedule control and work hard to increase customer satisfaction. Customer assessments are particularly strict in relation to quality, and a product cannot proceed to the manufacturing stage unless it passes design validation in a Qualification Test (QT). Since not even a single mistake is allowed, we always take our responsibilities seriously and conduct development based on a design policy of making products that will deliver 100% performance.

Market evaluation

Thermal batteries for defense applications
Market share over 90%

Process up to commercialization



2 Reasonable prices

In the specialized battery business, some products can take as long as four to five years to deliver from the initial order. Since there is the risk of personnel or material costs increasing during this period, in the case of projects with long delivery times, we negotiate with suppliers to fix the prices of the raw materials that will be purchased as much as possible before signing the agreement with the customer, which enables us to set prices that make allowances for rising raw material prices.

We are also constantly driving forward technological innovation to meet the ever-stricter requirements of customers. For development projects that are frequently requested by customers, we can respond by applying existing batteries without increasing the number of product types, which keeps down development costs and shortens delivery times. Going forward, we will continue to offer flexible product development to meet a wide range of needs and achieve even higher levels of customer satisfaction.

3 Stable supply

In response to the increased production of thermal batteries, mainly for defense applications, we are introducing equipment that uses robots in some parts of the thermal battery assembly process, in order to expand our production capacity. Furthermore, for the stable supply of raw materials and parts, we manage the procurement process appropriately by staying in close communication with our suppliers to ensure stable supply, while also taking active measures to develop second sources.

Message from the Director in Charge of Finance

Completing the Sixth Mid-Term Management Plan while preparing to go on the offensive under the next Mid-Term Management Plan.



Director and Chief Financial Officer, GS Yuasa Corporation

Hirohisa Ishibashi

Looking back on the second year of the Sixth Mid-Term Management Plan

In Vision 2035, our long-term vision, we have designated Mobility and Public Infrastructure as our key focus areas toward 2035 and adopted a policy of transforming our business structure around high-capacity, high-output lithium-ion batteries for BEVs and regular field applications such as ESS. Our aim is to capture the expected expansion of demand for batteries through 2050 and sustainably enhance corporate value. The Sixth Mid-Term Management Plan (FY2023–FY2025) is positioned as the time to build that foundation. In FY2024, consolidated net sales increased 3.1% year on year to 580.3 billion yen, a new record high. Operating profit before amortization of goodwill increased by 20.2% year-on-year to 50.7 billion yen, setting a new record high and also exceeding the upwardly revised final-year target of 46.0 billion yen. Net profit for the period was 31.1 billion yen, compared with 32.6 billion yen in the previous fiscal year, due to factors including higher income taxes and the recording of impairment losses at Blue Energy. However, taking into account the impact of tax effect accounting included in the prior year's figure, we recognize that this is effectively a record-high level.

By segment, automotive batteries, industrial batteries and power supplies, and specialized batteries and others all recorded higher sales and profits, while automotive lithium-ion batteries saw lower sales and profits. The latter was mainly due to decreased sales volume of PHEV batteries and the resulting impact of lower operating rates, as well as lower selling prices for HEV batteries reflecting declines in lithium market prices.

Looking back over the two years of the Sixth Mid-Term Management Plan, I feel that steady progress has been made in strengthening our earning power. In FY2024, despite struggling in automotive lithium-ion batteries, other business results offset this, and we achieved our plan targets. **Our improved pricing power in specialized batteries —along with automotive batteries/industrial batteries and power supplies —further enhanced our earning power. FY2024 was a year in which I clearly felt the overall portfolio's profitability improve.**

P.32-35 Sixth Mid-Term Management Plan

Setting record-high targets again in FY2025

During FY2025, the final year of the plan, we must steer the Company through a business environment of extreme uncertainty. For FY2025, we plan net sales of 600.0 billion yen, operating profit of 51.0 billion yen (+1.9% year-on-year), and operating profit before amortization of goodwill of 52.0 billion yen (+2.5% year-on-year), aiming to set new record highs in net sales and all profit levels. This reflects our confidence that our earning power has taken root, and our intent to further strengthen it.

We are closely monitoring developments regarding the implementation of U.S. tariff policies. While there is some impact on sales through our U.S. sales company, we expect the overall direct impact on the Company to be limited. The risk of economic slowdown in ASEAN countries, where our sales ratio is high, has been factored in to some extent as an indirect impact.

In our portfolio, expected risks in automotive batteries (overseas) and automotive lithium-ion batteries will be offset by strong businesses such as industrial batteries and power supplies. For automotive lithium-ion batteries, although we expect higher volumes for HEV and PHEV batteries, profitability will remain low due to factors such as the impact of falling lithium prices on selling prices and increased depreciation burden from the Blue Energy No. 2 plant. On a more positive note, the position of industrial batteries and power supplies as a growth driver for the Company is increasing. **Thanks to improved profitability in existing businesses, we are able to cover businesses where risks are expected and, as a result, are forecasting record-high profits.**

In the overall business portfolio, the automotive battery business (Japan) and industrial batteries and power supplies business will maintain high ROIC, and the cash generated there will be invested in growth areas. The automotive lithium-ion battery business will work to expand profits from HEV, PHEV, and 12 V lithium-ion batteries. As mentioned earlier, we will inevitably see a decline in ROIC during the process of executing large-scale investments in BEV batteries. For these growth businesses, we will evaluate not only ROIC but also their future growth potential. In the automotive battery business (overseas), we aim to improve capital efficiency through resource concentration on key bases and profit maximization. Profitability of the specialized battery business is improving, and further growth is expected.

To promote understanding of ROIC, we regularly hold director training, as well as study sessions for managers and on-site employees. Through reverse tree deployment, we link management indicators with on-site operations, incorporating this into company-wide TQM activities. In this way, we are building a more effective system where each department employee, by engaging in their day-to-day work, improves ROIC.

P.32-35 Sixth Mid-Term Management Plan
P.41-47 [Feature 2] Initiatives to Strengthen the Foundation of Existing Business
P.52-53 Actions to Implement Management That Is Conscious of Cost of Capital and Stock Price
P.56-65 Strategy by Business Segment

Targets for the final year (FY2025) of the Sixth Mid-Term Management Plan

	FY2024 results	FY2025 forecast
Net sales	580.3 billion yen	600.0 billion yen
Operating profit	50.0 billion yen	51.0 billion yen
Operating profit before amortization of goodwill	50.7 billion yen	52.0 billion yen
Ordinary profit	46.3 billion yen	49.0 billion yen
Profit attributable to owners of parent before amortization of goodwill	30.4 billion yen	33.0 billion yen
Profit attributable to owners of parent	31.1 billion yen	34.0 billion yen
EPS (Basic earnings per share)	303.25 yen	329.00 yen
Cash dividends applicable to the year (yen per share)	75 yen	80 yen
Total payout ratio	24.3%	23.6%
ROE (return on equity)	9.2%	9.5%
ROIC (return on invested capital)	14.8%	13.0%

Message from the Director in Charge of Finance

Balancing investment, financial soundness, and shareholder returns

When we are considering securing investment funds, we aim to generate stable cash by strengthening the profitability of existing businesses, maintaining financial soundness with a target equity ratio of at least 40%, and selecting optimal financing methods, including debt. Combined with our target for shareholder returns—a total payout ratio of at least 30%—our basic capital policy is to pursue an optimal capital structure with a balance between investment and shareholder returns.

To develop and produce BEV lithium-ion batteries, we raised approximately 40.0 billion yen through a public offering and third-party allotment in December 2023, thereby strengthening our financial base. In FY2024, we secured 39.3 billion yen in operating cash flow and raised funds through bonds and borrowings. We invested 58.8 billion yen in capital expenditures, including the acquisition of land for a BEV lithium-ion battery plant and additional investment in Blue Energy's No. 2 plant to increase HEV lithium-ion battery production. Meanwhile, the improved earning power of existing businesses has led to better operating cash flow, and we will also consider further investments to enhance their profitability. Interest-bearing debt exceeded 100.0 billion yen at the end of FY2024, but our equity ratio remained at 50%, indicating our financial soundness.

In FY2025, we plan to invest 65.0 billion yen in production for automotive lithium-ion batteries and

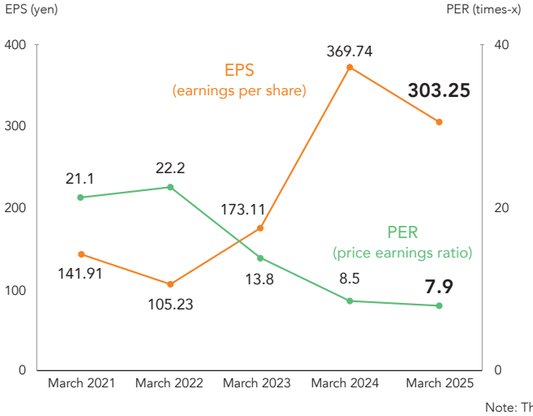


other areas and will continue to choose optimal financing methods. We will steadily sell cross-shareholdings and other financial assets that do not directly generate profit, reallocating the funds to optimize overall capital allocation.

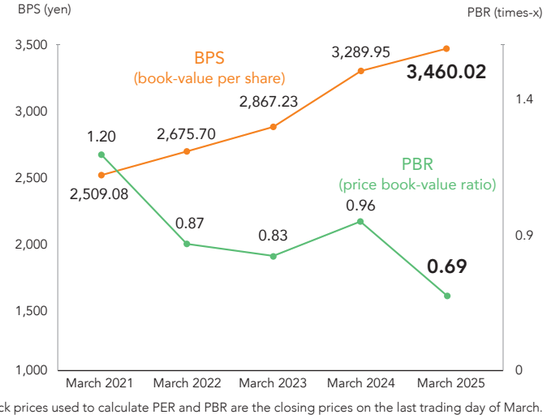
The dividend per share for FY2024 was set at 75 yen per share, an increase of 5 yen from the previous fiscal year. The total payout ratio was 24.3%, falling short of our 30% target, but we will continue to pay dividends while balancing growth investments and shareholder returns. For FY2025, we expect an annual dividend per share of 80 yen, an increase of 5 yen from the previous fiscal year.

P.26-29 Vision 2035
P.32-35 Sixth Mid-Term Management Plan

EPS / PER trends



BPS / PBR trends



Note: The stock prices used to calculate PER and PBR are the closing prices on the last trading day of March.

Further enhancing capital efficiency

To continuously maintain a balance between investment in growth areas, financial soundness, and shareholder returns, we must improve capital profitability beyond the cost of capital. In the Sixth Mid-Term Management Plan, we set management targets of ROE of at least 8% and ROIC of at least 10%.

In FY2024, ROE declined to 9.2% from 11.6% in FY2023, partly due to the special factor of the public offering conducted in December 2023. Although we are above our target of 8%, we are not satisfied and aim to further improve profitability by strengthening existing businesses and enhancing the automotive lithium-ion battery business.

ROIC improved by 1.1 percentage points in FY2024 over the previous fiscal year to 14.8%, thanks to strengthened earning power. Going forward, we anticipate a decline at the company-wide level due to the impact of large-scale investments in BEV lithium-ion batteries, but we will work to improve investment profitability. Given the broad scope of our business areas, we are improving capital efficiency by monitoring returns on invested capital that takes into account the characteristics of each business using ROIC. We use operating profit before amortization of goodwill, rather than after-tax operating profit, in the numerator to exclude the tax element, which is difficult for business divisions to be conscious of. Through reverse tree deployment, we link this to on-site management indicators, incorporate it into our company-wide TQM activities, and tie it into our company-wide KPIs. We are actively advancing initiatives to instill ROIC throughout the Company, but awareness still varies among business divisions. As growth stages and profit structures differ by business, uniformly evaluating all businesses by ROIC alone risks cutting off future growth opportunities. In the Seventh Mid-Term Management Plan currently being formulated, we intend to consider setting new KPIs that, in addition to ROIC, incorporate growth potential and future prospects, serving as unique value drivers for each business.

P.52-53 Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Improving corporate value

President Abe has consistently stated that "the ultimate goal is to increase corporate value—i.e., stock price." I have consistently communicated the necessity of enhancing corporate value but have felt the difficulty of spreading this awareness across the various departments within the Company. The President's repeated messages have begun to permeate this message throughout the management team and each business division. As we formulate the Seventh Mid-Term Management Plan, enthusiasm is rising to an unprecedented level across each division.

Our PBR remains around 0.7. Through extensive dialogue with investors, the most frequent reason we hear for this low valuation is that "in the lithium-ion battery business, including BEV batteries, there are powerful global competitors and GS Yuasa's path to success is unclear." In addition, we are aware of the fact that we have not sufficiently highlighted the potential of growth drivers such as the regular field in industrial batteries and power supplies, or the specialized batteries that have seen greatly increased profitability, not only BEV lithium-ion batteries, in which we continue to invest for the future. Our historically conservative performance forecasts have also been a constant point of criticism, and through dialogue with investors, we feel that the management team's mindset has transformed, leading to the disclosure of this positive earnings forecast. First, we will achieve the targets of the Sixth Mid-Term Management Plan and maintain this stance.

In the Seventh Mid-Term Management Plan, we intend to present a clear story for pursuing enhanced corporate value while taking a stronger offensive stance. As CFO, I will continue to fulfill my role as the Company's compass and a bridge to stakeholders, enhancing corporate value while maintaining financial soundness and linking it to growth. We ask for your continued anticipation and support of GS Yuasa's future growth.



Actions to Implement Management That Is Conscious of Cost of Capital and Stock Price

The Company is working toward management that is conscious of capital costs and stock prices, and to this end, we repeatedly discuss understanding capital costs, analyzing the current situation based on market evaluation, and formulating plans at the Board of Directors meetings. Our aim is to enhance corporate value further, expand market capitalization, and improve PBR.

Regarding EPS, a component of stock price, we are promoting growth investments to maximize global storage battery demand opportunities for achieving carbon neutrality. Simultaneously, we are working on initiatives to enhance business growth such as strengthening the profitability of existing businesses. Additionally, we are striving to improve ROE by increasing our EPS. Furthermore, we are working to expand market capitalization and improve PBR through active dialogue between investors and management about our initiatives to achieve mid- to long-term goals, business growth, and future potential.

EPS [Business growth] × **PER** [Future expectations]

Improve forecast accuracy to minimize the fluctuation range (volatility) of EPS

Disseminate information that fosters future expectations to maximize PER

Minimize the fluctuation range of expected EPS

[Enhance information (net profit) accuracy]

- Expand information below operating profit (non-operating and extraordinary gains/losses, etc.)
- Clarify the basis for business forecasts (e.g., quantities)
- Highlight business opportunities and risks (factors causing business fluctuations during the fiscal year)
- Clearly indicate key management indicators such as ROIC, ROE, and capital cost

Initiatives to maximize PER

[Information dissemination that fosters future expectations]

- Update future information regarding BEVs and ESS businesses that investors are interested in
- Promote understanding of the Company's strengths in the existing lead-acid battery business (automotive, industrial) and HEV business
- Disclose risk information and corresponding measures

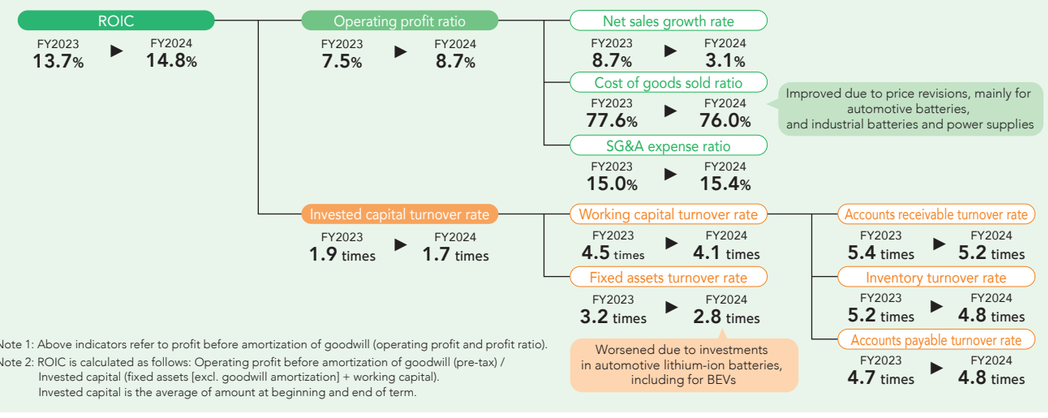
[Investor opinion hearing and analysis]

- Establish a PDCA cycle for IR activities and publications

For details, refer to "Actions to achieve management that is conscious of cost of capital and stock price" in the Corporate Governance Report.
▶https://ir.gs-yuasa.com/en/ir/library/governancereport/main/04/teaserItems1/03/linkList/0/link/pdfFile.pdf

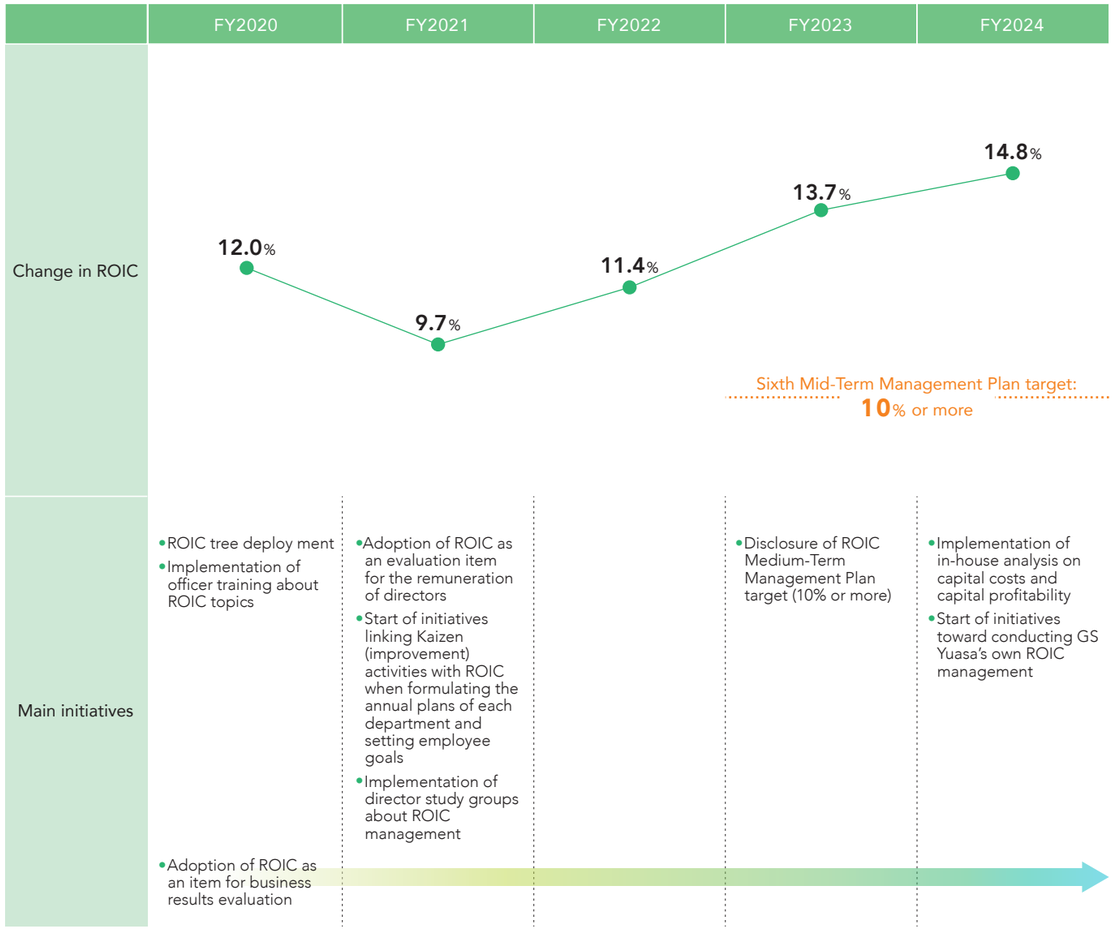
ROIC Tree

In the Sixth Mid-Term Management Plan, the Company has set ROIC as one of its management goals and aims to improve it. The invested capital turnover rate for FY2024 remained flat, but the operating profit ratio improved mainly due to an increase in sales volume of automotive batteries and industrial batteries and power supplies, as well as efforts to correct sales prices. As a result, the Company's overall ROIC increased from 13.7% in the previous fiscal year to 14.8%. In the automotive lithium-ion battery business, we are making significant upfront investments in growth areas, leading to fluctuations depending on the fiscal year. Therefore, the Company evaluates and manages ROIC on mid- to long-term trends rather than on a single-year comparison.



Note 1: Above indicators refer to profit before amortization of goodwill (operating profit and profit ratio).
Note 2: ROIC is calculated as follows: Operating profit before amortization of goodwill (pre-tax) / Invested capital (fixed assets [excl. goodwill amortization] + working capital).
Invested capital is the average of amount at beginning and end of term.

Initiatives to Promote ROIC Management within the Company



Initiatives to Improve ROIC

ROIC improvement drivers		Main initiatives
Improvement of operating profit	Improvement of operating profit ratio	Review of low profit business: Restructuring of China business
		Revision of selling price
Improvement of assets turnover rate	Improvement of fixed assets turnover rate	Sale of real estate
		Sale of cross-shareholdings
	Reduction of cash on hand and interest-bearing debt	Implementation of cash management system (CMS) within Group

Business Overview and Market Environment

Business segment	Main applications	Main customers	Characteristics of the business	Market environment and the Company's response
Automotive Batteries (Japan)	**Automobiles** For starting: Internal combustion engines (ICE) / Vehicles with start-stop systems (ISS: idling stop systems) For auxiliary equipment: Hybrid electric vehicles (HEVs) / Plug-in hybrid electric vehicles (PHEVs) / Battery Electric vehicles (BEVs) **Motorcycles** For starting	For new automobiles: Japanese automakers For replacement: Distributors (electrical device shops, etc.) / Automobile accessory mass retailers / Automobile dealers / Oil refiners and sellers, etc. For new automobiles: Japanese motorcycle manufacturers For replacement: Distributors, etc.	● Replacements tend to have higher profit margins, but we are also reviewing the selling prices of new automobiles ● High profit margin for lead-acid batteries for ISS vehicles ● Earnings affected by fluctuations in lead prices Note: For new automobiles: A mechanism is in place to reflect this in the sales price after three to six months. For replacement: No slide control ● The demand period for replacements is winter ● The volume ratio of batteries for new automobiles to replacement is approximately 1:1 (the ratio varies from year to year)	Forecast of domestic vehicle ownership (Thousand vehicles) Estimated values based on changes in population distribution and income: 62,117 → 61,256 → 60,003 → 58,226 → 55,538 Values taking into consideration effects of sharing services: 62,117 → 58,951 → 53,839 → 49,898 Values in the case where sharing services become more common: 62,117 → 58,951 → 50,155 → 45,162 60,000 / 50,000 / 40,000 / 0 2020 2030 2040 2050 (FY) Source: Prepared by GS Yuasa based on Mitsubishi Research Institute, Inc. "Survey of Tax Revenue Simulations Regarding Automobile-Related Tax Systems"	The number of vehicles owned in Japan affects sales volume. In the long term, due to the declining population, the number of vehicles owned and new car sales in Japan are expected to gradually decrease. Therefore, **the Company plans to strengthen profitability by establishing appropriate sales prices and enhancing the sales of high-value-added products, both for new automobiles and replacements.**
Automotive Batteries (Overseas)	**Automobiles** For starting: ICE/ISS vehicles For auxiliary equipment: HEVs/PHEVs/BEVs **Motorcycles** For starting	For new automobiles: Japanese automakers, etc. For replacement: Distributors, etc. (varies by country) For new automobiles: Japanese motorcycle manufacturers For replacement: Distributors, etc.	● Earnings affected by fluctuations in lead prices ● As the foundation is local production for local consumption, the impact on foreign exchange earnings will be minimal ● Industrial lead-acid batteries are also included (Backup batteries in Europe account for the majority) ● The sales ratio from batteries for automobiles, motorcycles, and industrial applications is approximately 6:2:2 (the ratio varies from year to year) ● The Company's market share and profitability in Southeast Asia are high ● Replacement batteries account for a large portion of sales in Europe and Australia	Global trends in vehicle ownership forecast Non-electric vehicles (ICE, etc.) (Billions of units) / Electric vehicles The number of non-electric vehicles is expected to increase until around 2030 Predicted to exceed 2 billion units by 2050 0.89 1.08 1.27 1.39 1.53 1.67 1.80 1.94 2.07 0.89 1.08 1.26 1.31 1.31 1.25 1.16 1.08 1.01 2010 2015 2020 2025 2030 2035 2040 2045 2050 (year) Results / Forecast Trends in vehicle ownership by region (Billions of units) Asia (excluding China) / China / North America / Central and South America / EMEA / Others 0.89 1.08 1.27 1.39 1.53 1.67 1.80 1.94 2.07 2010 2015 2020 2025 2030 2035 2040 2045 2050 (year) Results / Forecast Source: Created by GS Yuasa based on Wood Mackenzie "No. of Road Vehicles (Car Parc)" (as of October 10, 2023).	Electrification is progressing in developed countries, but in other regions, internal combustion engine (ICE) vehicles will remain, and the number of ICE vehicles is not expected to decrease significantly. Therefore, the demand for lead-acid batteries for starting and auxiliary use is not expected to decrease significantly in 2035. Furthermore, the demand for lead-acid batteries in our main markets, ASEAN and Australia, is expected to remain stable. As such, **the Company will continue to focus resources on ASEAN, Australia, and Europe, where demand is expected, aiming to further enhance profitability.**
Industrial Batteries and Power Supplies	**Emergency backup** Emergency field	Railways / Electric power / Government agencies / Communications carriers / Plants / Office buildings / Data centers, etc. (Sales are also conducted via distributors, electrical construction companies, electrical machinery and communications device makers, and others)	● Lead-acid batteries are the mainstay ● Profit margins are high as we offer a one-stop service from design to manufacturing, construction and maintenance ● Projects with high profit margin for national and local government offices are concentrated at the end of the fiscal year ● Since only batteries are supplied for data centers, the profit margin for new construction is not high	Forecast for data center construction investment in Japan (Billions of yen) 1,400 / 1,200 / 1,000 / 800 / 600 / 400 / 200 / 0 2024 2025 2026 2027 2028 2029 (year) Source: IDC Japan, April 7, 2025 "Announcement of Forecast for Data Center Construction Investment in Japan" Forecast of power supply composition in Japan Renewable energy / Nuclear power / Thermal power Approx. 23% / Approx. 36% - 38% / Approx. 40% - 50% / Approx. 50% - 60% 2023 (Results) 2030 (Projection) 2040 (Projection) 2050 (Forecast) (year) Source: Prepared by GS Yuasa based on the Agency for Natural Resources and Energy "Summary of the Seventh Strategic Energy Plan"	Demand for backup batteries and power supply devices that support social infrastructure is expected to remain strong in the future, and **we will utilize our nationwide network of sales agents to provide products and services that meet customer needs.** In addition, we will respond to increased demand accompanying increased investment in data centers by providing high-quality lead-acid batteries. In addition, there are numerous subsidy programs related to renewable energy in Japan, and demand for renewable energy is expected to increase further. However, since power generation fluctuates significantly depending on weather conditions and time of day, it may adversely affect the electric power grid. **Demand for storage batteries is increasing as they play a key role in mitigating these output fluctuations, and the Company is expanding its production capacity for ESS to meet this demand.**
	Energy storage systems (ESS) Regular field	Power transmission and distribution operators / EPC* operators / Plants / Offices, etc.	● Lithium-ion batteries are the mainstay ● Expansion of business can be expected	
	Forklifts For drive force	Forklift manufacturers / Manufacturer distributors, etc.	● Consistent revenue can be secured through replacement batterie	
Automotive Lithium-ion Batteries	**Automobiles** For drive force: HEVs/PHEVs/BEVs For starting & auxiliary equipment (12 V lithium): HEVs/PHEVs /BEVs/ICEs	Japanese automakers, etc.	● In principle, it is for new automobiles only as product lifespan is long ● R&D expenses are included in the segment ● Lithium-ion batteries for ESS manufacturing are also included ● Expansion of business can be expected ● For HEVs: High input/output performance; for BEVs and PHEVs: High energy density and high output performance are required.	Global power train forecast Fuel-cell vehicles (FCVs) Plug-in hybrid electric vehicles (PHEVs) Electric vehicles (EVs) Hybrid electric vehicles (HEVs) Internal combustion engine (ICE) vehicles (Million units) 100 / 80 / 60 / 40 / 20 / - 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 (year) Note: Figures for 2023 and later are forecasts of vehicle volumes Source: Prepared by GS Yuasa based on materials from securities companies	Environmental regulations on automobiles, with annual global sales exceeding 90 million units, are being strengthened worldwide, and the proportion of electric vehicles, such as HEVs and BEVs, is expected to increase significantly. In Japan, there is a goal to make all new car sales electric vehicles by 2035. **The Company expects HEVs to remain the mainstream in the automobile market until the mid-2030s and is expanding production capacity to meet this demand. After 2030, EV and BEV numbers are expected to gradually increase. The Company is advancing research, development, and factory construction to begin mass production of batteries for BEVs starting in FY2027.**
Specialized Batteries and Others	**Submarines** **Manned research submersibles** **Aircraft** **Rockets** **Satellites** **Other special applications**	Japanese government / Electrical machinery manufacturers / Aircraft manufacturers / Airlines / Special corporations, etc.	● Lithium-ion batteries for submarines are accounted for on a progress basis, and stable sales and profits can be acquired ● Company-wide expenses are included in the segment	Scale of the global space industry market and forecast ($) 1,500,000 / 1,000,000 / 500,000 / 0 The market is expected to grow by approximately three times over about 20 years 2017 2020 2025 2030 2035 2040 (year) Source: Prepared by GS Yuasa based on Morgan Stanley "Space: Investing in the Final Frontier" Status of defense budget (Trillions of yen) 4.9 4.9 5.0 5.1 5.1 5.2 6.6 7.7 8.5 2017 2018 2019 2020 2021 2022 2023 2024 2025 (year) Source: Prepared by GS Yuasa based on the Ministry of Defense and Japan Self-Defense Forces "2024 Defense White Paper" and "Progress in Fundamental Strengthening of Defense Capabilities and Budget—Overview of the 2025 Budget Proposal"	The Company holds a large market share in the specialized batteries business, particularly in lithium-ion batteries for space and satellites. The global space industry market is anticipated to grow three times in size over the 20 years following 2017. **We will continue to provide products with top-tier performance and quality, contributing to the development of the space industry. In the field of defense applications,** including those for submarines, **we will respond reliably to increased production needs accompanying the increase in defense spending.**

Battery applications
For starting: For starting engines
For auxiliary equipment: For starting systems for electric vehicles and backup for electrical devices
For drive force: For driving motors

*A contract format whereby engineering, procurement, and construction are contracted out as a project.

Emergency field: For backup use in case of emergencies in locations such as data centers and communication base stations
Regular field: For daily, uninterrupted charging and discharging in renewable energy, energy management, etc.

Strategy by Business Segment – Automotive Batteries (Japan)

Message from the Business Unit Manager



In the domestic market, the number of vehicles is expected to decline due to the decrease in the number of licensed drivers caused by the aging population and declining birthrate. As a result, demand for automotive lead-acid batteries is expected to decline gradually in the mid-to-long term. On the other hand, while the spread of BEVs is slightly behind the trend toward electrification, sales of HEVs remain strong, and lead-acid batteries continue to be used as auxiliary batteries in these electric vehicles. For this reason, in addition to conventional batteries for starting, demand for auxiliary batteries is also strong, and overall demand for automotive lead-acid batteries remains steady.

Despite headwinds such as rising material costs in FY2024, we achieved record-breaking results thanks to price adjustments for both new automobiles and replacements, improvements in production efficiency, and increased sales volume for replacements.

Risks such as soaring raw material prices and rising labor and logistics costs are expected to continue in the future.

Director, Business Unit Manager of Automotive Batteries, GS Yuasa International Ltd.
Takao Ohmae

In order to respond to these risks, we will continue to maintain stable supply and appropriate sales prices for new automobiles, promote sales promotion measures and expand sales of high value-added products for replacements, while cultivating closer relationships with dealers and customers. In addition, we are working to enhance the BCP functions of our Japanese production sites, including the "Anywhere Production" (multi-site product supply system) project, and will continue to construct production and supply systems that provide peace of mind to our customers. We will continue to strive for the evolution of sustainable Japanese business segments in the future.

Business Policy in the Sixth Mid-Term Management Plan

Build an optimal supply system in response to change of business environment and improve profit rate

Strategies and Important Tasks in the Sixth Mid-Term Management Plan

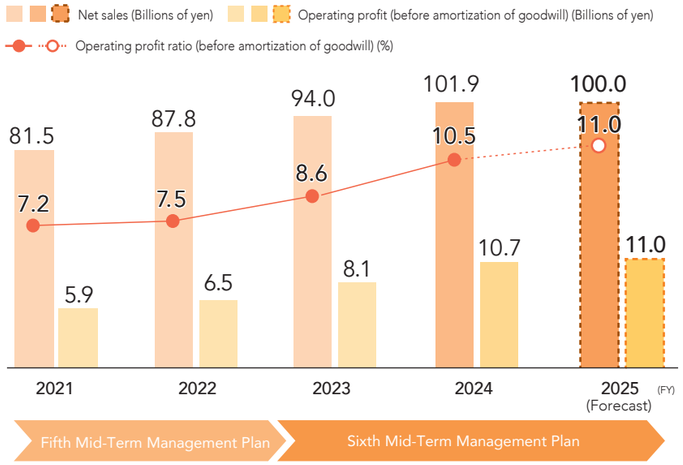
Production

Initiatives	Progress
■ Formulation of a mid-to-long term production system vision	■ Formulated and initiated scenarios for establishing an optimal Japanese production system
■ Provision of an optimal production and stable supply system that corresponds to BCP	■ Launched a project to establish a production system that can be implemented anywhere, utilizing four Japanese production sites

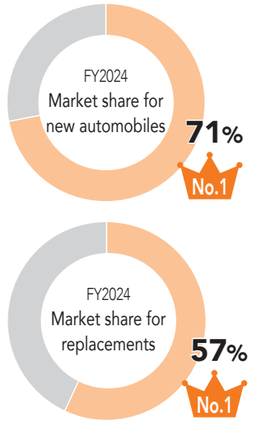
Sales

Initiatives	Progress
For new automobiles ■ Improve profit ratio due to optimal price revision such as raw material prices	■ Shared our awareness of rising costs with customers and steadily reflected these costs in sales prices
For replacement ■ Rebuild marketing strategies and maintain high market share ■ Optimization due to IoT and digital transformation (DX)	■ Promoted strengthening and sales expansion of value-added products, provided information using the Internet, promoted order acceptance systems, and improved sales system efficiency overall

Performance Trends



Market Share



Note: Based on the Company research (Imported batteries are not included)

SWOT

Strengths
- Advanced technology, quality, and expertise in lead-acid batteries accumulated over 100 years
- A production system that ensures a stable supply
- Sales know-how developed with distributors and a strong customer base
- Brand (No. 1 share in Japan)

Weaknesses
- Aging workforce, transfer of technology and skills, and training of young human resources
- Costs for maintaining a stable supply system

Opportunities
- Increased demand for auxiliary batteries for electric vehicles
- Slowing pace of vehicle electrification

Threats
- Ongoing increases in raw material, labor, and logistics costs
- Decrease in automobile demand due to a declining birthrate and aging population, and reduced demand for lead-acid batteries due to vehicle electrification
- Cost competition due to commoditization
- Impact on the supply chain due to increasing environmental and geopolitical risks
- Trends in the restructuring of the lead-acid battery industry

TOPICS

The ECO.R Revolution series for ISS vehicles will undergo a model change in July 2025, completing the renewal of the four ECO.R series, which are core products for replacements in Japan.



Since 2004, the ECO.R series has been expanding its lineup as products ideal for environmentally friendly vehicles such as charge-controlled vehicles, electric vehicles (HEVs: hybrid electric vehicles, etc.), and vehicles with start-stop systems (ISS vehicles), with the concept of contributing to the environment and pioneering the use of recycled resin*

With this overhaul, we have further enhanced our product appeal and brand image by incorporating the latest technology and adopting a unified design. We will continue to respond to the expectations and demands for automotive batteries that change with the times with our advanced technologies, contributing to a safe and secure car life.

* Excluding the ENJ and EHJ series

Strategy by Business Segment – Automotive Batteries (Overseas)

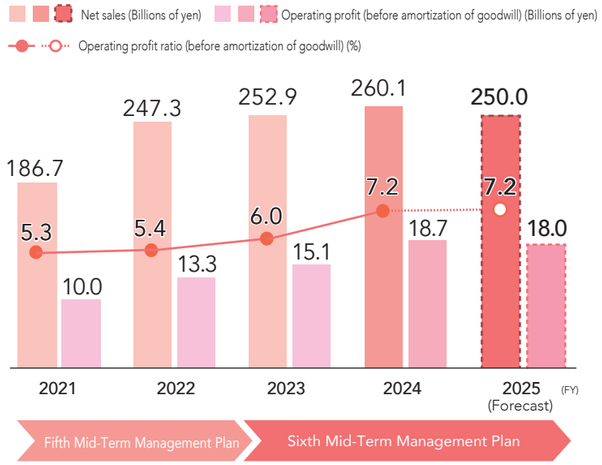
Message from the Business Unit Manager

In the automotive battery business (overseas) in FY2024, despite the impact of rising material prices and increased expenses due to inflation, we achieved record profits by significantly expanding our business performance at each location, particularly in ASEAN. The Company focuses on Thailand for automotive batteries and Indonesia for motorcycle batteries, and we also leverage our top market share in Vietnam and Australia to provide competitive products as well as services in each region. Furthermore, Europe is at the forefront of global trends and is an important market for the Company. To this end, we are promoting sales expansion by leveraging each of our Group's sites. Moreover, in Turkey, we are striving to strengthen our management in light of the economic situation.

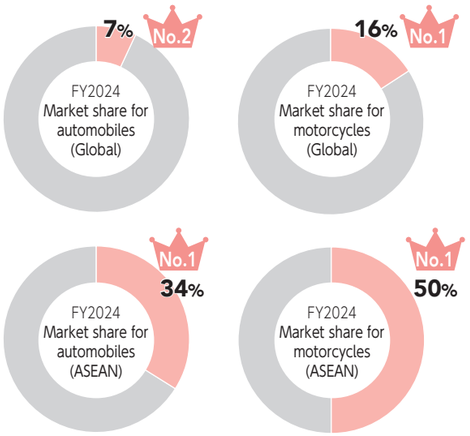
On the other hand, macro environmental changes such as the intensification of price competition due to the entry of Chinese manufacturers into the market, price hikes for certain materials such as antimony due to Chinese export restrictions, and instability in U.S. trade policy and logistics are cited as risk factors. However, we will continue to monitor these factors closely and respond appropriately.

Going forward, we will continue to promote community-based business models in each country, collaborate with local partners, strengthen policy coordination, and actively engage in macro policies aimed at optimizing the entire Group, as we strive for sustainable growth.

Performance Trends



Market Share



Note: Based on the Company research

SWOT

Strengths
- Business development tailored to regionally-focused sales and strong trust-based relationships with partners in each country
- Extensive business knowledge and experience in the production and sales expansion of lead-acid batteries overseas
- No. 1 market share and brand power in ASEAN
- Established presence as the sole lead-acid battery manufacturer in Australia

Weaknesses
- Sales ability in areas without sites
- Decentralization of resources by multi-site deployment

Opportunities
- Slowdown in the pace of vehicle electrification
- Progress of motorization in emerging countries
- Expansion of auxiliary batteries market for electric vehicles
- Trends in the restructuring of the lead-acid battery industry

Threats
- Changes in the market share of Japanese new car manufacturers due to the electrification of vehicles in ASEAN, and price weakening due to the entry of Chinese competitors
- Impact on the supply chain and business strategy due to policies in Europe and North America
- Increasing geopolitical risks and worsening economic conditions in sales regions

Business Policy in the Sixth Mid-Term Management Plan

Reform management structure for the future by selection and concentration and strengthen profitability

Strategies and Important Tasks in the Sixth Mid-Term Management Plan

Southeast Asia

Initiatives	Progress
Maximize profits by strengthening ASEAN sites	Achieved approximately 20% increase in profits by investing in labor reduction and efficiency improvements

Europe

Initiatives	Progress
Reinforce sales to Europe and nearby regions utilizing the Turkish site	Sales volume at European sites increased by nearly 20% despite the impact of sales suspensions in conflict areas

Australia

Initiatives	Progress
Strengthen production base and expand market share of replacement batteries as Australia's sole battery manufacturer	Expanded market share by leveraging the strengths of "Made in Australia" and promoted further investment in increased production

China

Initiatives	Progress
Promote fundamental review of business	Completed the transition of three China-based consolidated subsidiaries to the equity method

Strategy by Region

European Region

Leveraging our global supply chain and brand power, we will expand sales of high value-added products in the UK and EU markets



Southeast Asia

Thailand
As a core site for automotive lead-acid batteries, further expansion of market share in Thailand and strengthening of sales expansion into neighboring countries
Production capacity (Thailand)

Indonesia
As a core site for motorcycle batteries, maintain an overwhelming share in the Indonesian market and expand group profits by increasing exports

Production capacity (Thailand)
Approx. 20% increase

Vietnam
Further expansion of market share in the motorcycle battery market and sales expansion accompanying increased demand for automotive batteries

Strategy by Business Segment – Industrial Batteries and Power Supplies

Message from the Business Unit Manager



Executive Officer, Business Unit Manager of Industrial Batteries and Power Supplies, GS Yuasa International Ltd.
Yasuyuki Nakamura

I am engaged in putting the industrial batteries and power supply business on a growth track and ensure its expansion.

New developments are underway in the emergency field, which is the foundation of our business. Generative AI such as ChatGPT, fully autonomous driving at Level 5 expected in the near future, and smartphones that have become a part of daily life infrastructure all demand greater reliance on telecommunication base stations and data centers for the collection, storage, transmission, and processing of information. These facilities will be equipped with emergency battery power supplies for use in times of crisis. In this field, where we boast unmatched technology, extensive sales channels, and a dominant market share in Japan, we anticipate making a new leap forward. In the regular field, which is the second pillar of our business segment, our initiatives to realize a decarbonized society are gaining momentum, and the global energy storage business is becoming increasingly prominent. This field is not limited to business expansion, but also contributes to solving social issues.

As the industrial batteries and power supply market undergoes change and diversification, we are efficiently advancing the development of common underlying technologies and new products in the three fields of emergency use, regular use, and forklift use, while working to enhance our products and services with a sense of urgency. In addition, it will be essential in the future to further strengthen our management foundation through the cultivation of transformative human resources with DE&I and reskilling, enhanced efficiency via DX and AI, and the automation of routine operations to the fullest extent possible. We believe that constructing a system that allows us to allocate resources to the creation of added value and businesses that should be expanded will lead to business growth.

Business Policy in the Sixth Mid-Term Management Plan

Building a business foundation to capture the growth of the next generation

Strategies and Important Tasks in the Sixth Mid-Term Management Plan

Emergency field (Japan)

Initiatives	Progress
■ Optimize the organization through sales structure restructuring	■ Implemented organizational restructuring from the customer's perspective
■ Change the image of lead-acid batteries to recycling-oriented products	■ Enhanced support for a 100% recycling-orientated society

Emergency field (Overseas)

Initiatives	Progress
■ Introduce prior art into overseas production sites	■ Product development for CO_2 reduction (carbon neutrality)
■ Promote OEM procurement by utilizing a 2nd brand	■ Bolstered product lineups tailored to regional needs, applications, and customer requirements

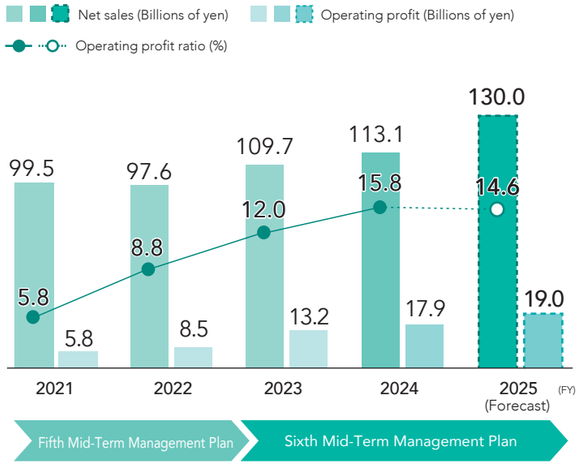
Regular field (Japan)

Initiatives	Progress
■ Secure production capacity to meet strong demand	■ Responded through optimal production planning with integrated manufacturing and sales coordination
■ Expand sales with new ESS products equipped with power conditioning systems (PCS)	■ Building up production capacity in response to strong demand

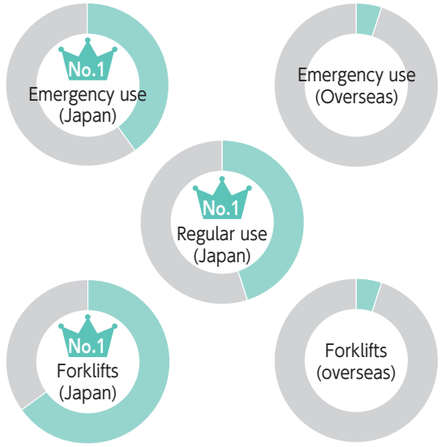
Forklifts

Initiatives	Progress
■ Establish an efficient production system through the operation of a new plant for lead-acid batteries for forklifts	■ Introduced production lines and commenced operations sequentially
■ Expand globally centered on ASEAN with Thailand as a hub	■ Addressed previously untapped regions and promoted the acquisition of new customers

Performance Trends



Sales Share (FY2024)



Note: Based on the Company research

SWOT

Strengths
- High presence in Japan
- Delivering peace of mind and safety through a nationwide service network and Koto-zukuri (service creation)
- Seamless (all-in-one) system from design to manufacturing, construction, and maintenance

Weaknesses
- Low market share overseas
- Cost-effective in-house lithium-ion batteries (outperforming Chinese alternatives)
- Production capacity for global readiness

Opportunities
- Increased demand for environmentally conscious products due to the expansion of the renewable energy market
- Market growth of battery energy storage systems (BESSs)
- Transition of the forklift market to battery-powered models

Threats
- Overseas competitors entering renewable energy markets
- Advancement of the shift to lithium-ion batteries in the forklift market
- Chinese lithium-ion battery manufacturers entering the Japanese market

TOPICS

Response to the spread of generative AI

With the explosive spread of generative AI, major U.S. technology companies such as GAFAM are expanding their power procurement to meet IDC electrical demand, while also considering limits on maximum energy consumption and shifting peak usage times to reduce electricity costs. There are also trends toward strengthening measures against power outages to ensure safety and reliability. Since these measures require the installation of storage equipment, the Company is working to expand sales of lead-acid batteries and lithium-ion batteries in response to this growing demand.



Strategy by Business Segment – Automotive Lithium-ion Batteries

Message from the Business Unit Manager



Executive Officer, Business Unit Manager of Lithium-ion Batteries, GS Yuasa International Ltd.
Toshiyuki Aoyama

We supplied batteries for the world's first mass-produced EVs and started mass production ahead of other manufacturers of lithium-ion batteries for HEVs, and have continued to supply batteries stably for over 15 years. Our experience as a pioneer with stable delivery of high quality products has deepened relationships with Japanese automobile manufacturers.

With the electrification of automobiles advancing on a global scale, the demand for lithium-ion batteries is on an irreversible trend. The demand for lithium-ion batteries for HEVs is expected to be strong until the late 2030s, and the gradual shift to lithium-ion batteries for BEVs is expected from the late 2020s. In terms of the current situation, various changes in the global environment are affecting the pace of BEV adoption, and the HEV and PHEV markets are expected to continue expanding.

We expect the demand for lithium-ion batteries for HEVs to increase over the Seventh Mid-Term Management Plan and plan to increase Blue Energy's production capacity to 70 million cells annually in FY2025 in order to meet customer requirements and demand. We launched a new model of lithium-ion batteries for PHEVs last year and will continue to supply them steadily. Regarding lithium-ion batteries for BEVs, we are pursuing the development of high performance batteries with high international competitiveness, aiming to start mass production led by Honda·GS Yuasa EV Battery R&D (HGYB), a joint venture with Honda Motor Co., Ltd. Initially, we will steadily proceed with the starting up of businesses in Japan and solidify the foundation toward the establishment of technologies and supply chains.

Business Policy in the Sixth Mid-Term Management Plan

Achieve sustainable growth in the lithium-ion battery business
by taking carbon neutrality and government targets as opportunities

Strategies and Important Tasks in the Sixth Mid-Term Management Plan

For HEVs

Initiatives	Progress
Improve yield rate and plant utilization rate	Achieved yield and plant utilization rate targets
Establish further increasing production system of Blue Energy No. 2 plant	Prepared for the stabilization of two production lines at the No. 2 plant to achieve full production capacity / Preparing for the stable launch of a new module line and the modification of existing lines

For PHEVs

Initiatives	Progress
Improve yield rate and plant utilization rate	Yield and plant utilization rates fell short of targets, but the cell assembly equipment achieved its target cycle time
Strengthen production systems of batteries for PHEVs	A substantial decrease in customer demand has impacted stable line operations, but we are maintaining full production while adjusting volumes for rapidly increasing ESS orders

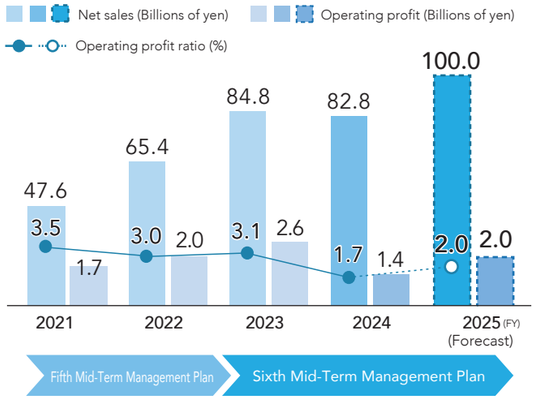
For BEVs

Initiatives	Progress
Strengthen development systems	Expanded the HGYB team to drive the development of competitive products
Prepare to enter business	Securing the viability of the BEV business plan and coordinating toward a basic agreement with Japanese new car manufacturers / Arranging capital investment for the new plant and mass production launch

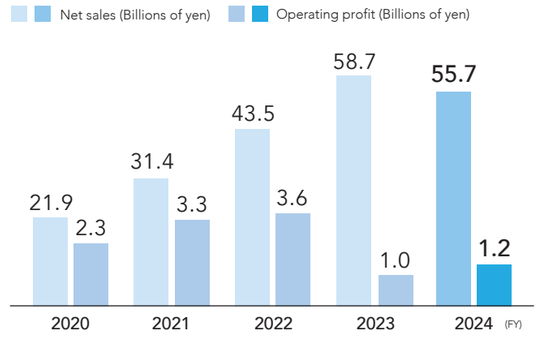
12 V (auxiliary equipment)

Initiatives	Progress
Development of products / preparation of production	Currently pursuing orders for cell development and mass production equipment for lithium-ion batteries for next-generation BEV auxiliary equipment

Performance Trends



Blue Energy's Performance Trends



SWOT

Strengths
- Solid customer base based on high quality evaluation and trust from Japanese automakers
- Ownership of high-output / high-capacity and long-lifespan lithium-ion cell electrodes, module design, and mass production technologies
- Delivery results by BEC and (formerly) LEJ
- Over 15 years of experience in mass production of HEV and PHEV batteries in the market

Weaknesses
- Business scale compared to manufacturers in China and Korea
- Concentration of production sites in Japan
- Adaptability to external environmental changes in workforce planning, human resource development, and recruitment
- Scale and purchasing power as a lithium-ion battery business

Opportunities
- Expanding demand for lithium-ion batteries for HEVs and BEVs by Japanese automakers
- Expansion of ESS adoption and increased application of lithium-ion batteries for electric vehicles
- Increased demand for 12 V lithium-ion batteries driven by the prevalence of advanced safety technologies such as autonomous driving functions, rising power consumption of vehicle electrical components, and the increased likelihood of phasing out lead-acid batteries due to European ELV regulations

Threats
- Concerns over soaring raw material prices, infrastructure costs, labor costs, and stable procurement
- Addressing geopolitical risks such as legal regulation in Europe and the U.S. as well as tariffs in various countries
- Inferior competitiveness of next-generation products due to a high market share by foreign manufacturers
- Sales volume following the shift from HEVs to BEVs after 2030 remains uncertain
- As BEV market growth slows in countries outside China, lithium-ion battery prices for BEVs drop due to oversupply

List of Main Models

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
HEVs	Honda	 FIT HYBRID	 City Hatchback	 STEP WGN HYBRID	 CR-V	 FREED	
HEVs	Toyota	 HARRIER HYBRID	 RAV4 HYBRID				Continue to expand models for sale
HEVs	Mitsubishi Motors						
PHEVs/BEVs	Mitsubishi Motors	 ECLIPSE CROSS PHEV		 MINICAB EV		 OUTLANDER PHEV	

Please check the websites below for the latest information on models equipped with our batteries.
▶https://www.blue-energy.co.jp/en/products/ ▶https://www.gs-yuasa.com/en/products/vehicle/phev.php

Strategy by Business Segment – Specialized Batteries and Others

Message from the President of GS Yuasa Technology



Corporate Officer,
GS Yuasa International Ltd.
President, GS Yuasa Technology Ltd.

Yoshiaki Namikawa

We have a track record of the world's first adoption of lithium-ion batteries for aircraft and submarines and boast high recognition in special areas. We are No. 1 in the world in terms of the capacity of batteries installed in satellites. Our strength is technology development capabilities that allow us to win adoption into new public infrastructure making use of this advantage.

For batteries for defense applications, we receive orders for development and mass production of many thermal batteries in line with the increase in Japan's defense spending and proceed with a production increase plan. As for space applications, thermal batteries and lithium-ion batteries are adopted for domestic H3 rockets, and the amount of orders received for commercialization is expected to increase. In addition, we participated in the US's Artemis (lunar exploration) program, developed batteries to be used in a living environment like the International Space Station, and have already delivered some products. As for aircraft applications, the replacement of lithium-ion batteries delivered on an OEM basis has been in steady progress and is a main source of profit.

During the term of the Sixth Mid-Term Management Plan, demand for lithium-ion batteries for submarines is expected to remain firm. Orders for various types of batteries for defense applications are increasing year by year, and among them, thermal batteries are projected to increase several times over the current volume. We are proceeding with automation of some processes to accommodate increased production. The demand for replacement lithium-ion batteries for aircraft will expand as the replacement demand for the initially installed batteries expands and volumes will increase. We expect FY2025 results to be similar to those of the previous fiscal year, and we expect the Seventh Mid-Term Management Plan to exceed the results of the Sixth Mid-Term Management Plan.

Business Policy in the Sixth Mid-Term Management Plan

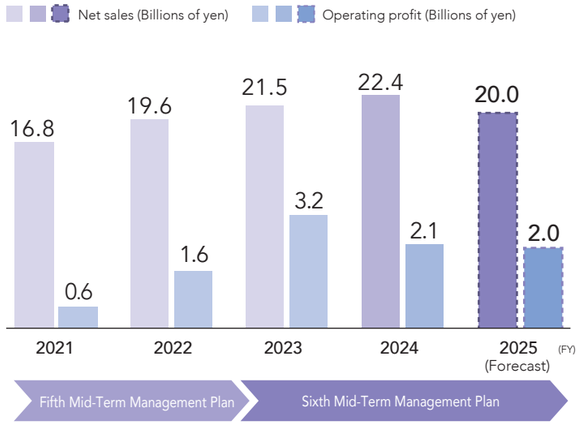
Contribute to the building of new public infrastructure through batteries with the highest level of performance and quality

Strategies and Important Tasks in the Sixth Mid-Term Management Plan

Specialized batteries business

Initiatives	Progress
Improve profitability due to efforts to strengthen the foundation of the defense industry	Profit margins have improved in recent years due to negotiations for higher selling prices in response to changes in the Ministry of Defense's contract system and rising costs
Development of next-generation lithium-ion batteries for submarines	Steady progress in the development of next-generation batteries under the guidance of the Ministry of Defense
Response to expanded demand of lithium-ion batteries for aircraft	Engaged in initiatives for defense and electrification applications in addition to civil aircraft
Expand sales of lithium-ion batteries for satellites	Proceeding with the development of cells for small satellites in collaboration with a U.S. subsidiary and conducted proposal activities for customers in the U.S. and Japan

Performance trends



Position

For Defense (For Submarines)
The only manufacturer of specialized batteries for submarines in Japan

For Space
World's top ranking in battery capacity installed in satellites launched into orbit

For Aircraft
Developed and supplied the world's first lithium-ion batteries for commercial aircraft

SWOT

Strengths
- The only specialized battery manufacturer in Japan
- High technological capability and reliability that allow us to win adoption into new public infrastructure

Weaknesses
- Multi-variety, low-volume production, unsuitable for full automation
- Aging equipment

Opportunities
- Establishment and enforcement of the Act on Enhancing Defense Production and Technology Bases
- Expansion of new market such as for space use

Threats
- Higher costs due to increased development difficulty
- Occurrence of incidents arising from batteries
- Increased social responsibility
- Concern over stable procurement of lithium-ion battery components due to geopolitical risks

Main examples of where our batteries are installed



International Space Station (ISS)

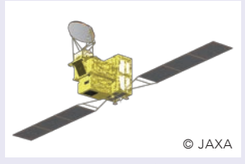


H3 launch vehicle


Quasi-Zenith Satellite System Michibiki No. 6 (QZS-6)
Source: Cabinet Office of Japan's Quasi-Zenith Satellite System website



X-Ray Imaging and Spectroscopy Mission (XRISM)



Global Observing SATellite for Greenhouse gases and Water cycle (GOSAT-GW)


Boeing 787



Shinkai 6500



Soryu-class submarine

Research and Development/Intellectual Property

Message from the Director in Charge of Research and Development/Intellectual Property



Koichi Nishiyama

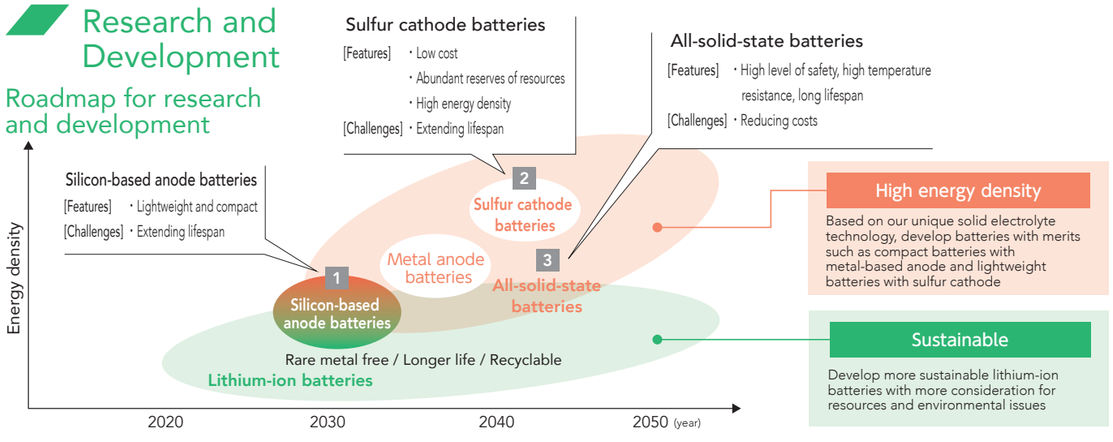
Director;
In charge of research and development, intellectual property, and lithium-ion battery development;
Head of the R&D Center,
GS Yuasa International Ltd.

We are committed to developing innovative next-generation batteries from a long-term perspective, guided by our Vision 2035 roadmap for research and development. The development of all-solid-state batteries has successfully passed the intermediate stage gate in NEDO's Green Innovation Fund Project: Next-Generation Storage Battery Development Project, and its continuation has been officially decided. We are currently conducting performance evaluations on small cells while also initiating the introduction of new equipment to develop larger-capacity cell prototypes. In the area of sulfur cathode batteries, we are persistently continuing to develop underlying technologies in order to overcome the remaining challenges and realize our goal of creating ultra-lightweight batteries. For silicon-based anode batteries, we are developing reliable solutions to prevent performance degradation that accompanies charging and discharging. Furthermore, without being limited to batteries, we have begun developing technologies that contribute to reducing carbon dioxide emissions through research and development that applies our expertise in electrochemistry.

On the other hand, we recognize that achieving Vision 2035 requires not only technological advances but also an increase in corporate value that comes by strengthening intellectual capital. While continuing to strengthen our existing business domains, we will also leverage technologies developed through research and development to explore new fields—not only by securing intellectual property rights but also by adapting them to meet the needs of other companies, thereby building assets in the process. We aim to contribute to our business in a tangible way by ensuring that we build up a network of patents in key technological areas that we are working on in research and development, and by actively utilizing those intellectual property rights.

Research and Development

Roadmap for research and development



Main initiatives and achievements in next-generation battery development

1 Silicon-based anode batteries

Developed technologies that combine high energy density and long life performance, and demonstrated an energy density of 400 Wh/kg, which exceeds that of conventional lithium-ion batteries.



2 Sulfur cathode batteries

In NEDO's Advanced Aircraft System Commercialization Project, we successfully demonstrated a mass energy density of 500 Wh/kg (more than twice that of current lithium-ion batteries)



3 All-solid-state batteries

- Improved sulfide solid electrolytes, a key material for practical application
- Developed nitrogen-containing sulfide solid electrolytes with high ion conductivity and excellent water resistance
- Conducting joint research with Osaka Metropolitan University on NEDO's "Green Innovation Fund Project/Next-generation Storage Battery and Motor Development" (Selected topic title: "Advanced Solid State Battery Development")

Surrounding environment

- EV growth is sluggish and the trend indicating slowing down is remarkable, with HEVs and PHEVs regaining attention
- Large-scale ESS cells are becoming more prevalent, particularly among Chinese and South Korean manufacturers
- Increasingly rapid progress toward the practical application of all-solid-state batteries
- Advancement of semi-solid batteries, new types of batteries (NIB), etc.

Our response

- Support development for existing businesses and BEVs, while accelerating the development of new battery chemicals and structures
- Promote the development of underlying technologies that will serve as the basis for new businesses other than batteries
- Strengthen advanced development and competitive analysis for next-generation industrial batteries
- Enhance the optimal allocation and training of engineers, while promoting measures to secure human resources

Changes in research and development system

On April 1, 2025, the LIB Technical Center was integrated into the R&D Center in order to streamline development operations and strengthen capabilities for developing next-generation batteries. Until now, research and development had been conducted in two departments: the R&D Center and the LIB Technical Center. In anticipation of the ever increasing importance of storage batteries in solving social issues, we will integrate the LIB Technical Center into the R&D Center to accelerate existing research and development, while also establishing a system to efficiently advance mid-to-long term research and development topics with continuity.

In addition, we will establish a new department specializing in carbon-neutral technology development and promote the development of separation and recovery technologies that contribute to CO2 reduction, as well as recycling technologies for lithium-ion batteries, which are essential for reusing resources and protecting the environment. We will apply this research and development to create new business that lead to the creation of new corporate value.

By integrating departments, we will strengthen our cost management system through redeployment of human resources and streamline non-R&D operations using IT technology by consolidating knowledge, thereby strengthening the overall management system for research and development operations.

See here for details
▶https://newsroom.gs-yuasa.com/news-release/319 (in Japanese)

Before changes

R&D Center	LIB Technical Center
Development of next-generation batteries with a focus on future business prospects	Technologies leading to development of both products and lithium-ion batteries
Operations management and market research	Operations management, market research, DX, and exploring new technology
Development of underlying technology for next-generation lithium-ion batteries	Next-generation lithium-ion Development of battery materials and underlying technology
Development of underlying technology for post-lithium-ion batteries	Development of post-lithium-ion batteries
Analysis and simulation using CAE, etc. Technology development and contract analysis	Development of control technology
Development of all-solid-state batteries	Contract testing and prototyping

Integration

After changes

R&D Center

Accelerating research and development and creating new value through ensuring continuity in medium- to long-term themes and clarifying issues

- Operations management, market research, and DX
- Lithium-ion batteries [Underlying technology]
  Post-lithium-ion batteries [Materials]
  Next-generation innovative batteries [Battery development]
- Development of carbon-neutral technologies and recycling
- Advanced CAE, analysis, computational chemistry, etc.

Research and development in segments

FY2024 R&D topics

Automotive batteries (Japan)	•Promoted the development of auxiliary batteries for HEVs and BEVs •In the EN battery series for the replacement market, we sold batteries with reduced burden of refill maintenance and improved durability
Automotive batteries (Overseas)	•Developed VRLA (AGM)* batteries with the Turkish site •Developed auxiliary batteries suitable for Chinese-made BEVs in Southeast Asian countries, with a focus on Thailand •Released batteries with reduced burden of refill maintenance and improved durability, both of which are achieved through technology development with EN batteries for replacement •In India, developed control valve lead-acid batteries for hybrid vehicles in addition to those for vehicles with start-stop systems (ISS vehicles)
Industrial batteries and power supplies	•With a focus on miniaturization and high efficiency, we developed circuit technology for power converters with 99% conversion efficiency as well as control technology through joint research with electric power companies •Promoted the development of products suitable for market needs of products for forklifts at the sites in Thailand and Turkey •Completed the development of the PCS-integrated energy storage system "Lineback Mega Grid" and shipping has begun
Automotive lithium-ion batteries	•Launched production line for new cell modules for HEVs •Started mass production of LEV65, a new battery for PHEVs with an energy density 40% higher than conventional batteries •Promoted the development of auxiliary batteries for BEVs that offer superior low-temperature output properties and improved service life characteristics using 12 V lithium-ion batteries •Passed NEDO's interim review stage gate for the development of all-solid-state batteries in 2024
Specialized batteries and others	•Succeeded in demonstrating a cell with a mass energy density of 500 Wh/kg in the research and development of lightweight lithium-sulfur batteries in the advanced aircraft system commercialization project •Promoted the development of new membrane products in the membrane field

* Valve-regulated lead-acid batteries

Research and Development/Intellectual Property

Intellectual Property

The intellectual property division is working to achieve Vision 2035 based on a policy of ensuring the growth of existing businesses as well as new fields by using intellectual property rights and acquiring and capitalizing on intellectual property rights that other companies need from the perspectives of both Mono (products) and Koto (services) and is engaged in intellectual property activities. In FY2025, the final year of the Sixth Mid-Term Management Plan, we will conduct detailed analyses of key technologies that we have identified to date and newly emerging key technologies in order to acquire rights and build a patent network that prevents other companies from entering the market with these technologies. We are also making efforts to secure our rights by exercising our patent rights as necessary against third parties who infringe our rights.

Intellectual property strategy

<Main initiatives>

1 Disseminate intellectual property analysis information useful for business decisions in a timely manner

Until now, we have reported to management on the overall patent score of the Company and conducted macro analysis. From FY2024, we have taken a step further by analyzing the patents of our own and other companies on key development themes in collaboration with the development division, and are proceeding with the review and implementation of measures such as making an inventory of patents possessed, identifying risks in advance, selecting priority areas, and leveraging promising patents.

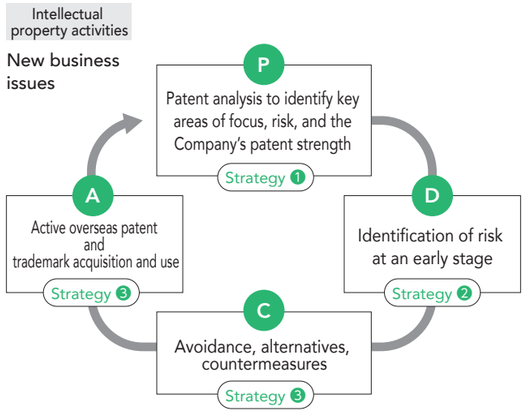
2 Building a patent network for key themes contributing to BEVs and lithium-ion battery businesses

Using the rights acquisition process reform methods we have refined over the years, we identify technologies that can significantly influence future business as key technologies and take special measures to protect them. Not like activities for normal patent applications, we will not only consider filing a defensive application of the company's own technology but also create patents that are difficult for other companies to avoid, thereby building a strong patent network.

3 Acquisition of patent rights in new business fields

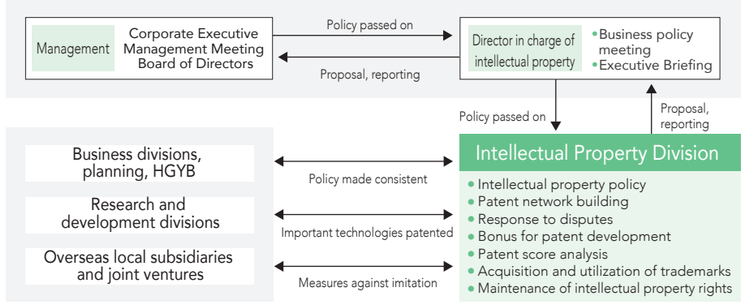
We have been engaged in measures to identify patents related to the provision of Koto at an early stage before providing solutions and services toward achieving Vision 2035. Patents related to Koto-zukuri (service creation) now account for 20% of our total patent applications, which will lead to the creation of patent assets that will be necessary for collaborating with other companies in the future.

Image of the Group's intellectual property activities



Intellectual property systems

The intellectual property division is positioned as an administrative department at headquarters. The department is responsible for application and management of patents and trademarks of the entire GS Yuasa Group, plans various measures related to intellectual properties to increase added value of business, and is pushing hard to realize them in cooperation with relevant divisions.

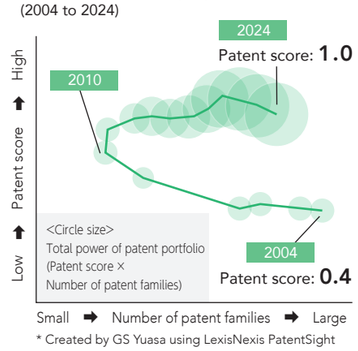


GS Yuasa's strengths in intellectual property activities

1 Patent score

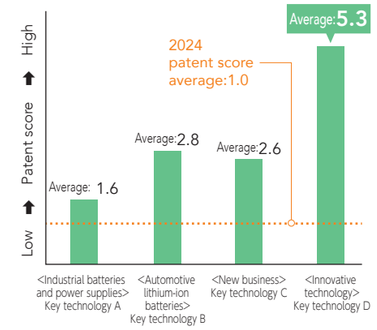
The patent score represents the results of intellectual property creation activities to date, and has grown significantly compared to that at the time of the corporate merger in 2004. In addition, the patent score for key technologies has remained higher than that for other technologies.

Changes in the Group's patent score (2004 to 2024)



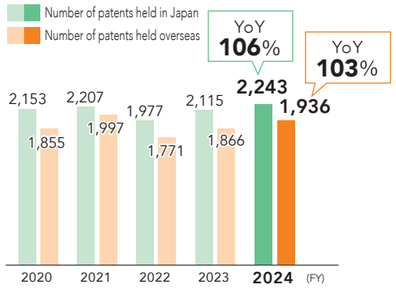
* Created by GS Yuasa using LexisNexis PatentSight

Changes in the Group's patent score for key technologies (2024)



2 Number of patents held

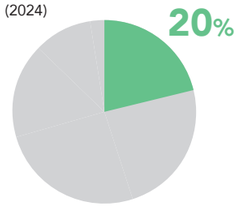
The number of patents has been increasing year by year, but at the same time, due to abandonment of unnecessary patents through inventory, it has resulted in a slight increase in the total number.



3 Ratio of Koto-zukuri patent applications

Patents related to Koto-zukuri are mainly coming from the Industrial Batteries and Power Supplies Business Unit, which is working to create new businesses. Inventions are also coming from the Automotive Batteries Business Unit and affiliated companies. In FY2024, the ratio of in-house applications for patents related to *Koto-zukuri* reached 20%.

Ratio of *Koto-zukuri* patent applications (2024)



Communication with management

At the beginning of each fiscal year, we hold a business policy meeting to discuss activity policies with management as well as Executive Briefings twice a year to report on these policies, new issues, and the status of disputes. In addition, we participate in Corporate Executive Management Meetings, etc. as necessary.

Themes at an Executive Briefing (partial list)

- Report on patent scores, patent analysis of competitors
- Trademark infringement countermeasures in China, ASEAN, and Hong Kong
- Countermeasures against non-practicing entities (NPEs) in the U.S.

TOPICS

Examples of initiatives in intellectual property

- Cancellation of unfair trade names -

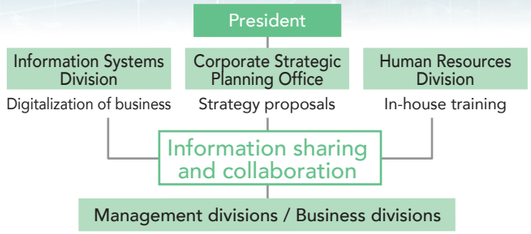
In Hong Kong, we filed a lawsuit demanding a change of trade name against a company that was using a name that sounded like one of our affiliates (Nippon Yuasa Group (China) Co., Ltd.), and we successfully had the trade name canceled.



DX Promotion Initiatives

Our Group started efforts toward DX promotion around 2018, beginning with the introduction of AI/IoT, and began human resource development in FY2021. Since FY2023, we have been implementing measures such as establishing a DX promotion structure and considering the digital human resources and roles that should be assigned to each department and the Information Systems Division. We are also considering the establishment of a DX human resource training system.

Internal structure for DX promotion



Purpose of Promoting DX

Improving productivity
- We will build a DX foundation to improve competitiveness in all business areas and achieve operational efficiency along with increased labor productivity.

Creating new value
- We will strive to create new businesses by leveraging digital technology to discover new value, thereby further reinforcing the competitive advantage of the Group.

Roadmap for DX Promotion Initiatives

In FY2022, we distributed educational content on DX to all GS Yuasa employees to promote the internal development of DX human resources on a full scale with the aim of raising DX literacy by having employees take the course. In addition, we opened a "DX Training Dojo" from FY2023 and conducted specialized training for 49 employees who were recommended by their divisions. In FY2024, in addition to continuing the initiatives from FY2023, we have newly established an external AI consultation desk for DX Training Dojo graduates. We are also receiving advisory services for AI development using internal data. In FY2025, we will refine the initiatives of FY2024 and promote those that make more active use of graduates of the DX Training Dojo.

In promoting DX, we are implementing initiatives divided into three phases: Start-up Phase, Transition Phase, and Maturity Phase. During the Start-up Phase commencing from FY2023, we focused on developing DX human resources, promoting the training of intermediate learners through the DX Training Dojo for selected members and providing beginner-level education to all employees. During the Transition Phase of FY2024 and FY2025, we continue to support the promotion of DX in each business division together with graduates of the DX Training Dojo, while also building a system to further promote DX initiatives. In the Maturity Phase from FY2026 onward, we will assign DX leaders to each business division, transfer responsibility for promoting DX to the Information Systems Division and for developing DX human resources to the Human Resources Division, while working to maintain and improve the capabilities of the DX community.

	Up to FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	Promoting the use of AI in each division	Starting full-scale measures to implement DX promotion	Establishing awareness of DX promotion employees	Developing DX human resources and supporting implementation			
				Start-up Phase	Transition Phase		Maturity Phase
In-house training		• Officers took the DX Literacy Course	• All GS Yuasa employees took the DX Literacy Course	• Distributed educational content on DX to all employees • At the DX Training Dojo, 30 to 40 employees per year acquire DX implementation skills			
Other initiatives	• Individual divisions promoted the use of AI	• DX Policy Planning Workshop '21 held and two proposals selected • DX Case Study Presentation Conference held with 350 employees attending online	• Budgets established for the two proposals selected at the Workshop '21 and measures taken for implementation • Workshop '22 held and one proposal selected	• Budget established for one proposal selected at the Workshop '22 and measures taken for implementation	• Promoting DX implementation centered on DX Training Dojo graduates in each business division • Established an external AI consultation desk	• Added support from companies with expertise in utilizing DX human resources to the external AI consultation desk	• Assigning graduates of the DX Training Dojo as DX leaders to each business division

What is the DX Training Dojo?

Thirty to forty candidates recommended by each department are selected and divided into three classes: Business Designers & Architects, Engineers/Programmers, and Data Scientists. Over the course of one year, participants attend lectures for an average of 10-20% of their working hours. They take e-learning courses and engage in group work to develop ideas for in-house projects and deliver presentations within the Company, acquiring skills to support the promotion of DX. We also offer a Producers class for supervisors of recommended candidates from each department.

TOPICS

Examples of Our Group's DX Initiatives

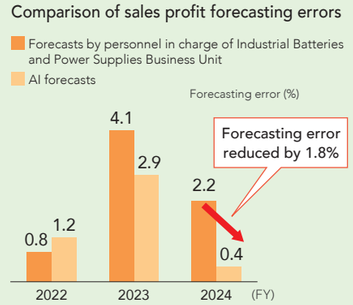
~Constructing AI that can predict deviations of 4% or less from actual sales profits~

Our Industrial Batteries and Power Supplies Business Unit experienced a significant deviation of 4.1% in its sales profit forecast for FY2023, indicating issues with the accuracy of its performance forecasts. Members of the DX Training Dojo worked on the subject of demand forecasting for the Industrial Batteries and Power Supplies Business Unit and achieved certain results. This led to a request from the Industrial Batteries and Power Supplies Business Unit to use AI to forecast sales profits, and graduates of the DX Training Dojo worked on constructing the AI.

Overview of the AI we constructed

We used the programming language Python to construct a time series model called SARIMA* based on monthly financial data on past sales profits for the Industrial Batteries and Power Supplies Business Unit. The forecast error for the current FY, based on data from the end of November 2024, was 0.4%. This is 1.8 points lower than the 2.2% error in the previous forecast given by the person in charge of the Business Unit.

Comparison of sales profit forecasting errors



Future prospects

The AI we constructed on this occasion was designed with a simple structure and its uses are versatile, making it a model that can be easily rolled out to other business units. Going forward, we are looking to expand this initiative to other business units and have it utilized as a tool for disclosing appropriate management information.

* Abbreviation for Seasonal Autoregressive Integrated Moving Average, a statistical model used to analyze and predict time series data with periodicity

VOICE

Comments from the AI development staff who graduated from the DX Training Dojo



Group Ⅱ, Advanced Analysis Promotion Division, R&D Center, GS Yuasa International Ltd.
Kazunari Kobayashi

In addition to this topic, I am actively promoting the use of AI in various fields, such as test result analysis and the development of an internal RAG system. Previously, we mainly dealt with table data, such as developing inverse analysis models to derive optimal prototype conditions from test results, but at the DX Training Dojo, we undertook the challenge of analyzing image data and time series data for the first time. It is precisely because of this valuable experience that I feel that constructing AI using time series data proceeded smoothly this time around. By generating wider interest and familiarity with AI within the Company on the back of these results, we hope to expand the impact of DX beyond research and development to the entire Company.

Efforts Toward New Business Creation — New Business Creation Challenge Project "Biz-Challenge"

Toward New Business Creation

Under our long-term vision, Vision 2035, the Group is actively promoting activities for new business creation aimed at mid-to-long term growth. Starting December 2022, we launched "Biz-Challenge," a company-wide open call for new business creation projects, and this year marks its third year. This project is soliciting ideas from employees under the theme of "Businesses that leverage GS Yuasa's strengths to solve social issues." To date, we have received over 200 ideas, and we are working to clarify customer issues and realize solutions by carefully selecting promising proposals in stages using a stage-gate approach, with the aim of commercialization. In FY2025, carefully selected members continue their activities and keep striving to create promising businesses.

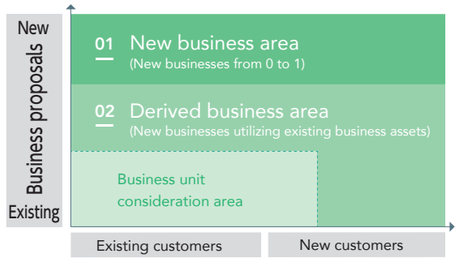


New business creation seminar

In addition to this activity, we are actively working to expand our existing businesses and generate new business ideas in derivative fields that utilize our existing assets. We are promoting the creation of businesses in new areas using two approaches: "Biz-Challenge," which solicits a wide range of ideas, and "Focused Examination (task force style)," which aims to expand existing businesses, thereby boosting corporate value.

Desired Concept of New Businesses

New businesses include not only those created from scratch, but also derivative areas that utilize the customer base, business foundation, and technology of existing businesses. Also, utilizing digital technology to add value to existing products, which leads to selling "Koto," or combining existing products to add new value, is considered a new business. GS Yuasa Membrane, one of our Group companies, manufactures and sells membranes for water treatment, leveraging the technology it has cultivated in the manufacture of separators for lead-acid batteries—its original business. In recent years, as part of its efforts to address environmental issues, GS Yuasa Membrane has been developing CO_2 removal modules. In addition to this, the Group is continuing to adopt challenges in new fields by utilizing membrane and membrane modularization technologies. We will continue to aim to solve social issues by leveraging GS Yuasa's strengths and contributing to people, society, and the global environment.



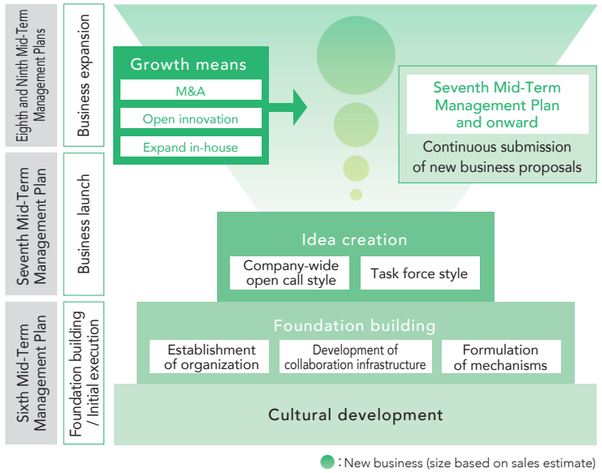
Time Schedule Towards Commercialization of New Businesses

To commercialize new businesses, we will build a structure that nurtures the foundation of our activities—a culture full of challenging spirit—and fosters new business seeds during the Sixth Mid-Term Management Plan.

Through activities such as brainstorming sessions, training curriculums for new business development, and lectures by external practitioners, we are spreading fundamental knowledge and fostering a proactive atmosphere that encourages challenges. We are working on creating frameworks, collaboration bases, and more.

From the Seventh Mid-Term Management Plan onward, we will proceed with the full-scale launch and expansion of new businesses, accelerating our efforts in new business development. In order to grow the business with a sense of urgency, we will broadly consider various approaches, such as open innovation and M&A.

Roadmap for new business creation activities



: New business (size based on sales estimate)

TOPICS

Participating in the storage battery business as the first full-scale verification of Biz-Challenge

The Company has decided to invest in Hokkaido Sapporo Battery Energy Storage LLC, which was established mainly by the Shikoku Electric Power Group (Yonden Group)'s Yonden Engineering Co., Inc. and Asunaro Aoki Construction Co., Ltd. This project, initiated through the first Biz-Challenge, stemmed from the recognition that while the Group excels in Japanese electric grid storage battery sales, some competitors offer not only storage batteries but also an extensive range of business-oriented solutions. This prompted a sense of urgency and led to this proposal as part of our effort to expand our business domain. The project originated from an employee's insight, which gained support through an internal open call for ideas. This project is an important challenge to expand our business domain by leveraging the strengths of our existing businesses, and since it will contribute to the achievement of Vision 2035, we are taking it on as a project that is independent from Biz-Challenge.

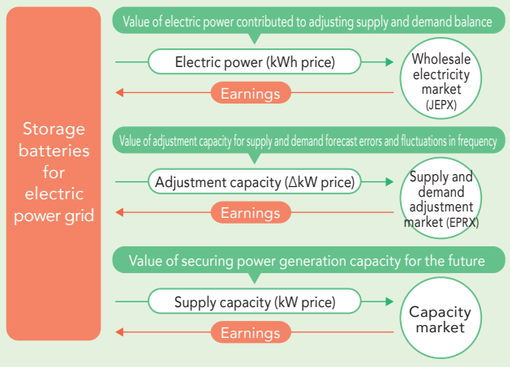
Although renewable energy is prone to instability due to weather conditions, we aim to secure revenue through electricity sales by connecting battery storage containers (storage batteries for electric power grid) to the power grid and trading electricity, adjustment capacity, and supply capacity through charging and discharging.

Overview

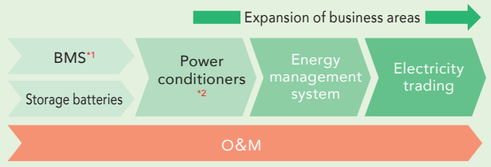
Construction site	Sapporo, Hokkaido
Purpose of introduction	Storage batteries for electric power grid (Multi-use of wholesale electricity market, supply and demand adjustment market, and capacity market)
Date of commencing operations	From April 2027
Storage battery type	LEPS-2-14
Output	Approx. 10 MW
Storage battery capacity	Approx. 30 MWh (2.1 MWh × 15 containers) Equivalent to the annual electricity consumption of approx. 10,000 households Note: Calculated based on Tokyo Electric Power Company Holdings' average model electricity rates

Until now, the Industrial Batteries and Power Supplies Business Unit has been engaged in the sale of storage batteries and power conditioners, as well as O&M (operation and maintenance). However, this project will enable us to consider expanding into the energy storage business and making a full-scale entry into this field. In addition, we will continue to accumulate knowledge so that we can determine whether to fully enter the energy storage and service market in 2028.

Revenue forecast for the storage facility



The goal of this project



*1 BMS (battery management system):
An electronic circuit board that monitors battery usage and controls the safe operation of the battery.
*2 Power conditioners:
Devices for converting DC power stored in a storage battery into AC power.

See here for details
▶https://newsroom.gs-yuasa.com/en/news-release/307

VOICE

Comments from the energy storage facility project team



Energy storage facility project team

This project aims to expand our business domain into solutions and services as outlined in Vision 2035, while leveraging our strengths in the sale of storage batteries for the electric power grid. We will actively pursue new opportunities in the energy storage business while maximizing the technical capabilities and assets we have cultivated through our battery sales business to date, with the aim of contributing to enhanced value for the entire Group. In the rapidly changing modern era, we will continue our pursuit of innovation and growth over the next 100 years, while striving to enhance sustainable corporate value through new business ventures.

Return to the Table of Contents

Sustainability Management

Message from the Chair of the Sustainability Committee



Vice President and Representative Director, GS Yuasa Corporation
Vice President and Representative Director, GS Yuasa International Ltd.

Masahiro Shibutani

In Vision 2035, we declared our commitment to making significant contributions to the realization of a de-carbonized society in the fields of mobility and public infrastructure through technological innovation in storage batteries, which are the Group's principal products. Practicing our corporate philosophy of "Innovation and Growth" and promoting the integration of financial and non-financial areas through our business activities is the foundation of the Group's sustainability management.

To reinforce sustainability management even further, in October 2024 we established the Sustainability Committee as a higher-level committee to the Sustainability Promotion Committee. The Sustainability Committee, comprised of members of the Management Meeting, which is chaired by the Representative Director, improves governance by performing the roles of a steering committee, invigorating deliberation in management, and strengthening collaboration with the Board of Directors.

Under an environment that is undergoing substantial change including changes in sustainability-related laws, ESG issues, and customer needs, we are increasing the Company's non-financial value and corporate value and meeting the diverse needs of stakeholders by responding to sustainability issues appropriately and promptly.

Sustainability Promotion Process

The Group aims to enhance corporate value and stakeholder satisfaction by implementing a sustainability promotion process based on the corporate philosophy reflecting the Group's enduring values. To practice the corporate philosophy, the Group has created the Sustainability Management Policy, which determines its future direction for realizing a sustainable society and enhancing corporate value. This policy indicates the Group's commitment to emphasize dialogue with stakeholders, contribute to solving sustainability issues, and maintain a strong business foundation.

Sustainability Management Policy
▶https://www.gs-yuasa.com/en/company/philosophy.php

Promotion of Sustainability Management
▶https://www.gs-yuasa.com/en/csr/structure.php

Overview of the sustainability promotion process



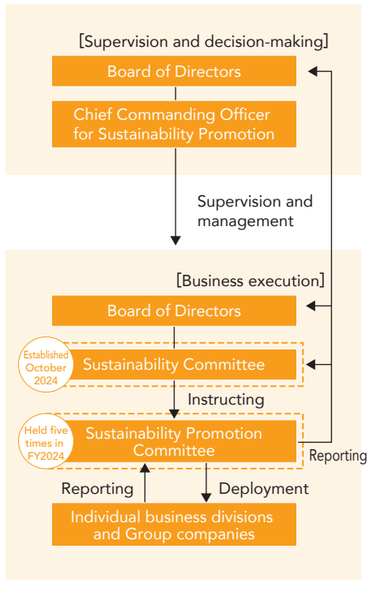
Sustainability Promotion Framework

The Group has in place a governance framework centering on the Sustainability Promotion Committee under the supervision of the Board of Directors, to promote sustainability initiatives by the entire Group from a medium- to long-term and multilateral perspective. In October 2024, the Group also established a new "Sustainability Committee" comprised of members of the Management Meeting of GS Yuasa International Ltd., its core operating subsidiary, and chaired by a Representative Director. Using these means, the Group is further enhancing its framework for the promotion of sustainability management under the leadership of the highest levels of management.

In this framework, the Company's President supervises group-wide sustainability activities as the "Chief Commanding Officer for Sustainability Promotion," and its corporate governance framework centering on the Board of Directors supervises and manages the appropriateness of sustainability management of the entire Group. In addition, GS Yuasa International Ltd. has established a Sustainability Promotion Committee to serve as a conference body responsible for deliberating on sustainability issues, and planning and promoting sustainability-related initiatives, to promote sustainability management throughout the Group.

The Sustainability Committee discusses important matters deliberated at the meetings of the Sustainability Promotion Committee and provides feedback to the Sustainability Promotion Committee on guidelines for implementing effective sustainability management. The Sustainability Promotion Committee utilizes this feedback as the basis for determining response measures and management resources, which are then subject to resolutions at the Boards of Directors of the Company and GS Yuasa International Ltd. before deployment throughout the Group. When the Group discloses its sustainability information externally, the Sustainability Promotion Committee first reviews the information, followed by a final review and approval by the Board of Directors to ensure the transparency and reliability of the information to be disclosed.

Sustainability promotion framework



Overview of each Committee

Sustainability Committee	Sustainability Promotion Committee
Attending members	**Attending members**
■ Chairperson: Representative Director ■ Committee members: Management and auditors of core operating subsidiary	■ Chairperson: Director in Charge of Sustainability Promotion ■ Committee members: Sustainability promotion managers in key divisions of core operating subsidiary and subsidiaries
Roles	**Roles**
Receive reports from the Sustainability Promotion Committee, examine sustainability-related issues deemed important for management, and, if necessary, instruct the Committee on the response policy	Promoting sustainability initiatives across the entire Group ■ Formulation and implementation of specific measures to address sustainability issues ■ Enhancement of sustainability information disclosure, taking into consideration the requests of stakeholders and society
	Main discussion themes in FY2024
	■ Formulation of specific measures to address sustainability issues in FY2025 ■ Respond to customer needs and external evaluations related to sustainability issues ■ Implement measures to comply with new sustainability-related laws

TOPICS

Efforts to embed sustainability within the Company

- Employee training aimed at promoting understanding of sustainability issues -

1 Implementation of workplace meetings on sustainability

With the aim of deepening each employee's understanding of important tasks related to sustainability, we conduct meeting-style training programs at workplace sites on sustainability issues.

Sustainability workplace meeting themes (FY2024)

- Contribution to the SDGs through the Practice of Our Corporate Philosophy
- Environmental education (climate change)
- Respect for diversity
- Preventing intentional wrongdoing
- Handling confidential information
- Subcontracting laws
- Personal information protection
- Security trade controls
- Harassment
- Management of working hours
- Occupational health and safety
- Manufacturing process and product safety

2 Introducing sustainability issues in rank-based training

We incorporate content related to sustainability issues into rank-based training so that employees can raise their knowledge and awareness of sustainability and apply it to their work.

List of rank-based training courses with lectures on sustainability issues

- New division manager / manager / assistant manager training
- Career advancement training (6 years since joining)
- Skills improvement training (3 years since joining)
- Power-up training (4 years since graduating high school)
- New employee training
- Management training (5th year as manager)

Environment

Message from the Director in Charge of Environment

In April 2023, the Company announced the GY 2050 Carbon Neutrality Target and is promoting initiatives based on three measures. Among these, we are focusing on reducing CO_2 emissions and water consumption, which are easy to achieve through independent efforts and contribute to strengthening corporate structure by reducing costs. We are promoting initiatives to reduce CO_2 emissions, such as improving the combustion efficiency of boilers and actively implementing energy-saving equipment using the ICP system, and to reduce water consumption, such by cooling water circulation during battery charging.

We are currently preparing to comply with CSRD and SSBJ and are discussing ways to further improve external evaluations at the management level. In addition, we are enhancing training to raise awareness among managers and suppliers with the aim of accelerating CO_2 emissions reductions, considering updates to our climate change strategy, and conducting research in preparation for complying with the Taskforce on Nature-related Financial Disclosures (TNFD). Furthermore, as part of our efforts to set Scope 3 emissions reduction targets, we have begun compiling data from Japan and overseas and engaging with suppliers.

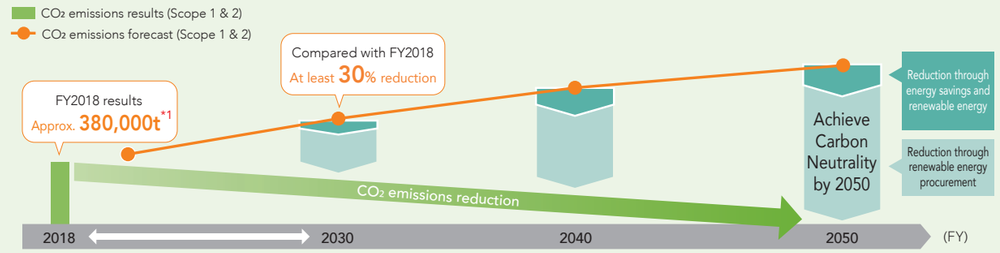
We intend to further accelerate our efforts to achieve carbon neutrality, thereby enhancing corporate value and contributing to the realization of a sustainable society.

GS Yuasa Corporation
Vice President and Representative Director
Vice President and Representative Director,
GS Yuasa International Ltd.
Masahiro Shibutani

GY 2050 Carbon Neutrality Target

GS Yuasa is pursuing carbon neutrality by FY2050

Roadmap for achieving carbon neutrality



GY 2030 Long-Term Greenhouse Gas Target

Reduce CO_2 emissions by at least 30% compared with FY2018 levels by FY2030

*1 Since adoption of the Sixth Mid-Term Management Plan, the GS Yuasa Group's CO_2 emissions aggregation standards were changed, and we are undergoing third-party re-verification for FY2018.
(1) Recalculated using the 2018 emission coefficient obtained from the Ministry of the Environment and IEA
(2) Adopted the control standard as the calculation standard, and consolidated subsidiaries that can be directly influenced are included in the scope of calculation.

Efforts to achieve carbon neutrality

P.78 Contribution to Realization of Low-carbon Society

Promotion of energy-saving measures

1. Install energy-saving equipment
2. Develop formulas for efficient charging methods and develop new ones



Promotion of generating renewable energy

1. Maximize implementation in all offices and plants in Japan and overseas
2. Introduce our own products including Energy Storage Systems (ESS*2) and conduct a demonstration experiment



Procurement of renewable energy

1. Purchase electric power that uses renewable energy
2. Procure certificates of renewable energy



*2 Energy Storage System

Environment - Environmental Initiatives

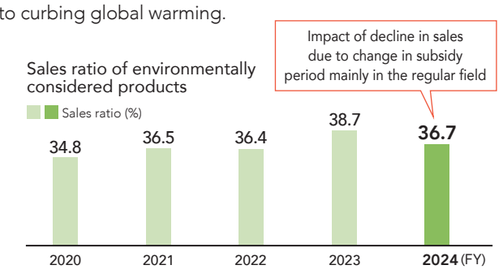
Development and Provision of Environmentally Considered Products

The Group's products have a certain impact on the environment at each stage of their life cycle (procurement, manufacturing, transportation, use, and disposal). Therefore, we strive to improve product performance by designing products that reduce environmental impact throughout their entire life cycle (including resource consumption, greenhouse gas emissions, and waste disposal) by taking into consideration factors such as raw material selection, ease of disassembly and segregation, energy conservation, and appropriate labeling. In addition, we will actively promote the development and popularization of products that contribute to reducing greenhouse gas emissions, thereby contributing to curbing global warming.

Popularizing environmentally considered products

We define products that contribute to the prevention of global warming as environmentally considered products, and promote the development and popularization of such products. We incorporate into the Mid-Term Management Plan sales targets for environmentally considered products, making it part of our business strategy to work on climate change through the products we provide to customers.

Sales ratio of environmentally considered products



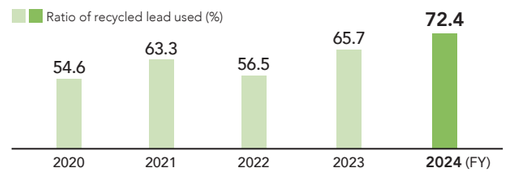
Examples of environmentally considered products

Business sector	Examples of products			
Automotive batteries	● Lead-acid batteries for vehicles with start-stop systems (ISS: idling stop systems)		Batteries for ISS vehicles for improving gas mileage by allowing the engine to stop instead of idling to reduce fuel consumption	
Industrial batteries and power supplies	● Power conditioners		● Lithium-ion batteries	 Effectively utilizing renewable energy
Automotive lithium-ion batteries	● Lithium-ion batteries for HEVs		● Lithium-ion batteries for BEVs and PHEVs	 Batteries for HEVs, BEVs, and PHEVs installed in electric vehicles and that contribute significantly to reducing greenhouse gases

Increasing usage rate of recycled lead in products

We are working to increase the usage rate of recycled lead—the primary material used in lead-acid batteries, one of our core products. The GS Yuasa Group has been taking action to recycle our post-use products by building and operating a recycling system based on extended producer responsibility (EPR). Going forward, we also plan to strengthen our efforts to promote the use of recycled materials in our products.

Ratio of recycled lead used as lead raw materials in lead-acid batteries



TOPICS Initiatives to preserve biodiversity

The Group recognizes that we receive many benefits from ecosystems at every stage of our operations, from the procurement of raw materials such as lead to the production, distribution, and disposal of our products, while at the same time placing a certain amount of burden on these ecosystems. Therefore, we regard the conservation of biodiversity as a vital commitment for sustainable business operations. Based on this awareness, we have launched an initiative to systematically analyze the relationship between our business activities and nature in order to understand our dependence on and impact on nature and respond appropriately, as of FY2024.

Going forward, we will consider specific measures based on the results of this analysis, further expand the scope of this analysis, and continue to bolster biodiversity conservation efforts across the entire Group.

Environment - Environmental Initiatives

Contribution to Realization of Low-carbon Society

Reduction of CO_2 emissions by promoting Group-wide energy management

The GS Yuasa Group believes that it is important to continuously improve the energy management system associated with its business activities and promote the reduction of greenhouse gas emissions in order to respond to the social changes accompanying the transition to a decarbonized society.

Therefore, with the aim of achieving carbon neutrality and long-term environmental goals by FY2050, we are working to formulate specific action plans, such as promoting energy conservation activities in each business division and installing solar power generation equipment in our own factories, under the leadership of a specialized entity that promotes energy management across the entire Group. In addition, we are continuing to procure renewable energy from the market in order to promote the decarbonization of the electricity used in our own production processes.

Main activities related to energy saving and renewable energy (FY2024)

Category	Items	Main initiatives
Promoting measures to save energy	Review of facility renewal standards	● Formulation of an effective facility renewal plan (utilization of facility management ledger)
	Improvement of production processes	● Improvement of the storage battery charging process ● Consideration of improvements to charging facilities
	Efficient use of production facilities	● Thorough periodic inspections of capacity utilization status
Introduction of solar power generation facility in our own factories	Examination and implementation of the plan to introduce solar power generation facilities	● Consideration of introducing solar power generation systems at business sites and Group companies in Japan
Procuring renewable energy from the market	Procurement of renewable energy certificates	● Utilization of electricity derived from renewable energy at the Kyoto Plant
	Procurement of electricity derived from renewable energy	● Procurement of renewable energy certificates at overseas sites



Solar power generation equipment installed at the Ritto Plant

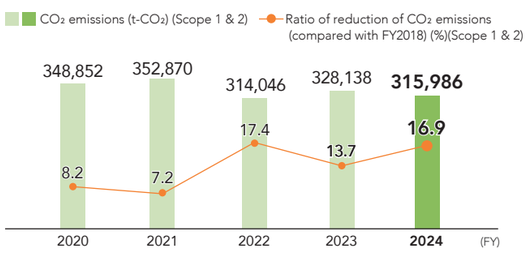
Usage status of renewable energy at our factories (FY2024)

Country	Category	Electric power (MWh)	Reduction effects ($t\text{-}CO_2$)
Japan	In-house power generation	5,296	2,222
	External procurement	53,856	22,566
U.S.	In-house power generation	278	98
UK	External procurement	1,510	294

Country	Category	Electric power (MWh)	Reduction volume ($t\text{-}CO_2$)
Thailand	In-house power generation	6,706	3,226
	External procurement	35,000	16,835
Indonesia	In-house power generation	154	78
	External procurement	30,000	15,240
Vietnam	In-house power generation	90	71

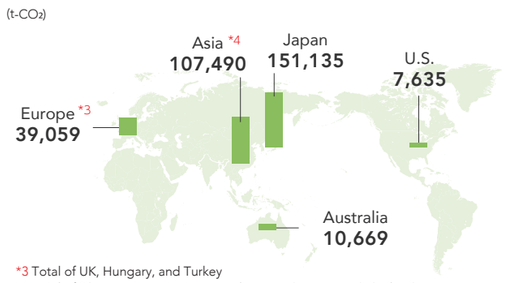
Note: The utilization rate of renewable energy in power usage at our factories is 19.6%.

Changes in the Group's CO_2 emissions and the reduction rate *2



*2 Compared with FY2018.
Note: Figures for past fiscal years have been revised in line with the scope of application for FY2023.

Group's CO_2 emissions by region (FY2024)



*3 Total of UK, Hungary, and Turkey
*4 Total of China, Taiwan, Vietnam, Malaysia, Indonesia, and Thailand

VOICE

Comments from the carbon neutrality promotion staff



Carbon Neutral Promotion Group Leader, Environmental Management, Occupational Health & Safety Division
Yohei Oku

I am involved in administrative work for the committee that manages energy at GS Yuasa International Ltd. and its domestic sites, as well as planning energy reduction measures for the production and research divisions. In FY2024, we collaborated with major energy consumption departments at the Kyoto Plant to propose specific measures for reducing energy consumption and implemented energy conservation activities, resulting in a reduction of about 100 $t\text{-}CO_2$ per year.

In particular, in the production department, where we are required to improve productivity while reducing CO_2 emissions, I find it rewarding to be able to contribute to both profitability and CO_2 reduction by providing support ranging from verifying profitability to implementing energy-saving measures.With our ongoing activities, we hope to increase the number of employees who actively engage in energy conservation efforts by helping them realize that CO_2 reduction leads to lower costs and decreased environmental impact.

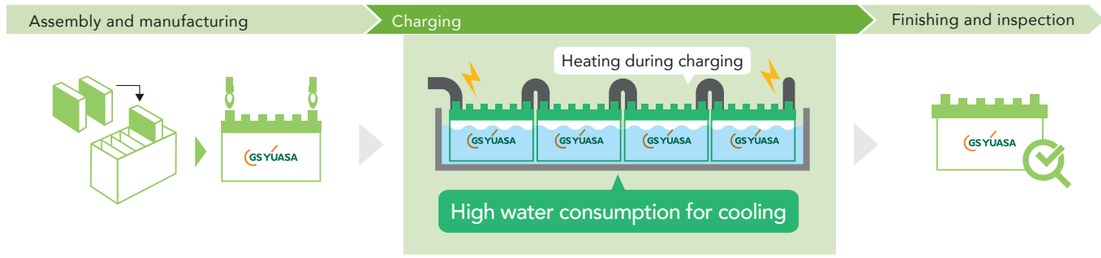
Initiatives for Water Security

The Group uses a large amount of quality fresh water for applications such as dilution of electrolytes, which are storage battery materials, and cooling of storage batteries in the charging process. Since water resources are important natural resources for the continuation of business activities, we believe it is important to work on ensuring quality fresh water and reducing water consumption. In addition, in the production process of lead-acid batteries, water containing harmful substances (such as lead) is discharged. We recognize the importance of properly treating wastewater so that such wastewater does not adversely affect the surroundings of our business sites.

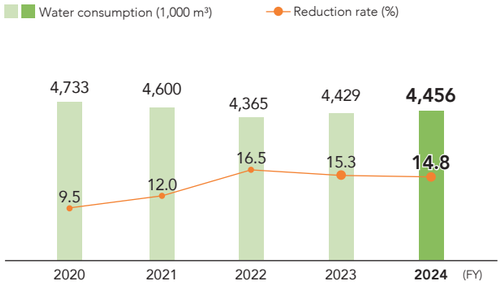
Reduction of water consumption associated with production activities

At our production plants, we promote the effective use of water by implementing measures such as water recycling and conservation, while at our lead-acid battery plants, we are promoting activities to reduce water consumption by recycling cooling water used in large quantities during the charging process and reusing water that has been properly treated, such as rainwater and backwash water from industrial water filtration systems. In addition, by switching the water nozzles of water-cooling devices in the outdoor units of dehumidifiers to spray nozzles at specialized battery factories, we are working to reduce the amount of cooling water used by air conditioning equipment while maintaining the necessary cooling performance.

Water usage processes in battery manufacturing

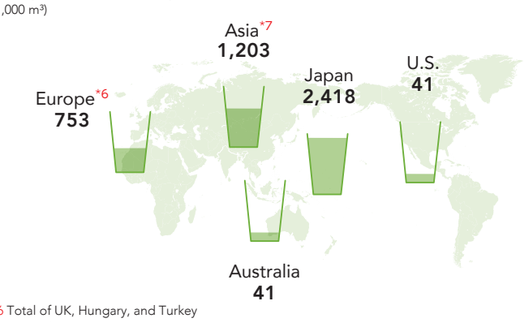


Changes in the Group water consumption and the reduction rate *5



*5 Compared with FY2018.
Note: Figures for past fiscal years have been revised in line with the scope of application for FY2023.

Group's water consumption by region (FY2024)
(1,000 m³)



*6 Total of UK, Hungary, and Turkey
*7 Total of China, Taiwan, Vietnam, Malaysia, Indonesia, and Thailand

Response to Environment and Climate Change (TCFD)

The GS Yuasa Group recognizes that climate-related issues are one of our important management issues. In December 2019 we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we are working on climate-related information disclosure based on the TCFD framework.

In FY2021, we launched a project to examine climate-related risks and opportunities in accordance with the TCFD framework. The major scenarios adopted for our analysis of risks and opportunities were the 1.5°C scenario and the stated policies scenario (equivalent to the 3°C scenario). We devised strategies based on the short-term (FY2025), medium-term (FY2030), and long-term (FY2040 and FY2050) time axes.

In FY2023 we disclosed quantitative financial impact assessments for each business for some climate-related risks and opportunities.

Governance

GS Yuasa International Ltd., our core operating company, plans and implements responses to climate change in the Group. The company's Board of Directors supervises the entire Group, receiving regular progress reports from GS Yuasa International Ltd. and providing guidance as necessary.

Policies, targets, and important topics related to the environment are formulated and deliberated upon by the Sustainability Promotion Committee and reported to the Corporate Executive Management Meeting and the Executive Briefing which is headed by the president.

Governance structures relating to climate issues

Board of Directors
[Engages in deliberation and discussion at least once every three months]
Approves proposed responses to environmental issues (including climate change), receives status reports, and monitors and oversees progress — Directors and auditors

Corporate Executive Management Meeting
[Engages in deliberation and discussion several times annually]
Discusses proposed responses to environmental issues (including climate change) — Directors and auditors

Executive Briefing
[Meets once every six months]
Receives reports on proposed responses to environmental issues (including climate change) and manages the progress of responses — President, director in charge of the environment, and relevant directors

Sustainability Committee
[Engages in deliberation and discussion several times annually]
Deliberation and discussion on sustainability management issues and initiatives — Directors and auditors

Sustainability Promotion Committee
[Meets once every two months]
Formulates and discusses proposed responses to environmental issues (including climate change) and manages the progress of responses — Director in charge of sustainability promotion, sustainability promotion managers of each division and each business office

Examples of past reports and agenda items related to climate change (FY2019–2024)

Meeting entity	Topics reported and discussed
Board of Directors	• Formulation of the Fundamental Environmental Policy • Establishment of the GY 2030 Long-Term Greenhouse Gas Targets • Disclosure of business strategies based on the TCFD • Renewable energy procurement policy • Setting of carbon neutrality targets
Corporate Executive Management Meeting, Executive Briefing, Sustainability Committee, Sustainability Promotion Committee	• Endorsement of TCFD recommendations and membership of the TCFD Consortium • Launch of the Energy Saving and Renewable Energy Project to reduce CO_2 emissions • Progress report on the Energy Saving and Renewable Energy Project • Introduction of internal carbon pricing (ICP) • Introduction of in-house solar power generation • Formulation of environmental targets in the Sixth Mid-Term Management Plan

Risk Management

Risks and opportunities are identified and evaluated through the process described below. Identified risks and opportunities, and the responses to them, are managed under our governance structures including the Sustainability Promotion Committee.

In FY2021, each business division and management division established a project team to conduct companywide analysis of scenarios and examine countermeasures.

1 Identification of risks and opportunities relating to climate pursuant to the TCFD framework

2 Evaluation of the degree of impact of the identified risks and opportunities using companywide risk management criteria

3 Identification of significant risks and opportunities for which the degree of impact is particularly large and investigation of responsive measures

Strategy

Assumed conditions / main scenarios

Main scenarios used in scenario analysis[*1]

Temperature increase	Main scenarios used	Overview
1.5°C	IEA[*2] Net Zero Emissions by 2050 Scenario (NZE Scenario)	A scenario indicating what the world (policies, technologies, markets, etc.) needs to look like in order to achieve net zero global greenhouse gas (GHG) emissions by 2050 (assumed through a backcasting method)
	IPCC[*3] RCP[*4] 2.6 Scenario and SSP[*5] 1-2.6 Scenario	RCP 2.6: A scenario that assumes future temperature rise to be limited to less than 2°C used in the IPCC Fifth Assessment Report SSP 1-2.6: A scenario for the introduction of climate policies to limit future temperature increases to less than 2°C under sustainable development used in the IPCC Sixth Assessment Report
3°C	IEA Stated Policies Scenario (STEPS)	A scenario based on energy and climate policies previously implemented and individual policies that are currently being implemented by individual governments
	IPCC RCP 8.5 Scenario and SSP 5-8.5 Scenario	RCP 8.5: A scenario with maximum GHG emissions used in the IPCC Fifth Assessment Report SSP 5-8.5: A scenario with no climate policies used in the IPCC Sixth Assessment Report

*1 Scenario analysis uses the scenarios of public agencies and may differ from actual future social conditions. *2 International Energy Agency
*3 Intergovernmental Panel on Climate Change *4 Representative Concentration Pathways *5 Shared Socioeconomic Pathways

Time axis

	Short term	Medium term	Long term
End year	2025	2030	2050
Reason for adoption	Fifth (FY2019–2022) and sixth (FY2023–2025) mid-term management plan periods	Achievement period of the GY 2030 Long-Term Greenhouse Gas Targets and SDGs	Achievement period of the GY 2050 Carbon Neutrality Target

Assumed social conditions based on scenario analysis

			Through 2025 (short term)	Through 2030 (medium term)	Through 2050 (long term)
	Operations	Social demand for emissions reduction	–20%	–40%	–100%
		Carbon price	$75 / t-$CO_2$	$130 / t-$CO_2$	$250 / t-$CO_2$
1.5°C scenario	Automotive related business	Changes in the automobile market	• Expansion of automobile electrification • Structural changes in the automobile industry in conjunction with electrification	Passenger cars (Global) Number of vehicles (compared to present) • Sales: 1.3 times • Ownership: 1.6 times Percentage of EVs, PHEVs, and FCVs[*6] • Sales: 64% • Ownership: 20% Motorcycles and three-wheel vehicles (global) Percentage of EVs • Sales: 85% • Ownership: 54%	Passenger cars (Global) Number of vehicles (compared to present) • Ownership: 2.1 times Percentage of EVs, PHEVs, and FCVs[*6] • Sales: 100% • Ownership: 86% Motorcycles and three-wheel vehicles (global) Percentage of EVs • Sales: 100% • Ownership: 100%
		Development of alternative technologies to replace lead-acid batteries	• In conjunction with increasing demand for batteries for applications relating to transportation and electric power, prices will decline for alternative technologies, such as lithium-ion batteries, to take the place of lead-acid batteries		
	Industrial battery and power supply related business	Changes in energy-related markets	• In conjunction with the rapid expansion of solar and wind power generation, demand for batteries used for electric power will expand • Batteries for storing excess power from renewable energy sources will increasingly be converted to use for backup applications		
		Development of alternative technologies to replace lead-acid batteries	• In conjunction with increasing demand for batteries for applications relating to transportation and electric power, prices will decline for alternative technologies, such as lithium-ion batteries, to take the place of lead-acid batteries		
	Supply chains R&D	Raw materials	• Demand for lithium, nickel, and other resources will increase rapidly as demand for lithium batteries increases for use with energy storage technologies and renewable energy • Competition to sustainably secure raw materials will intensify		
		Acceleration of the circular economy[*7]	• Needs for products adapted to a recycling-oriented society will increase year-by-year		
		Emergence and spread of alternative technologies to replace lithium-ion batteries		• As battery demand for transportation and electric power related applications expands, the development and spread of battery technologies with higher added value in terms of safety, energy density, cost, charging speed, and life span will progress	
3°C scenario	Operations	Storm and flood damage, storm surges			• The frequency of flooding will more than double compared to now in Japan and other regions • Sea levels will rise approximately 0.3 m • The frequency of intense storms in the vicinity of Japan will increase
	Industrial battery and power supply related business	Storm and flood damage, storm surges	• Expansion of business relating to disaster countermeasures		

*6 EV: Electric Vehicle; PHEV: Plug-in Hybrid Electric Vehicle; FCV: Fuel Cell Vehicle
*7 An economic mechanism for the circulation of resources without waste. Positioned as a medium- to long-term economic growth policy, particularly in European countries.

Response to Environment and Climate Change (TCFD)

Risks and opportunities

1.5°C scenario	Operations	● Introduction of carbon tax and renewable energy		
		Risk	Increased costs for energy saving and renewable energy to reduce CO_2 emissions	In the case of the 1.5°C scenario, targets for a major reduction of CO_2 will be required and carbon taxes will be introduced to achieve carbon neutrality. On the other hand, by implementing CO_2 reduction measures through the introduction of energy-saving equipment and renewable energy, it will be possible to reduce the carbon tax burden to a certain extent. Results of a scenario-based estimate of the financial impact indicated a risk that the introduction of a carbon tax will increase costs by about 3–4 billion yen over the medium to long term. By thorough energy saving and the planned introduction of renewables, however, the cost increase could be reduced to about 2 billion yen.
		Risk	Increased carbon costs for the company's emissions in conjunction with the introduction of a carbon tax	
		Risk	Increased carbon costs for emissions in upstream segments of supply chains	
	Automotive related business	Opportunity	Higher demand for batteries in conjunction with increased sales and ownership of passenger vehicles	
		● Starting batteries and batteries for auxiliary equipment		
		Opportunity	Higher demand for batteries for auxiliary equipment used in EVs and PHEVs	In conjunction with expansion of the market for EVs, PHEVs, and other such vehicles, demand for starting batteries used in internal combustion engine vehicles is expected to decline, but demand for batteries for auxiliary equipment is expected to increase. Also, the shift from a certain number of lead-acid batteries to lithium-ion batteries is expected to advance. As a result of our estimate of the financial impact, based on the establishment of certain conditions with reference to a scenario-based market, we concluded that while sales of starting batteries will decline sharply, overall sales could increase by 35–55 billion yen over the medium to long term due to a substantial increase in the demand for batteries for auxiliary machinery.
		Opportunity Risk	Replacement of lead-acid batteries with lithium-ion batteries	
		Risk	Declining demand for starting batteries used in internal combustion engine vehicles	
		● Batteries for HEVs*8, PHEVs, and EVs		
		Opportunity	Higher demand for batteries used in EVs and PHEVs	It is expected that over the short to medium term, sales of HEVs and PHEVs will increase, but in the long term, as sales of EVs increase substantially and account for approximately 100% of sales in 2050, the battery market will change.
		Opportunity Risk	Fluctuations in HEV and PHEV demand (expansion in the short to mid-term, contraction in the long-term)	
	Industrial battery and power supply related business	● Lead-acid batteries for backup applications and forklifts		
		Opportunity	Higher demand for batteries	Demand for batteries used in transportation and electric power related applications is expected to increase, but as technological innovation progresses, it is expected that prices for lithium-ion batteries and other such products will fall and that a certain number of lead-acid batteries will be replaced by lithium-ion batteries.
		Risk	Replacement of lead-acid batteries with lithium-ion batteries	
		● Energy storage systems (ESS) for renewable energy		
		Opportunity	Higher demand for batteries and peripheral systems and devices	It is expected that in conjunction with the increased introduction of solar, wind, and other renewable energy generation, demand for batteries and peripheral systems and devices for electricity load leveling and the like will increase. As a result of our estimate of the financial impact, setting certain conditions with reference to a scenario-based market, we concluded that sales could increase by 7–22 billion yen over the medium to long term due to an expansion of the market for energy storage systems for renewable energy in Japan.
	Supply chains R&D	● Raw materials procurement and circular economy		
		Opportunity	Improvement in the superiority of recyclable lead in a recycling-oriented society	Risks such as rising resource prices and difficulties in securing resources are expected over the short to medium term. On the other hand, with the development of alternative technologies, it is expected that tight supply and demand situations will be alleviated over the long term. It is also expected that competition relating to sustainable procurement of raw materials will intensify in terms of the environment and society.
		Risk	Difficulty procuring and rising price for metal resources	
		Risk	Difficulty sustainably procuring and rising price for sustainable raw materials	
		● Technological innovation		
		Opportunity Risk	Increased business opportunities as a result of leading development of next-generation batteries technologies (all-solid-state batteries, etc.)	It is expected that the development and spread of higher added value battery technologies (all-solid-state batteries, metal-air batteries, sulfur batteries, etc.) for transportation and electric power related applications will advance. In cases where the company can lead the development of new technologies, business opportunities will arise.
3°C scenario	Operations	● Natural disasters and temperature rise		
		Risk	Increased damage to facilities due to storm and flooding disasters and increased loss of profit due to business suspension	There is a risk of greater impact due to increased storm and flooding damage, including property damage to facilities and machinery at the company's plants, loss of profits from business suspension, and the inability of workers to report to work. The interruption of supply chains is also anticipated. As a result of an examination of flood and storm surge risks based on future climate change impacts using natural disaster simulations, five sites and subsidiaries (two in Japan and three overseas) were evaluated as high-risk. In the event of a 100-year disaster at the Kyoto Plant, where the estimated scale of damage would be large, there could be a potential loss in sales of 9–13 billion yen over the medium to long term.
		Risk	Business suspension due to damage to supply chains	
		Risk	Increased costs for air conditioning and cooling processes	
	Industrial battery and power supply related business	● Emergency power supplies		
		Opportunity	Increased demand for emergency power supplies as countermeasures against severe disaster	It is expected that demand for emergency power supplies will increase out of concern regarding intensification of natural disasters due to climate change.

Note: Those items that were determined in the risk assessment to be of particular importance in the short to long term are listed. *8 HEV: Hybrid Electric Vehicle

Direction of business strategies

Now → 2050

1.5°C scenario	Operations	Reduce CO_2 emissions by at least 30% by 2030 Implement measures for energy conservation and use of renewable energy	Further accelerate measures for achieving carbon neutrality Further implement measures for energy conservation and procurement of renewable energy
	Automotive related business	Securing profits from lead-acid batteries for internal combustion engine vehicles Introduce differentiated products, strengthen our sales capabilities, and increase sales of high-value-added products with a focus on regions where internal combustion engine business remains such as ASEAN	
			Capture demand for batteries for auxiliary equipment used in electric vehicles Capture demand for 12 V lead-acid or lithium-ion batteries for auxiliary equipment used in electric vehicles as well (for new automobiles and for replacement)
			Capture demand for redundant batteries used in electric vehicles Capture demand for lithium-ion batteries used for backup of self-driving vehicles
		Expand production of lithium-ion batteries for HEVs and PHEVs Production will increase, particularly for Japanese automakers, but will decline in the future	
			Full-scale entry into EV lithium-ion battery market Invest development resources to enter the market for lithium-ion batteries used in EVs, which are used under demanding environments and must be highly reliably
	Industrial battery and power supply related business		Apply automotive lithium-ion battery know-how to industrial applications Establish a lineup that includes both lead-acid batteries and lithium-ion batteries for industrial applications according to market needs
		Focus on the renewable energy and energy management fields • Strengthen operation, maintenance and inspection services • Develop more price-competitive batteries • Introduce products and services aligned with customer needs to capture demand for renewable energy • Capture demand for peak cutting, peak shifting, and other energy management services for business sites	
	Supply chains R&D	Develop the market for lead-acid batteries with high recycling rates Commercialize lead-acid batteries compatible with the needs of a recycling-oriented society	Conduct R&D of and commercialize rare metal-free batteries Promote R&D on and commercialize rare metal-free batteries such as sulfur cathode batteries
			Conduct R&D of and commercialize post-lithium-ion batteries Promote R&D of all-solid-state batteries and put them into practical application, promote R&D of and commercialize Si anode batteries, Li metal anode batteries, and sulfur cathode batteries
3°C scenario	Operations	Countermeasures against intensifying disasters • Evaluate future risks including climate risks and implement countermeasures as necessary • Undertake BCP including supply chains	
	Industrial battery and power supply related business		Contribute to countermeasures against intensifying disasters using backup power supplies Focus on market expansion conditions and respond to needs

Metrics and targets

Sixth Mid-Term Management Plan (FY2023-2025)

CO_2 emissions (compared with FY2018)
At least **15%** reduction

Water consumption (compared with FY2018)
At least **15%** reduction

Percentage of environmentally considered products in total sales of all products **45%** or more

Ratio of recycled lead used as lead raw materials in lead-acid batteries **70%** or more

Target for reduction of CO_2 emissions (Scope 1 and 2)

2030 (compared with FY2018)
At least **30%** reduction

2050
Carbon neutrality

ICP (Internal Carbon Pricing)

The price will be set at **¥15,000** / t-CO_2
Use as reference information when making investment decisions regarding energy-saving and renewable energy measures

Social

Message from the Director in Charge of Human Resources



Kenji Higuchi

Director and General Manager,
Human Resources Division,
GS Yuasa International Ltd.

Based on the idea that "people grow the organization" rather than "the organization develops people," we believe that "autonomous-minded human resources" who embrace change positively and continue to grow independently are the ones who will lead the Company into the future. However, autonomous-minded human resources do not come together by chance. Therefore, in order to nurture these employees, we are focused on creating an environment where each individual can proactively plan their own career and take on new challenges. Our strategy for human capital is designed and implemented in line with our management strategy, in turn based on our corporate philosophy. In addition to securing and developing human resources, we are promoting initiatives to improve the placement of the right people in the right positions and increase human resource mobility, which are issues we face. Going forward, we plan to enhance our human resources portfolio with the aim of realizing Vision 2035.

The Company has focused on creating a comfortable working environment, and we have been committed to establishing flexible working styles to support the balance between work and childcare or nursing care. Going forward, we will focus on improving employee satisfaction and will work to foster a system and culture in which our employees can feel a sense of growth and accomplishment. We are promoting the creation of an environment where diverse human resources can adopt challenges and a system where efforts and achievements are fairly rewarded, in line with the mission of our Human Resources Division: "When people change, organizations change too. When organizations change, companies evolve." We will continue to realize this vision.

Human resource strategy linked with management strategy

Promotion of diversity, equity, and inclusion

Work-life balance support according to life stage → Career support based on life stage → DE&I, where diverse attributes can thrive → True DE&I, where the diversity of each individual's values, thinking, experience, and abilities becomes a strength

Human resource development policy

Realization of an active human resource portfolio	Initiatives for accelerating "action"	KPIs (2025)
Placement of the right people in the right place	● Launch of integrated management of human resource information ● Revision of personnel treatment system	● Utilization and promotion of talent management practices ● Degree of sufficiency of human resources ● Introduction of occupation-specific personnel system in managerial positions
Support for autonomous career development	● Development of next-generation leaders ● Development of diverse training systems ● Introduction of in-house recruitment schemes	● Education and training systems and actual figures of training hours ● Mentality management diagnosis targets

Fostering autonomous-minded human resources

Environmental improvement policy

Fostering of a culture leveraging diversity	Efforts to turn diversity into strength	KPIs (2025)
Enhancement of engagement	● Workplace improvement initiatives using mentality management diagnosis results	● Mentality management diagnosis targets
Fostering of a culture leveraging diversity	● Securing of diverse human resources ● Development of flexible workstyles ● Promotion of women's empowerment	● Employment rate of persons with disabilities ● Men's rate of taking childcare leave ● Significant management indicators related to measures to promote women's empowerment [● Ratio of women in the workforce ● Ratio of women in new graduates hired for career-track positions ● Ratio of women in managerial positions ● Ratio of women in leadership positions]
Promotion of health management	● Establishment of a promotion system ● Formulation of health action guidelines	● Significant management indicators in health management strategies ● Presenteeism ● Absenteeism ● Work engagement

Well-being climate → Productivity improvement and innovation creation → Mobility and public infrastructure growth realization → Philosophy of **"Innovation and Growth"** → **Vision 2035**

External environmental changes (climate change, technological evolution for resource circulation, decline in the working-age population, securing human resources due to increased labor mobility, etc.)

Social – Social Initiatives

Respect for Human Rights

The GS Yuasa Group is aware that respect for human rights is at the foundation of business activities and that preventing the occurrence of human rights violations through the Group's decision-making and activities is a key element of management. Furthermore, we believe that appropriate management of human rights issues not only within GS Yuasa and its Group companies, but also in our transactional relationships with business partners including Japanese and overseas suppliers is essential.

For our policy on respect for human rights, please refer to our CSR policy. ▶https://www.gs-yuasa.com/en/csr/policy.php

Identifying and addressing human rights risks

We conduct risk assessments regarding human rights issues and determine priority issues to be addressed. We use human rights risk response checklists that enable us to determine the status of responses to human rights issues and the occurrence of human rights risk and assess the degree of impact on human rights. We address priority human rights issues by taking human rights risk countermeasures integrated into existing business processes.

Promoting human rights education

Informative and educational initiatives help employees to grasp various human rights issues and the importance of business activities keyed to human rights. In FY2024, workplace training on human rights and harassment prevention was conducted, and lively brainstorming took place at 93 workplaces. Also, when necessary, personnel participate in human rights management training sessions, nurturing and expanding knowledge vital in properly recognizing and evaluating human rights risks and their negative effects.

Education on respect for human rights	● Workplace education (meetings, discussions) on the topics of respect for human rights and harassment ● Distribution of booklets and internal email newsletters created for the purpose of raising awareness of respect for human rights ● Distribution of manuals explaining the Group's CSR Policy ● Holding briefing sessions on human rights risks for overseas site managers



CSR Manual

Management of human rights risks involving foreign workers

We have created guidelines to appropriately manage human rights risks related to the employment of foreign workers based on international guidelines on responsible employment management for foreign workers. These guidelines set out management principles for human rights risks that should be considered throughout the employment process, from recruitment to retirement. They are being rolled out to domestic and overseas Group companies. We confirm compliance with these guidelines for Group companies employing foreign workers and make operational improvements where necessary. In addition, in the supply chain, we have established and require suppliers to adhere to the Responsible Procurement Guidelines, which set forth management guidelines for responsible corporate behavior, including addressing human rights issues unique to foreign workers. We regularly verify suppliers' compliance with the Responsible Procurement Guidelines and request improvements where necessary.

Human Resource Development / Respect for Diversity

At the Group, we believe that front-line workplaces are the engines that generate corporate value, and the lead players in those workplaces are employees. Thus, we encourage the development of "autonomous-minded human resources" who can think independently, work proactively, and generate results at their day-to-day work sites, which are the very best places for developing human resources. In addition, in order to nurture a culture in which diverse human resources can grow together and play an active role, we undertake diversity management so that we can fully utilize the diverse individuality of employees and strengthen organizational capabilities.

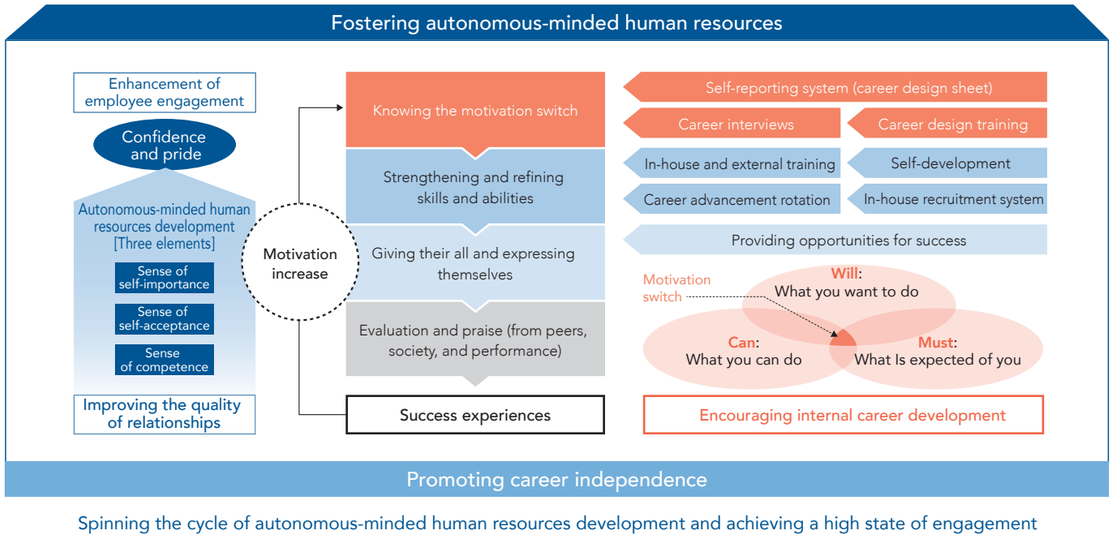
Social – Social Initiatives

Fostering autonomous-minded human resources

We have developed a flow chart and implement measures to foster autonomous-minded human resources who embody our corporate philosophy of "Innovation and Growth" and to create a system in which diverse human resources can play an active role. In addition, we will also continue to actively invest in highly motivated, autonomous-minded human resources who have a high willingness to grow. We have developed an educational system that provides everyone with opportunities to learn independently for self-improvement, and are considering introducing a personnel system that allows personnel to take on important roles and jobs regardless of age and years of experience, who are then evaluated according to performance. These initiatives will increase internal personnel mobility and enable employees to choose and grow independently, thereby enhancing engagement and accelerating the creation of new value.

In addition, cultivating business leaders with a global perspective is essential for the continued growth of the Group. We plan to promote not only the mobility of human resources between business units, but also the education and talent management of the next generation of human resources.

Concept of autonomous-minded human resource development



VOICE

Comments from the training program planning staff



Training program planning team members of Human Resources Development Group, Human Resources Division, GS Yuasa International Ltd.

The Human Resources Division's Human Resources Development Group believes that the growth of each individual employee leads to the growth of the organization, and conducts training to support employees in becoming autonomous-minded human resources who can realize their own career visions. The Company conducts approximately 150 training sessions per year designed to constantly review existing training content to ensure that it includes topics relevant to current trends, such as DX and reskilling, and that it strengthens the skills required by the organization. We are also engaged in the planning of new training programs and the refinement of existing ones.

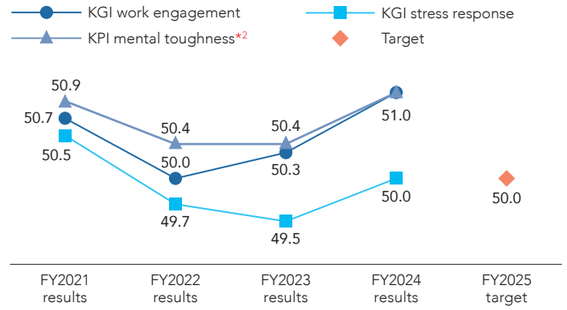
Enhancement of employee engagement

The Group conducts an annual mentality management diagnosis that combines both engagement and mental health to regularly monitor the state of our employees and organization. Based on the diagnosis results, we conduct group analysis and implement activities to improve ourselves, promoting the creation of a vibrant organization. In addition, by comprehensively analyzing various factors such as individual career autonomy, trust relationships, and psychological safety, we utilize the results to verify and improve the effectiveness of human resources policies

In the FY2024 mentality management diagnosis, initiatives such as strengthening career development support, a key human capital management strategy, along with the results of organizational improvement activities across business units and departments, led to the best scores in the past four years for the two indicators: work engagement and mental toughness. When viewed by business unit and department, most of these have improved their performance indicators compared to last year, although some organizations have not met their targets.

Diagnostic results are fed back to the heads of departments. Each department is proactively undertaking organizational improvement activities, such as deploying video materials on harassment, conducting one-on-one interviews with department heads, and communicating the results to their members, while the Human Resources Division also provides support for these activities.

Important management indexes of mentality management diagnosis (deviation value)*1



*1 Results for GS Yuasa International Ltd., including employees seconded to other companies and excluding employees seconded from other companies
*2 This index correlates both stress response and engagement

Introduction of an occupation-specific personnel system

In April 2025, we introduced our own occupation-specific personnel system for managers. Compared to previous systems, we will adopt treatment based on the roles and responsibilities of each employee, regardless of age or years of experience, and make it easier for them to take on more challenging roles and tasks than before, enabling us to promote personnel selection, independent career development, and swift responses to managerial strategies.

What is required in GS Yuasa's human resource management?

① Flexible personnel allocation
② Compensation system for acquiring and retaining the human resources essential to business promotion
③ Enhancement of employee engagement

System	Changes
Grading system	Change to a grading system based on current roles and responsibilities
Remuneration system	・Change to a remuneration system based on the importance of duties (roles and responsibilities)
Evaluation system	・Expansion of performance-based evaluation

Shift the focus of treatment from "people" to "work (roles)" and revise the personnel treatment system to an occupation-specific personnel system that reflects the importance of each employee's role and responsibilities (i.e., occupation-specific factors)

Career development support initiatives

We are striving to promote initiatives that balance the career visions of each employee with creating new corporate value.

Initiatives	Target	Details
Career design training	All employees (by rank and by age)	Training to reflect on one's career at key milestones.
Career interview support training	Management-level employees	Training for supervisors to acquire the skills necessary to conduct effective career interviews with their subordinates.
In-house recruitment system "Job Challenge"	All employees	A system to allow employees to apply for positions in other departments. By FY2024, 78 people had applied, and 32 job matches had been secured.



Career Interview Support Handbook (For Employees)

Fostering a culture that leverages diversity

To continue the proactive recruitment of diverse talent and create an environment where each individual can fully utilize their unique personality and abilities, we launched the GY Mirai Project in 2018. We are working to create a workplace where everyone can work with a sense of enthusiasm and fulfillment.

Discussions on DE&I (Diversity, Equity & Inclusion) are held in executive meetings and reported regularly to the Board of Directors. DE&I-related topics are set as critical issues for directors, incorporating DE&I initiatives into management objectives.

Return to the Table of Contents

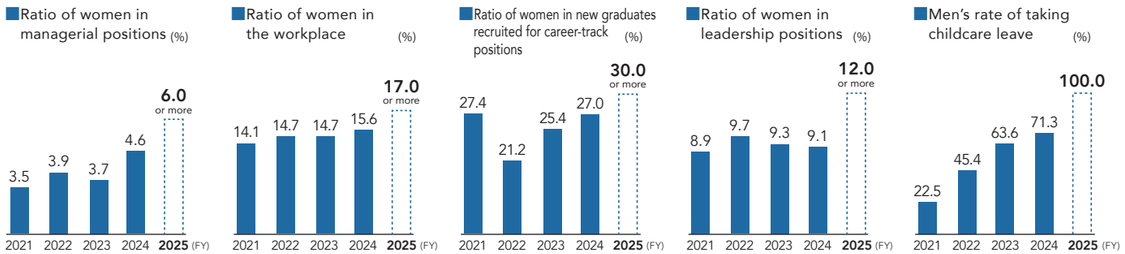
Social – Social Initiatives

Roadmap for promoting DE&I

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (FY)
		★Kurumin certification	★Launch of the GY Mirai Project		★Platinum Kurumin certification		★Nadeshiko Brand certification		
Work-life balance support according to life stage			Career support based on life stage			DE&I, where diverse attributes can thrive			True DE&I, where the diversity of each individual's values, thinking, experience, and abilities becomes a strength
●Establishment of a special committee for labor and management negotiations ●Start of internal report series		●Publication of Message from the President: "Three Ls" ●Announcement of KPIs for new female graduate recruitment rate				●Introduction of mentality management diagnoses ●Announcement of KPIs for promoting women's empowerment ●Launch of "GS Yuasa's Diversity" Special Website		●Setting the third week of June as Pride Week ●Supporting PRIDE IN KYOTO 2024 ●Establishment of Diversity Consultation Desk ●Setting of 100% KPI for men's rate of taking childcare leave	

Main initiatives	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (FY)
Career development	・Hosting of "Women's Shine Training," first training for female employees ・Participation in "Team Spring!," an information exchange meeting organized by Kyoto-based companies	・Development and announcement of Action Plan for Promoting Women's Empowerment	・Hosting of Women's Future Lecture ・Introduction of Women's Future Career Design Training and Management Training for Supervisors with Female Subordinates	・Abolition of mandatory business attire for women by introducing a work dress code ・Hosting of lecture "Health Management Seminar: Women's Health Care"	・Introduction of Career Development & Framework into third-year training ・Hosting of lecture "Thinking about a Workplace Friendly to Both Men and Women (Men's Studies)"	・Dispatching female employees to attend Leadership Strengthening Training courses ・Conducting a labor and management survey "Awareness Survey on Promoting Women's Participation in the Workforce"	・Hosting of opinion exchange meetings between female directors and female managers ・Introduction of diversity management video education for newly appointed managers	・Introduction of Career Advancement Training for Female Leaders	・Introduction of a Career Autonomy Support Program ・Introduction of age-specific Career Design Training ・Introduction of a career counseling system	
Balancing work and life events	(Phase 1) ・10 days of mandatory annual leave (for general employees) (2014 onwards)	・Creation and publication of work-life balance support handbooks, "Mirai Book" and "Negai Book"	(Phase 2) ・Encouragement of consecutive vacation days ・Introduction of hourly leave	・Establishment of a consultation desk for pregnancy and childcare leave returnees ・Extension of flexible working hours and shortened working hours for childcare of those with children up to 6th grade	(Phase 3) ・10 days of mandatory annual leave (for management employees) ・Commencement of work-childcare balance information exchange meetings ・Introduction of a work-from-home system for childcare and caregiving needs and a re-entry system	・Establishment of work-life synergy leave (five consecutive days of leave)	・Labor and management survey: Conducting Awareness Survey on Balancing Work and Caregiving ・Introduction of work-from-home system for all employees	・Commencement of publication of articles on women's health issues in the Company's quarterly magazine ・Introduction of a babysitter fee subsidy program		・Establishment of a system to support returning to work ・Re-employment system ・Rehabilitation work system ・Support system for balancing work and medical treatment ・Childcare facility and service usage subsidies, childcare product purchase and rental expense subsidies (cafeteria plan menu)
	Measures to promote taking annual paid leave									

Achievements and KPIs related to respect for diversity (FY2025)



TOPICS

Hosting of work-childcare balance information exchange meetings

As part of our efforts to create a workplace where both male and female employees can balance work and life events, we have been holding regular work-childcare balance information exchange meetings since 2019. In FY2024, two meetings were held and in the first meeting, a total of four panelists, including men who had taken childcare leave and their supervisors, exchanged opinions on communication with supervisors and colleagues when taking childcare leave, how to spend time during this leave, and balancing work and childcare after returning to work. In the second meeting, male and female employees who had taken childcare leave served as panelists and discussed what they consider important in balancing work and childcare, as well as their actual experiences and honest opinions. We aim to create an environment and atmosphere where men and women can feel comfortable taking childcare leave as a matter of course and develop a workplace where work and childcare can be balanced.

Average period obtained for paternity leave (FY2024)
1.8 months

Ratio of participants who responded "very good" in the post-event survey (FY2024, total of two times)
97%

Promoting employment of persons with disabilities

The Company actively employs people with disabilities through our Group company, GS Yuasa Socie Ltd., which is a special subsidiary. Since 2016, the Company has introduced a system to ensure safe and stable employment by designating all employees as "regular employees" with indefinite-term employment regardless of whether they have a disability or not. We will continue to work to maintain and improve a work environment that is inclusive of the abilities and characteristics of disabled employees.

Employment rate of employees with disabilities (As of April 2025)
2.93%

Wage disparity between male and female workers

The wage disparity between male and female employees indicates the ratio of women's wages to men's wages. There is no difference in wages between men and women in our personnel system for the same qualifications, rank, or position, and any disparity is due to differences in personnel composition across qualifications, rank, or positions. We will continue to promote efforts to increase the ratio of female managers.

Wage disparity between male and female workers Target period: April 2024 - March 2025

	All workers	Regular workers	Fixed-term workers
GS Yuasa	74.5%	72.9%	84.0%
GS Yuasa Fieldings Ltd.	74.1%	77.5%	74.0%

Note: GS Yuasa wages include base pay, overtime wages, and bonuses; commuting allowances and severance pay are not included.
GS Yuasa Fieldings wages include base pay, overtime wages, bonuses, and commuting allowances; severance pay is not included.
Regular workers include employees seconded to other companies and exclude employees seconded from other companies.
Fixed-term workers include contract employees, re-hired employees, and part-time employees and do not include dispatch (temporary) employees.

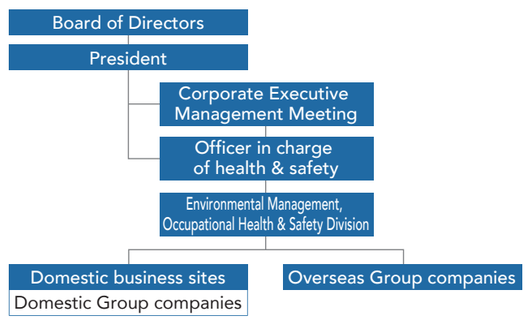
Enhancement of Work Environments and Occupational Health and Safety

We consider creating a workplace where employees can work comfortably as a critical issue and actively work to improve labor conditions and occupational health and safety. We strive to prevent workplace accidents by identifying safety risks in advance and implementing appropriate measures. We also continuously work on improving the work environment to ensure a healthy and comfortable workplace.

Promoting occupational health and safety

The GS Yuasa Group believes that securing the health and safety of its workers is the paramount priority in doing business and has established a Fundamental Health and Safety Policy for the promotion of company-wide endeavors to build a corporate culture of safety. Furthermore, to ensure the health and safety of all employees who work for the Group directly or indirectly including subcontractors and temp workers, we have appointed an organization to conduct Group-wide integrated management of health and safety. This has been instrumental in strengthening health and safety management at both domestic and overseas business sites and Group companies. In addition, we are undertaking initiatives based on our Fundamental Health and Safety Policy by creating organizational structures centered on safety and health committees established in business units and companies.

Health and safety organizational structure overview



Our Fundamental Health and Safety Policy is available on our website.
▶https://www.gs-yuasa.com/en/csr/working_env.php

Reducing occupational accident risk

At domestic business sites and domestic Group companies, we use risk assessment techniques to identify potential hazard sources by conducting general inspections and implement mitigation measures according to the scale of the risk. Similar measures are also taken concerning safety patrol activities conducted under the leadership of the safety and health officer. Additionally, we are also promoting efforts to reduce the risk of workplace accidents at overseas Group companies through regular safety audits conducted by the Company's safety and health promotion members.

Social – Social Initiatives

Health management

The Group considers it essential to create an environment where all employees can perform their duties in a healthy physical and mental state and achieve their maximum performance in order to realize our corporate philosophy of "Innovation and Growth." Therefore, based on the Health Management Policy established by our President and the Health Code of Conduct that outline specific guidelines for employee behavior, we are promoting company-wide initiatives to maintain and improve the health of our employees and their families.

In conjunction with initiatives such as workstyle reforms and the promotion of women's success, we analyze data from health checkups and stress checks to identify employee health issues as part of our health-building efforts. For issues that are identified, we adopt measures for promoting health, and formulate plans to resolve the issues after verifying the effectiveness of the measures.

For more information on our health management initiatives, please refer to pages 33-36 of our securities report.
▶https://ir.gs-yuasa.com/en/ir/news/news-552745867911216090/main/0/link/yuho_e_2025.pdf

TOPICS

Certified by the Ministry of Economy, Trade and Industry as 2025 Outstanding Organizations of KENKO Investment for Health

The Company and three Group Companies have been certified as 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) under the Ministry of Economy, Trade and Industry's Recognition Program for the Outstanding Organizations of KENKO Investment for Health. This is the eighth time that the Company has been certified under the Recognition Program for the Outstanding Organizations of KENKO Investment for Health.

This award was given in highly regarded recognition of the Company's efforts such as treating time for follow-up health and cancer screenings, as well as gynecological exams, as work hours, encouraging participation in severe disease prevention programs led by medical staff, promoting online smoking cessation services, and implementing company-wide no-smoking hours.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

See here for details
▶https://newsroom.gs-yuasa.com/news-release/301 (in Japanese)

Provision of High-quality Products

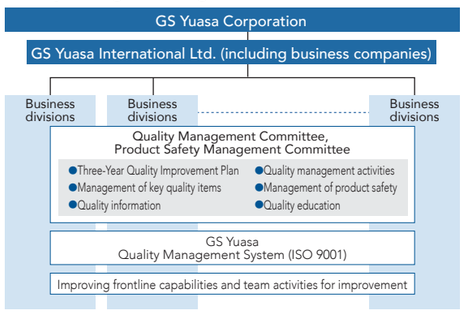
The GS Yuasa Group believes that it is important that we approach manufacturing activities and strive to enhance quality of products and services from the customer's perspective so that we can remain a manufacturer trusted by customers at all times. We are aware that since the Group's products store, control, and convert electrical energy, product safety is of paramount importance.

Implementation of a quality management system

We undertake Group-wide activities aimed at improving the quality of products and services provided to customers based on our Quality Policy. To this end, the Group has formulated, the GS Yuasa Quality Management System based on the ISO 9001 standard, under the leadership of top management. The aim is to promote a quality management system that crosses business divisions. The quality of our products and services is discussed every month by the Quality Management Committee, which is chaired by the executive officer in charge of quality, to enable us to enhance quality on an ongoing basis.

We are also making utmost efforts to bolster the awareness of quality among employees and to boost their understanding and skills related to quality management through quality-related education courses to all employees and team activities for improvement company-wide, thereby enhancing the quality of our products and services.

Quality management organization



Please refer to our website for our Quality Policy.
▶https://www.gs-yuasa.com/en/csr/quality_index.php

TOPICS

Efforts to implement plant inspections by top management

We are systematically conducting top management inspections, in which executives visit our domestic factories and branches. The purpose of these inspections is for executives to observe the workplace as it is and engage in dialogue with frontline employees. By focusing on the quality of work, we share activities and challenges related to safety, quality, and the environment, facilitating communication between management and employees. Frontline employees and young managers report on workplace challenges and activities, creating opportunities for exchanging opinions with executives.



Scenes from inspections by top management

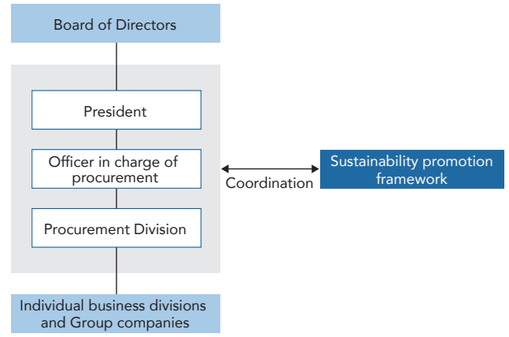
Responsible Procurement Promotion

The Group advances materials procurement based on awareness of such international social issues as forced labor, child labor, and environmental destruction. Along with quality, performance, pricing, delivery deadlines, and other conventional supply demands, we also consider it essential to promote procurement activities with the highest priority on CSR elements (including human rights, working conditions, and the global environment). For this, rather than engaging only in in-house CSR activities, we aim to continue implementing responsible procurement that responds to social issues in cooperation with suppliers.

Implementation of responsible procurement

On the basis of partnerships with suppliers, we have issued Responsible Procurement Guidelines that require suppliers to address CSR issues with the aim of reducing risks that affect the improvement of mutual performance and business continuity by contributing to a sustainable society. We are also working to enforce these guidelines across the global supply chain, raising awareness of CSR issues (such as workers' rights) among suppliers. In new transactions, we select suppliers that agree to the guidelines and conclude contracts that include social standards such as environmental protection, legal compliance, respect for human rights, fair trade, and the exclusion of anti-social forces.

Responsible procurement promotion framework



Responsible procurement survey of suppliers

To realize a sustainable supply chain, we periodically survey our major suppliers concerning their compliance with the requirements in the Responsible Procurement Guidelines. We are working in collaboration with our suppliers to resolve the CSR issues in the supply chain in order to strengthen our business foundation.

Improvement measure completion rate based on supplier CSR surveys (FY2024)

Suppliers of domestic business sites	Suppliers of overseas business sites
100%	100%

Responsible mineral procurement

The Group believes that addressing social issues (armed conflict, human rights violations, etc.) that may arise during the extraction, transport, and trading of minerals used in our products is crucial in the global mineral supply chain. In our promotion of responsible mineral procurement, we have established a policy that sets out our basic approach based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, an international framework for ensuring the responsible procurement of minerals throughout the supply chain.

Please refer to our website for the responsible mineral procurement policy.
▶https://www.gs-yuasa.com/en/csr/pdf/rmpp_200407e.pdf

Return to the Table of Contents

Governance – Messages from Outside Directors



Koji Nitto
Outside Director

Yoshiko Nonogaki
Outside Director

Mitsugu Yamaguchi
Outside Director

We expect steady execution of growth scenarios and maximization of corporate value

Yoshiko Nonogaki Outside Director

The Sixth Mid-Term Management Plan has been positioned as a bridging period for us to overcome past challenges and connect to the Seventh Mid-Term Management Plan. In FY2024, we achieved record profits for the second consecutive year since FY2023, and we highly evaluate the management team for demonstrating concerted and reliable execution. In the Seventh Mid-Term Management Plan, amid a slight slowdown in the global adoption of BEVs, it is necessary to accurately perceive changes, identify risks and opportunities, and steadily execute a profitable growth scenario. The development of batteries for BEVs and the enhancement of our business capabilities in the field of lithium-ion batteries for HEVs and PHEVs are important matters, but given that this involves large-scale investment, we will proceed with caution and care. As previously stated, we will continue to monitor progress closely and make appropriate recommendations as necessary.
High-capacity, high-output lithium-ion batteries will be actively promoted in the ESS market, which we anticipate expanding. We also expect further growth in our existing businesses, such as automotive batteries and industrial batteries and power supplies, as well as our special-purpose businesses ranging from deep sea to space applications. In addition, we expect our overseas strategies tailored to regional characteristics to contribute to profit growth. We fully intend to continue our technological development, which is the seed of future business, without letting up, and to leverage our experience in responding steadily to market changes to guide us in the appropriate direction.

We are also endeavoring to accelerate business operations, which has been an issue in the past, and we feel that decision-making has become faster under the new management system. The biannual advisory meetings between outside directors and the president ensure lively exchanges of candid opinions from the shareholders' perspective on management issues related to capital costs and stock prices. Through direct observation of the workplace and regular exchanges of opinions with executive officers, outside directors are able to gain an objective view from an external perspective and understand the circumstances on the ground, creating a positive synergy that heightens the quality of their recommendations. GS Yuasa's management team is highly receptive to the opinions of outside directors and is strongly committed to transforming the Company based on their recommendations, which is considered a strength.

In addition, efforts to acquire and develop human capital, centered on securing human resources to ensure future growth, are also a key issue, so we are holding repeated discussions with management on this matter. We have also seen an increase in the number of female managers, and we believe that it will be essential to cultivate human resources who can participate in management decision-making as core personnel in the future. We will continue to provide support to help maximize corporate value, including efforts related to human capital.

Contributing to the creation of compelling stories to improve corporate value

Koji Nitto Outside Director

I highly appreciate that the Company has achieved record profits again in FY2024, particularly the substantial improvement in profitability from its existing businesses. It has been a full year since I became an outside director, and amid significant changes in the business environment, particularly in the automotive industry, I feel that the Company's speed of response to environmental changes has steadily improved. The Board of Directors engages in tense discussions, examining whether the key initiatives for the Group and each business unit are necessary and sufficient enough to resolve issues, and whether the investment profitability and recoverability of these key initiatives are sufficiently sound. The executive side sincerely incorporates the opinions of outside directors into management decisions and translates them into the actual implementation of measures. However, I believe that further strengthening of governance, including faster decision-making, will continue to be necessary in anticipation of further changes in the business environment in the future. Especially for the automotive lithium-ion battery business, which is a key growth area for the future, I feel it's important to carefully ascertain major changes in the business environment while moving swiftly to transform ourselves.

In FY2025, the final year of our Sixth Mid-Term Management Plan, we will strive wholeheartedly to achieve our performance targets. Simultaneously, as we advance the formulation of our Seventh Mid-Term Management Plan, we believe it is essential to present a clear plan combining profitability and growth potential to pursue further enhancement of corporate value, hence we must earn market recognition by carefully explaining and communicating this plan. This plan requires a compelling story that demonstrates how each business will strive to maximize its value, ultimately forming an aggregation of high-profit businesses. To achieve this, it is essential that each business unit first clearly define its target vision, positioning, and revenue structure (including ROI standards that take the cost of capital into account). We intend to further develop these discussions at the Board of Directors meetings. As an outside director, it is my intention to contribute my knowledge and experience to ensure that GS Yuasa continues to put its corporate philosophy of "Innovation and Growth" into practice and continuously increase its corporate value.

Contributing to the enhancement of corporate value by applying our experience in organizational reform

Mitsugu Yamaguchi Outside Director

My name is Yamaguchi, and I was appointed as an outside director in June 2025. I served as President of Kobe Steel, Ltd. for six years from April 2018. The company has focused its efforts on fundamental organizational reforms, including rebuilding quality governance to restore trust lost due to inappropriate quality practices that came to light in 2017, as well as corporate governance in general and cultural reforms. In particular, the message I have repeatedly conveyed at the company is that "work is the culmination of communication." We have worked to create an environment that fosters frank conversation by narrowing the gap between management and employees through bidirectional communication. These efforts have enabled the company to transition from "restoring trust" to "enhancing trust," and discussions are now underway on how to deliver quality that delights customers.

GS Yuasa is recognized as a pioneer in the Japanese battery industry, even among the many unique and distinctive companies in Kyoto, and I believe it is a remarkable company that has upheld its position as a leader for over 100 years. I believe that its long history has been made possible by the cultivation of a corporate culture that balances two key elements: a spirit of "Innovation and Growth" that pursues better and newer products based on the DNA of an enterprising nature that has been passed down since its founding, and a strong sense of purpose as a manufacturer to contribute to society through stable production and consistent quality. I anticipate that the business foundation centered on lead-acid batteries, marketing capabilities, technical prowess, and human resources accumulated throughout this history will provide a significant advantage in the battery market, which is expected to grow in the future.

I intend to leverage my experience to support GS Yuasa in maximizing these strengths to achieve further growth and enhance profitability.

Provision of information to outside directors and auditors

The Company actively shares information with outside directors and auditors. In addition to the advance briefings intended to enhance the quality of deliberations at Board of Directors meetings, periodic liaison meetings and other meetings are held with representative directors, business divisions, and management divisions. To facilitate communication with outside directors and auditors, we create various opportunities for sharing information including annual briefings by overseas sites, internal databases, and the minutes from meetings of deliberative bodies.

Main outside director/auditor events in FY2024

Details	Number of times implemented
Periodic liaison meetings with business divisions and management divisions	16 times/year
Meetings for outside directors to report to the president	10 times/year
Periodic liaison meetings with outside directors, outside corporate auditors, and representative directors	4 times/year
Periodic liaison meetings between the president and corporate auditors	4 times/year
Overseas affiliates results briefings	2 times/year
Periodic liaison meetings between outside directors and corporate auditors	1 times/year

Governance – Corporate Governance

Basic Approach

To drive sustainable growth and enhance corporate value over the medium to long term, the Group is committed to establishing an organization and systems that enable fast, efficient responses to a changing business environment. At the same time, our basic policy on corporate governance is to make every effort to thoroughly implement and strengthen compliance and improve the soundness and transparency of management.

Based on this philosophy, GS Yuasa Corporation, a pure holding company, is responsible for formulating management strategies for all of the Group's businesses, as well as management for the entire Group and oversight of the Group's business execution. GS Yuasa International Ltd., the Group's core operating subsidiary, is the key decision-making body for business execution, consolidating and strengthening business execution and enhancing dynamism in the execution of business.

In this manner, functions are divided between GS Yuasa Corporation and GS Yuasa International to enhance and reinforce management structures while establishing governance structures that can increase the transparency and efficiency of management.

Changes made to strengthen corporate governance

After our corporate merger, the Company has worked continuously to strengthen our corporate governance effectively. In particular, our corporate governance has evolved greatly from 2018, after setting up the Nomination and Compensation Committee, bringing in more outside directors, and formulating a skill matrix.

2010 — 2020 (year)

Clarification of management responsibility

- **2013**
  - Term of directors shortened to one year
- **2017 to 2019**
  - Introduction of performance-linked share remuneration system
  - Establishment of the Nomination and Compensation Committee

Increasing diversity and objectivity in management decisions

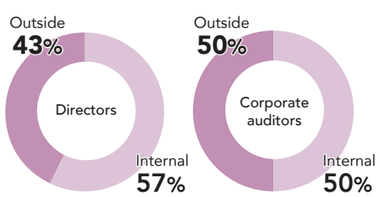
- **2015 to 2017**
  - First outside director hired (one director)
  - Start of evaluating the effectiveness of the Board of Directors (once a year)
  - Number of outside directors increased to two
- **2020**
  - Number of outside directors increased to three
  - Appointment of a female director
- **2021**
  - Formulation of a skill matrix
- **2025**
  - Appointment of a female auditor

Strengthening internal control

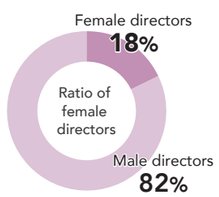
- **2005**
  - Establishment of the Hotline and Reporting Desk
- **2009**
  - Start of employee compliance questionnaire by the president (once a year)
- **2020**
  - A new accounting auditor was appointed, as the previous auditor had been in the post for many years
- **2022**
  - Increased the number of direct reports regarding internal audits to the Board of Directors by the Auditing Office
- **2024**
  - Increased the number of direct reports regarding internal audits to the Board of Directors by the Auditing Office

Corporate governance structure

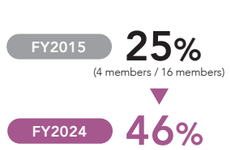
Ratio of outside directors/auditors



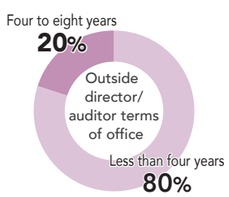
Ratio of female directors



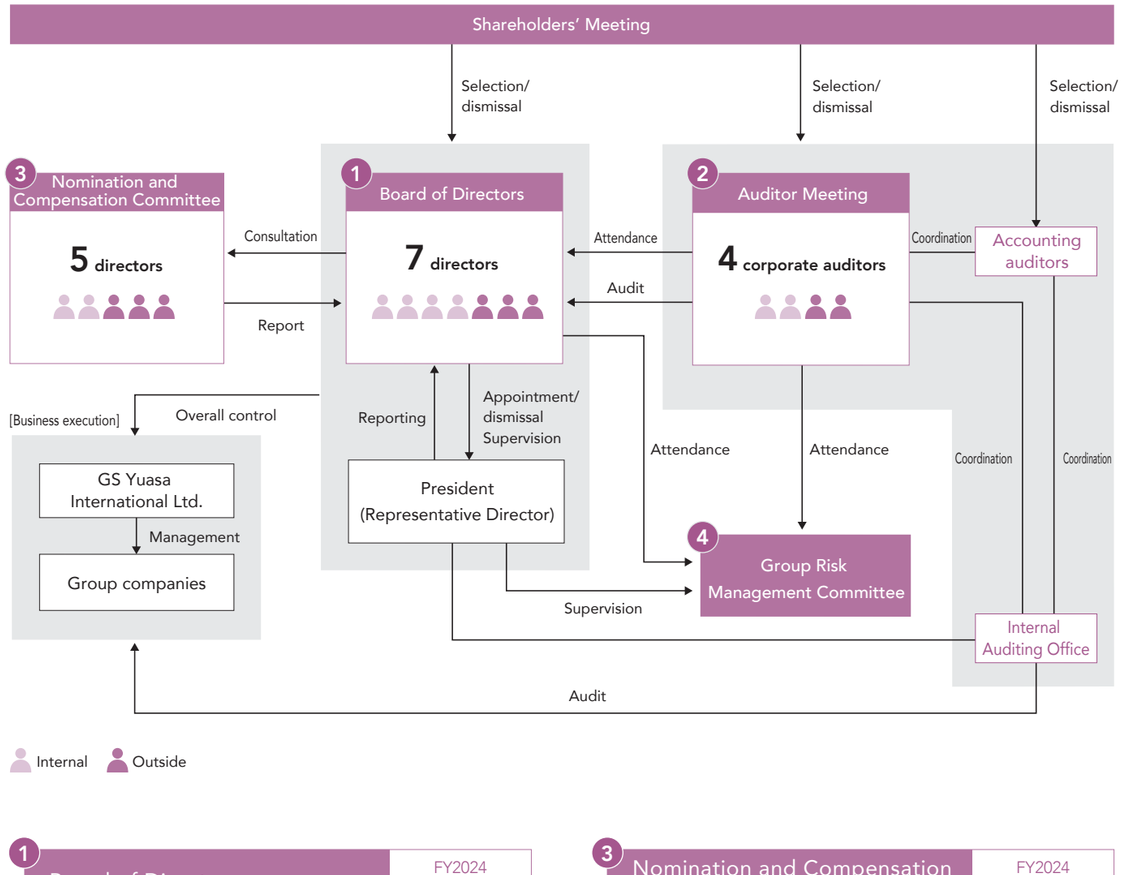
Ratio of outside directors and corporate auditors in the Board of Directors



Outside director/ auditor terms of office



Corporate Governance System (as of June 2025)



1 Board of Directors — FY2024: 17 meetings

The Board of Directors determines medium- to long-term strategies for the Group including management strategies and medium- to long-term management plans, deliberates on significant matters, confirms progress concerning these matters, and creates systems for reporting the operational status of risk management by the Group, thereby overseeing management of the Group as a whole. The board meets once a month*1 in principle.

*1 Extraordinary meetings are held, written resolutions are adopted, and reports are made as necessary.

2 Auditor Meeting — FY2024: 14 meetings

Corporate auditors conduct appropriate auditing and fulfill a management monitoring function by, among other activities, hearing reports on the business outlook, risk management conditions, and other topics in meetings of the Board of Directors and other important conferences; offering both their opinions and suggestions; interviewing directors, employees, and others about the execution of their duties; browsing important decisions, resolutions, and other documents; and investigating asset conditions. The corporate auditors meet once a month in principle.

3 Nomination and Compensation Committee — FY2024: 8 meetings

The Nomination and Compensation Committee is an advisory body aimed at strengthening the independence, objectivity, and accountability of the Board of Directors' functions, such as the nomination and remuneration of directors. The committee discusses proposals for nominating new directors and selecting a new corporate president, as well as plans for successors (including human resource development plan) and other matters, and reports to the Board of Directors. The Nomination and Compensation Committee discusses policy for determining director remuneration, the remuneration of individual directors, and other matters and reports to the Board of Directors.

4 Group Risk Management Committee — FY2024: 2 meetings

The Group Risk Management Committee promotes the management of risks and countermeasures relating to Group management and to share necessary information. It is chaired by the president, and meetings are attended by directors and corporate auditors, the presidents of major subsidiaries, general managers of business units, and others. The committee meets twice a year in principle.

Governance – Corporate Governance

Board of Directors Structure and Their Skill Matrix

Name	Position or responsibility	Knowledge and experience expected by GS Yuasa Corporation: Corporate/ Business management	Financial accounting	Legal affairs/ Risk management	IT/ Digitalization	Global	Manufacturing development	Marketing/ Sales	ESG	Nomination and Compensation Committee	Attendance at the Board of Directors' Meetings in FY2024	Attendance at the Auditor Meetings in FY2024
Osamu Murao	Chairman	●		●			●		●		17/17 times	—
Takashi Abe	President Chief Executive Officer (CEO)	●				●		●	●	■	13/13 times	—
Masahiro Shibutani	Vice President	●	●			●		●		■	17/17 times	—
Hiroaki Matsushima	Director Chief Financial Officer (CFO)	●	●		●				●		17/17 times	—
Yoshiko Nonogaki	Director Outside Independent	●				●		●	●	■	17/17 times	—
Koji Nitto	Director Outside Independent	●	●		●	●				■	13/13 times	—
Mitsugu Yamaguchi	Director Outside Independent	●				●		●	●	■	—	—
Masaya Nakagawa	Corporate Auditor (Full-time)	●				●		●			17/17 times	14/14 times
Yoshiyuki Sanada	Corporate Auditor (Full-time)	●	●						●		13/13 times	10/10 times
Akira Tsujiuchi	Corporate Auditor Outside Independent		●	●					●		17/17 times	14/14 times
Miya Miyama	Corporate Auditor Outside Independent		●	●					●		—	—

Notes: 1. Each person is only listed with a maximum of four items that the Company expects of them. The above table is not an exhaustive list of the knowledge and experience of each person.
2. President Takashi Abe and Director Koji Nitto were nominated at the annual Shareholders' Meeting held on June 27, 2024. Since assuming their positions, they have attended all 13 Board of Directors meetings that have been held.
3. The Corporate Auditor Yoshiyuki Sanada was nominated at the annual Shareholders' Meeting held on June 27, 2024. Since assuming his position, he has attended all 13 Board of Directors meetings and all 10 of the Auditor Meetings that have been held.

Policy on the selection of directors and corporate auditors

To enable the Board of Directors to effectively fulfill its duties as the Board of Directors of the holding company, we select, in a well-balanced manner, persons with knowledge, experience, skills, and so on relating to the business of our Group as a whole and persons who can make statements and act from an objective standpoint and a long-term, wide-ranging perspective. In addition, we strive to achieve a composition that can reflect diverse opinions, including gender and international viewpoints. In the selection of candidate directors, the Board of Directors asks the Nomination and Compensation Committee for advice and makes a final decision in light of its report.

For reasons of selection and activities taken by each of the outside directors and corporate auditors, please see the "Corporate Governance" section of our investor relations website.
▶https://ir.gs-yuasa.com/en/ir/management/esg/governance/governance.html

Situation at the Board of Directors Meetings

The following describes the main topics and reports discussed during the Board of Directors' meetings held in FY2024. It includes many deliberations and reports regarding overseas business strategies and the BEV business for this fiscal year.

Main discussion points in FY2024

Matters relating to the Shareholders' Meeting	● Decision on convocation and agenda of the Shareholders' Meeting ● Approval of business reports, financial documents, etc. ● Deciding of director nominations
Matters relating to directors	● Selection of president and executive directors ● Remuneration and bonuses of directors ● Directors serving concurrently at other companies
Matters relating to management in general	● Matters relating to the Mid-term Management Plan and the Group's business strategies ● Matters relating to cost of capital and capital procurement ● Matters relating to key business activities
Others	● Selection of members of the Nomination and Compensation Committee ● Implementation of appraisal of the Board of Directors' effectiveness and report ● Reports relating to investor relations activities ● Verification of cross-shareholdings

FY2024 event schedule

Number of meetings	17* (Excluding resolutions by written ballot)	Average number of agenda items	8.71 agenda items per meeting	Average duration per meeting	2.60 hours (longest: 4.33 hours)

Evaluating the Effectiveness of the Board of Directors

Once each year, the Company evaluates the effectiveness of its Board of Directors under the leadership of the outside directors and the president with the objectives of confirming whether the current situation is consistent with the ideal status of the Board and the roles it should fulfill, identifying areas for improvement, and further improving operation of the Board. For issues identified in the effectiveness evaluation, we consider and implement improvement measures, and verify the effectiveness during the following year's evaluation.

Analysis and evaluation process

STEP 1: Surveys and interviews

- Survey and interview all directors and corporate auditors

[Evaluation items]
- Composition of the Board of Directors
- Agenda of the Board of Directors
- Management of the Board of Directors
- Duties of the Board of Directors

STEP 2:Reporting and analysis of results

- Report the evaluation results to the Board of Directors based on the survey and interview findings

STEP 3:Discussion regarding future initiatives

- Discuss future initiatives based on the report from the previous Board of Directors meeting

Continue towards further improvements

FY2024 effectiveness evaluation results (Evaluation period: January to December 2024)

Evaluated points	The follow-up system established to ensure regular reporting on the execution status of particularly important matters resolved by the Board of Directors, along with various measures such as the review of the deliberation schedule for key committees implemented to enhance the quality of Board of Directors discussions, were evaluated as showing positive results.
Issues	The following issues were identified in the effectiveness evaluation. All members of the Board of Directors recognize and share the understanding that the Board will further enhance its effectiveness by taking initiatives to address the issues raised. •Accelerating the timing of providing Board of Directors materials •Securing time for advance briefing for outside directors and auditors •Securing time for conducting strategic discussions •Further enriching deliberations at the Board of Directors
Our response	The decision was made to further improve the early provision of materials, enhance advance briefings for outside directors and auditors to prepare for effective discussions, and review report matters for the Board of Directors to secure more time for discussing medium- to long-term issues.

Governance – Corporate Governance

Situation at the Auditor Meetings

Main discussion points in FY2024

Matters relating to audits	● Formulation of audit policies and audit plans ● Compliance with legal requirements in business operations and adherence to corporate conduct standards as a corporate group ● Status of internal control system development and operation ● Status of decision-making processes based on principles for management judgment ● Reasonableness of accounting audits with evaluation of the accounting auditors and agreement on remuneration ● Preparation of audit reports

Situation at the Nomination and Compensation Committee

During the FY2024 Nomination and Compensation Committee meetings, we held extensive discussions leading to the appointment of the new CEO, and deliberated primarily on the following topics.

Main discussion points in FY2024

Matters relating to nominations	● Direction for the next Board of Directors and officer structure ● Selection and appointment of the next President and CEO ● Selection and appointment of outside director candidates ● Regarding changes in officers
Matters relating to remuneration	● Fixed remuneration and short-term performance-linked remuneration amounts for the current fiscal year ● Results of mid- to long-term performance-linked share remuneration ● Review of short-term performance-linked and share remuneration systems ● Determination of the amount of remuneration for officers and the method for calculating it

Working on Officer Training

Since FY2020, we have continuously conducted officer training sessions for all directors and corporate auditors, including outside directors and auditors of the Company, as well as all officers of GS Yuasa International Ltd., the core business company, selecting beneficial topics to help them fulfill their expected roles and responsibilities appropriately, while also creating a deeper understanding of the external environment and fostering a shared awareness of the issues.



Scene of officer training

Fiscal year	Officer training topics
FY2025	■ Trends in automobile electrification and the ESS market ■ What is corporate value? - Action to implement management that is conscious of cost of capital and stock price -
FY2024	■ Roles and responsibilities of management in information security ■ Action to implement management that is conscious of cost of capital and stock price
FY2023	■ Trends concerning carbon neutrality and the storage battery business
FY2022	■ Implementation of purpose-driven management and sustainable management

Remuneration of Directors

Basic policy

To continuously enhance our corporate value and strengthen our corporate competitiveness, the remuneration of directors is ranked and structured in consideration of such factors as securing and retaining talented human resources and increasing their motivation to achieve better business performance.

Determination process and composition of remuneration

The decision on a specific amount of remuneration for directors is delegated to the president by the Board of Directors and the president, upon receiving this delegation, decides the basic remuneration and bonus amounts for each director based on the recommendations of the Nomination and Compensation Committee and within the remuneration limit approved by the Shareholders' Meeting.

The Company also started investigations into linking evaluations of ESG indicators to remuneration systems.

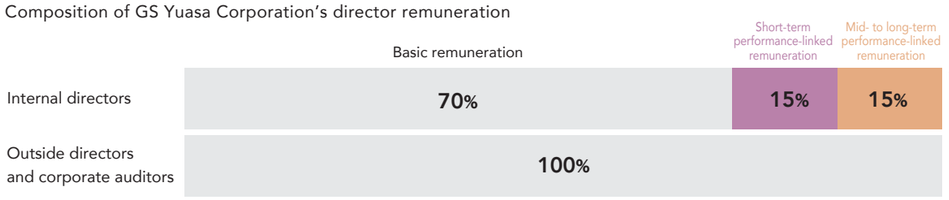
Findings from the Nomination and Compensation Committee

↓

The president determines the amount of basic remuneration and bonuses

Directors	Remuneration consists of fixed basic remuneration, a short-term incentive in the form of a performance-linked annual bonus, and a medium- to long-term incentive in the form of performance-linked share remuneration. Basic remuneration is determined according to the director's position, considering the standards of other listed companies of similar business scale to the Company. Performance-linked remuneration consists of annual bonuses (short-term performance-linked remuneration) and share remuneration (mid- to long-term performance-linked remuneration). Share remuneration is provided through a performance-linked share remuneration plan, under which shares are granted based on the number of points accumulated upon the director's retirement.
Corporate auditors	Corporate auditor remuneration is determined by discussion among the corporate auditors within the range of the amount approved by resolution at the first annual Shareholders' Meeting, which was held on June 29, 2005. In view of their role and independence, auditors receive only the fixed basic remuneration.

Composition of GS Yuasa Corporation's director remuneration



Note: The figure is hypothetical with percentages calculated based on results for FY2024 and may change due to variations in consolidated performance and other factors.

Evaluation items regarding officer remuneration for directors

Basic remuneration	● Standard amount in accordance with the director's position, etc. ● Levels at listed companies with about the same business scale as the Company and other factors
Short-term performance-linked remuneration	● Year-on-year improvement and achievement of targets in consolidated financial performance (net sales, profit attributable to owners of parent, ratio of profit attributable to owners of parent, and ROIC) ● Achievement of individual targets, etc.
Mid- to long-term performance-linked remuneration	● Performance-linked points that fluctuate in the range of 0% to 100% depending on the degree of achievement of performance targets Consolidated net sales / Operating profit ratio before amortization of goodwill, etc. / ROIC (return on invested capital), an evaluation of the efficiency of business activities

Total remuneration amounts and number of directors

Category	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of eligible persons
		Basic remuneration	Performance-linked remuneration		Non-monetary remuneration included in the remuneration to the left	
			Bonus	Share remuneration		
Directors (excluding outside directors)	284	191	55	37	37	5 (including 1 retiree)
Corporate auditors (excluding outside corporate auditors)	51	51	—	—	—	3 (including 1 retiree)
Outside directors and corporate auditors	44	44	—	—	—	6 (3 current directors, 2 current corporate auditors, and 1 retired director)

Note: The above figures are the total amount of remuneration, etc. paid to directors by GS Yuasa Corporation and our subsidiaries.

Governance – Corporate Governance

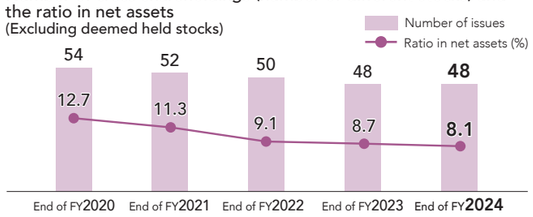
Cross-Shareholdings

The Group believes that holding shares other than pure investments, which are expected to maintain mid-to-long term relationships with investees, expand transactions, and generate synergies, will contribute to the Company's sustainable growth through the smooth promotion of business activities and expansion of transactions, as well as contribute to the development of the local economy by maintaining and enhancing good relationships with the local community. Therefore, the Group's policy is to hold in principle those shares for which the overall rationality of the holding, including economic rationality, can be confirmed, in addition to the significance of such holdings. The Board of Directors of GS Yuasa Corporation annually verifies the rationality of each individual issue of specified investment shares held, focusing on the following points. Based on these policies, if it is decided that there is no rationale for holding the shares, efforts are made to reduce them as appropriate.

Regarding the voting rights of shares held as cross-shareholdings, the Company exercises voting rights after comprehensively assessing the reasonableness of the proposals of the investment target company from the perspective of enhancing corporate value over the medium to long term.

Qualitative Information	● Whether there is a trading relationship ● Significance of the holding other than trading ● Possibility of trading or alliance in the future ● Risks if the shares are disposed of
Quantitative Information	● Most recent trading volume and profit amount ● Amount of dividends received annually, profit / loss on share valuation

Number of cross-shareholdings (number of different stocks) and the ratio in net assets
(Excluding deemed held stocks)



Measures to Reinforce Overseas Governance

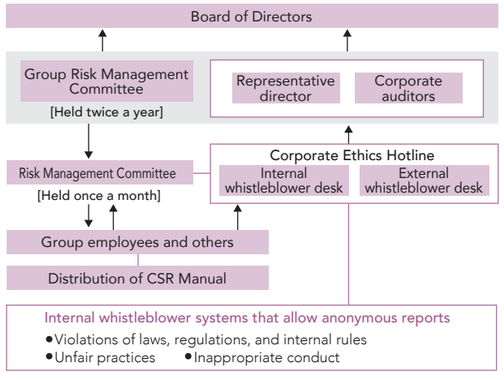
We are reinforcing collaboration with Group companies to ensure comprehensive control by the Company of the business management aspects of overseas Group companies and to prevent the occurrence of problems in the execution of business. Specifically, we are taking action to gain a timely understanding of conditions through briefing meetings with overseas sites and on-site observations of important sites.

Compliance

Basic approach and promotion system

By training our personnel according to our philosophy of "Innovation and Growth" while manifesting our commitment to society and preserving the global environment, we are ensuring that all employees are guided in their behavior focusing on compliance with laws, company regulations, and ethical standards. The Compliance Declaration made by the president states that success must never be achieved through legal and moral infringements and that "establishing rules and structure" and "developing a strong sense of commitment to realize compliance" are essential to becoming a corporate leader in compliance. Based on these guidelines, multifaceted compliance promotion activities are developed at every employee level, and each employee is encouraged to incorporate self-directed and proactive actions to yield an effective improvement in compliance awareness.

Diagram of compliance systems



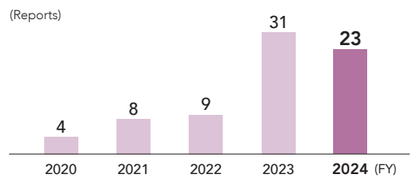
Permeation of compliance awareness

The Group distributes a CSR manual to all employees that clearly defines the rules they must follow as members of the Group, aiming to instill a strong sense of compliance throughout the Company. This manual explains our CSR policy and clearly sets standards for the conduct expected of each employee in the course of their duties. In addition, the manual details how to use the internal whistleblower system, a mechanism that facilitates detection of compliance risks, and introduces an emergency contact system for use in a crisis to realize quick responses to compliance infringements.

Corporate Ethics Hotline

We formulated Corporate Ethics Hotline Regulations and set up a corporate ethics hotline. Accessible both internally and externally, the Corporate Ethics Hotline, an internal whistleblower system, enables employees of the Group and business partners to provide information by telephone, email, or in writing if they become aware of any violation of the law or company regulations, unethical or inappropriate conduct, or risk of such conduct by a Group employee, etc. Reports can be made anonymously. In addition, we ensure that information identifying whistleblowers is managed rigorously and that whistleblowers are protected so that they are not subject to disadvantageous treatment as a result of making a report. To promote awareness of the Corporate Ethics Hotline system among employees of the Company and domestic Group companies, we display posters at key locations in all offices and domestic Group companies.

Number of reports to the Corporate Ethics Hotline





Internal bulletin poster on Corporate Ethics Hotline desk

Risk Management

Basic approach

Risk management is essential for the lasting growth of a company. The GS Yuasa Group believes that the following two points are important as risk management so that crises stemming from the escalation of risks do not occur and exert a serious impact on the Group or on society.

1: Risk avoidance (predicting and understanding risks and adopting appropriate preliminary measures, preventing the escalation of risks (outbreak of crises))

2: Risk reduction (taking effective measures beforehand so that even if a crisis does occur, losses and other damage are kept to a minimum)

Based on this approach, the Group has formulated risk management rules that stipulate the responsibilities of employees and our risk management promotion setup.

Group Risk Management Committee

The Group Risk Management Committee, headed by the president and consisting of the chairs of departmental Risk Management Committees among others, holds semiannual meetings to promote Group-wide risk management and to encourage the sharing of key information related to risk management. In addition to making decisions on measures to promote risk management, the Risk Management Committee confirms that the appropriate risk management measures have been implemented, and the committee chairs report on progress in this area. We also actively exchange opinions and share information on the different styles of risk management and so on.

Risk management activities

In accordance with our risk management rules, each department uses a risk management sheet and promotes risk management activities.

In the event of the occurrence of a critical incident, measures are taken for early resolution and normalization of operations and efforts are made to strengthen management by identifying root causes, implementing and expanding preventive measures, and confirming their status each month using a risk management sheet.

The risk management sheets produced by the departments are compiled at the divisional level, and the directors in charge of the divisions and corporate auditors verify and assess the status of response through the Risk Management Committee. The deliberations by the committee are summarized and then fed back to each department and employee as required to enhance

Outline of risk management activities

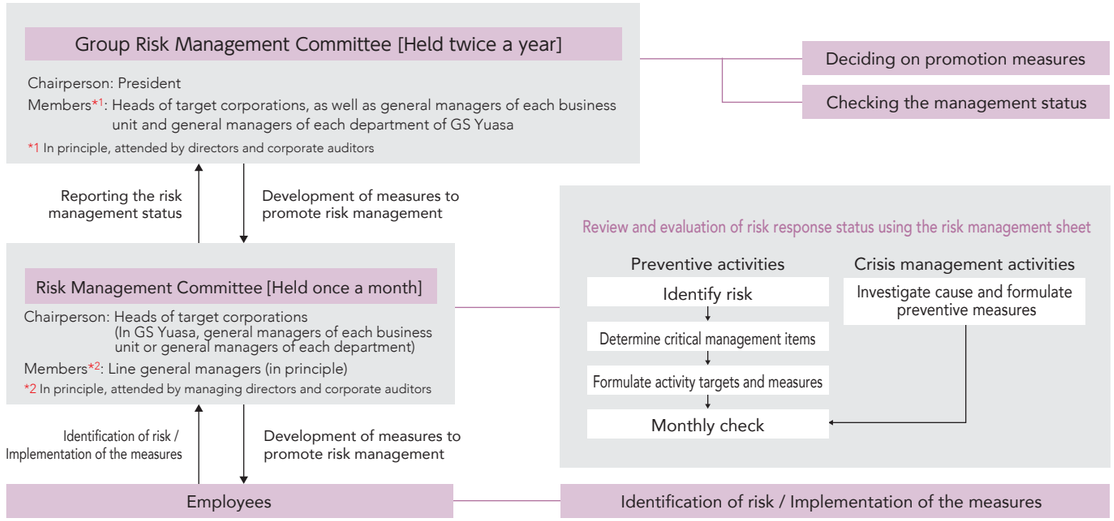
Step1	Identification of risks by departments and employees
Step2	Determination of risks that need to be intensively managed through risk management activities and determination of preventive measures
Step3	Monthly confirmation by each department of the status of implementation of related measures

Governance – Corporate Governance

System for dealing with crises

To prepare for the possibility that a risk materializes, we have established a system that includes an emergency contact network to swiftly implement crisis management. If a serious crisis occurs, members from the Group Risk Management Committee will be appointed to organize a crisis management headquarters, under the president of the Company, to minimize corporate losses, and an effective response will be implemented swiftly and with appropriate care.

Structure and functions of risk management



Risk Information

<Likelihood of occurrence of risks>
◎ : At any time in the next fiscal term ○ : Some possibility of occurrence in the next fiscal term
△ : Awareness of the likelihood of occurrence is necessary

Risk	Impact on the Company	Likelihood of occurrence of risks	Countermeasures
Raw material markets fluctuations	The fluctuation in lead market prices may not immediately reflect in product prices, affecting performance	◎	・Optimization of the overall production system aimed at cost reduction ・Establishment of an optimal supply system
Intensification of price competition	If the competitive environment intensifies with domestic competitors and low-cost overseas suppliers, profitability may decline, causing asset impairment risk that affects performance	◎	・Cost reduction and strengthening of sales power
Fluctuations in exchange and interest rates	・When sales, costs, and assets in each region, such as Japan, Asia, North America, and Europe, are denominated in local currencies and converted to yen, exchange rates may affect the conversion value ・If the currency value in regions where we operate increases, production and procurement costs will rise, and medium- to long-term currency fluctuations could impact planned procurement, manufacturing, distribution, and sales activities and affect performance ・Interest rate increases may lead to higher costs for procuring funds	◎	・Implementation of currency hedging transactions ・Making efforts to balance growth and financial discipline by keeping the debt repayment period within three years
Risks related to international activities and overseas expansion	1) Unforeseen changes to laws or regulations 2) International tax risks such as transfer pricing regulations 3) Difficulty in hiring and retaining human resources 4) The possibility that inadequate technology infrastructure will affect the Group's manufacturing and other activities, or lower the reputation of our products among customers 5) Social disturbances caused by terrorism, war, etc.	○	・Strengthening communication within the Group to build a system for timely supply of products and services that meet global needs ・Monthly performance monitoring
M&A	Significant changes in the business environment mean that the acquired business does not proceed as initially planned and investment funds cannot be recovered, or if goodwill impairment losses occur, they will impact performance	△	・Monthly performance monitoring
Market environment	If the Turkish lira continues to depreciate due to ongoing inflation in the Republic of Turkey, a significant foreign exchange loss could occur, potentially impacting financial performance	○	・Strengthening information sharing between headquarters and each site
Supply chains	If supply chains are disrupted in each country and region, it could delay the procurement of components or sales, impacting performance	◎	・Strengthening communication between headquarters and each site ・Optimizing the overall production system ・Establishment of an optimal supply system
Information security	If information is leaked due to improper handling of information equipment or if information is leaked or tampered with due to cyberattacks from outside, it could lead to a suspension of business activities	◎	・Preventing endpoint malware infections and building an information security system capable of quickly detecting and responding to incidents ・Preventing unauthorized access through constant communication monitoring and an unauthorized connection detection system ・Conducting awareness and education activities to encourage employees to comply with internal regulations ・For overseas Group companies, survey and guide based on domestic standards for security measures
Product quality	If defects occur in the Group's products or services, we could be liable for damages caused by the defects, and substantial countermeasure costs could arise	○	・Establishing the GS Yuasa Quality Management System based on ISO 9001, promoting a cross-functional quality management system led by top management
Development and production of batteries for BEVs	There is no guarantee of mass production beginning in FY2027, and it could be influenced by trends in the BEV market and the competitive landscape, affecting our financial condition and performance	○	・Promoting the development of competitive lithium-ion batteries for BEVs by leveraging the knowledge cultivated with lithium-ion batteries for HEVs, PHEVs, and EVs at Honda·GS Yuasa EV Battery R&D Co., Ltd. ・Aiming for early production line operation and expansion of production capacity for BEV batteries by utilizing joint investment by the Group and Honda Motor Co., Ltd. along with government subsidies
Compliance	Violations of laws and regulations related to business activities, or the occurrence of litigation, may impact business performance and the Group's financial condition	○	・ Distribution of a manual (CSR Manual) clearly outlining our corporate philosophy and rules to be followed to all employees in order to instill a strong sense of compliance throughout the Company ・Establishment of an internal reporting system (Corporate Ethics Hotline) that facilitates anonymous reporting
Human rights	In the event that unexpected circumstances give rise to human rights issues, our business performance and financial condition may be adversely affected	○	・Outlining the fundamental approach of respecting human rights in the CSR policy and make this policy known to employees ・Promoting human rights risk management utilizing human rights due diligence in accordance with the Guiding Principles on Business and Human Rights
Climate change	If extremely challenging situations arise in adapting to environmental regulations or unforeseen events occur, this could lead to higher-than-expected environmental response costs, facility damage from natural disasters like wind and flood damage, and restrictions on business activities, which could impact business performance	It is difficult to make a complete forecast	・Reducing CO_2 emissions by promoting the use of renewable energy with storage battery technology ・Promoting disclosure of information in accordance with the TCFD recommendations
Disasters and accidents	It poses a risk if unexpected events occur, such as natural disasters (earthquakes, wind and flood damage, heavy snow, etc.) or accidents like fires, explosions, and damage at our Group's business sites	◎	・Creation of manuals for responding to earthquakes, water disasters, and heavy snow ・Enhancement of fire and disaster prevention management

BCP Initiatives

Natural disasters, plant fires, and supply chain disruptions have occurred in recent years, and responding to risk has become critical as an aspect of corporate social responsibility. Accordingly, to facilitate BCP responses, in FY2021, the Group launched a BCP project led by the Environmental Management, Occupational Health & Safety Division with personnel from other divisions and set up a BCP promotion system in FY2023 (BCP manual preparation, business impact analysis, and the creation of an employee safety confirmation system).

In April 2024, we established a Business Continuity Policy, and to drive more effective activities, we launched quarterly BCP Promotion Meetings (with Group-wide participation). In June of the same year, we distributed Survival Cards to all employees as guidelines for action during disasters, summarizing safety information to promote BCP awareness internally. Furthermore, in November, we conducted a Business Division Countermeasures Headquarters drill simulating a Nankai Trough-scale earthquake, and in February 2025, a first-ever Group Countermeasures Headquarters drill was held for executives.

In FY2025, in addition to the activities conducted in FY2024, we plan to distribute educational videos to all employees and conduct communication drills for executives, which are set to enhance the effectiveness of our Group-wide BCP promotion system.

See here for more details on our Business Continuity Policy
▶https://www.gs-yuasa.com/jp/company/pdf/business_continuity_policy.pdf (in Japanese)

For details on our BCP initiatives, please also refer to "BCP Initiatives" within the "Corporate Governance" section on our investor relations website.
▶https://ir.gs-yuasa.com/en/ir/management/esg/governance/governance.html

Governance – Corporate Governance

BCP project activity roadmap (conceptual)

FY2021	FY2022	FY2023	FY2024	FY2025
Phase 1 Formulation of BCP development plan for the entire Group	**Phase 2** Formulation of BCP plans for three core companies*3	**Phase 3** ●Formulation of BCP plans for six affiliated companies*4 ●Creation of systems for Emergency Response Headquarters	**Phase 4** ●Group-wide BCP integration ●Establishment of a BCP promotion system ●Implementation of employee education and training to promote the spread of BCP	Establishment and commencement of operations for the BCP Promotion Meetings ●Strengthening disaster resilience ●Promoting awareness and reinforcing the Emergency Response Headquarters using drills

*3 GS Yuasa International Ltd. / GS Yuasa Technology Ltd. / Blue Energy Co., Ltd.

*4 GS Yuasa Energy Co., Ltd. / GS Yuasa Chemical Co., Ltd. / GS Yuasa Ibaraki Co., Ltd. / GS Yuasa Iwaki Co., Ltd. / GS Yuasa Moldings Co., Ltd. / GS Yuasa Azumino Co., Ltd.

TOPICS

Conducting a BCP Headquarters drill simulating a Nankai Trough-scale earthquake

The Company conducted its first BCP Group Countermeasures Headquarters drill for executives in February 2025. In this drill, we monitored the actions of the Business Division Countermeasures Headquarters, reviewed key issues common to the entire Group, then swiftly implemented policy decisions. Going forward, each business unit will further strengthen coordination, strive to establish a system capable of responding immediately to any disaster, and aim to develop a more effective BCP.



Scene from the BCP Headquarters drill

Information Security

We place high importance on information security initiatives, so as the Information Systems Division, we have obtained information security certification (ISO 27001) and newly established a dedicated security division to bolster security across the entire Group. In addition to preventing malware infection of endpoints including PCs, we are strengthening our countermeasures by introducing tools that can quickly detect and respond if an infection or intrusion is allowed to occur. In addition, through the regular monitoring of communications by an outside security service, the introduction of an illegal connection detection system and other measures, we endeavor to prevent illegal access to our in-house network and forestall damage.

We established Information Security Management Rules applicable to the entire Group and promote awareness-raising activities so that our employees follow our Procedures for the Management of Information System Usage. To prevent the outflow of confidential information, we conduct the encryption of personal computer data taken outside the company, the distribution of an information security handbook, the implementation of e-learning, distribution of email newsletters on information security, and so on. Furthermore, we are working to strengthen security across the entire supply chain by surveying the security measures implemented by our domestic and international Group companies and domestic suppliers based on our security standards, and provide guidance on addressing vulnerabilities.

Internal initiatives relating to information security (FY2024)

	Details	Number of times implemented
Education and training	e-learning	1 times
	Targeted attack email training	2 times

	Details	Number of times implemented
Awareness-raising activities	Distribution of information security column emails	4 times
	Distribution of awareness-raising information in email newsletters	12 times

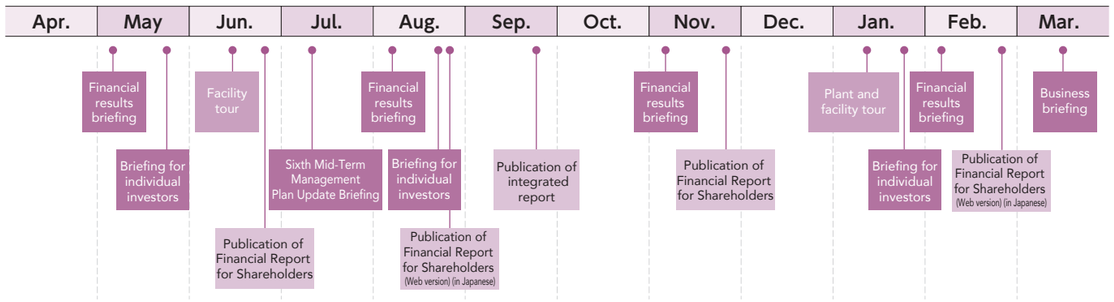
Communication with Stakeholders

We endeavor to communicate with shareholders, investors, and other stakeholders through various channels.

As investor relations activities, in addition to quarterly financial results briefings for institutional investors and analysts, we regularly participate in conferences sponsored by securities companies, individual meetings, briefings for individual investors, and other events. We also actively hold events such as study meetings, briefings, and plant tours to deepen understanding of our business. Furthermore, we make use of investor relations websites to actively transmit information in a timely manner. Opinions gathered through IR activities are regularly shared with the management team, reported to the Board of Directors biannually, and reported at the Executive Briefing quarterly, with efforts made to reflect these in management and business activities.

As a means of disseminating information internally, we provide video presentations of financial results on a half-year basis, distribute financial results in internal reports, regularly publish an IR column on the PR portal site, and implement in-house training programs to disseminate IR information.

Record of main IR activities (FY2024)



Activity content		FY2024 results
Individual meetings	Japan	247
	Overseas	71
	Total	318
Overseas roadshows		5 (conducted online)
Conferences		5 times
Small meetings		3 times
Plant and facility tours		3 times
Business briefings		1 times
Briefings for individual investors		3 times



At a plant tour for individual investors and analysts



Video of financial results briefing

Key dialogue themes and areas of interest (FY2024)

Automotive batteries (Japan)	●Sustainability of the price increase effect for new automobiles
Automotive batteries (Overseas)	●The situation in ASEAN ●Business risks in Turkey ●Impact of hyperinflation accounting (actual results and forecast)
Industrial batteries and power supplies	●Continued positive performance in the emergency field ●Forecast for the next fiscal year's regular field ●Status of products for data centers
Automotive lithium-ion batteries	●Forecast for HEV production capacity expansion ●Forecast for PHEV demand recovery
Specialized batteries	●Defense-related demand ●Price increase effect for submarines
The whole Company	●Potential for upswing from full-year earnings forecast
ESG	●Response to lead restrictions ●Challenges and responses in engagement surveys ●Reduction of cross-shareholdings ●Remuneration of directors

Governance – Directors and Auditors (As of June 27, 2025)

N Nomination and Compensation Committee
A Auditor Meeting

Directors



Osamu Murao
Chairman

Years in office: 1
Number of shares held: 19,400 shares

Apr. 1982 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Apr. 2010 General Manager of Industrial Battery Production Division, Industrial Batteries and Power Supplies Business Unit, GS Yuasa International Ltd.
Jun. 2011 Officer, GS Yuasa International Ltd.
Jun. 2012 Director of the Company
Director, GS Yuasa International Ltd.
Director, GS Yuasa Technology Ltd.
Jun. 2015 President of the Company
Chief Executive Officer (CEO) of the Company
President, GS Yuasa International Ltd.
Jun. 2024 Chairman of the Company (current position)
Chairman, GS Yuasa International Ltd. (current position)



Takashi Abe N
President and Representative Director

Years in office: 1
Number of shares held: 5,200 shares

Apr. 1989 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Mar. 2003 President, GS Battery U.S.A. Inc.
Jun. 2016 Corporate Officer, GS Yuasa International Ltd.
Oct. 2016 Director and Vice President, GS Yuasa Energy Co., Ltd.
Apr. 2018 Deputy Business Unit Manager of Industrial Batteries and Power Supplies Business Unit, GS Yuasa International Ltd.
Apr. 2022 Director, GS Yuasa International Ltd.
Apr. 2023 Business Unit Manager of Automotive Batteries Business Unit, GS Yuasa International Ltd.
Jun. 2024 President of the Company (current position)
Chief Executive Officer (CEO) of the Company (current position)
President, GS Yuasa International Ltd. (current position)



Masahiro Shibutani N
Vice President and Representative Director

Years in office: 2
Number of shares held: 6,700 shares

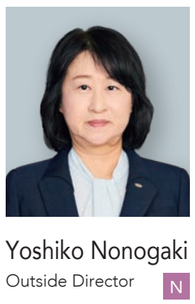
Apr. 1984 Joined Yuasa Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Jan. 2006 General Manager, Finance and Accounting Division of the Company
Apr. 2007 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
Apr. 2010 President, Yuasa Business (Tianjin) Co. Ltd.
Apr. 2012 General Manager, Corporate Office of the Company
General Manager, Internal Control Office of the Company
Jun. 2014 Officer, GS Yuasa International Ltd.
Corporate Auditor, GS Yuasa Battery Ltd.
Jun. 2016 Corporate Officer, GS Yuasa International Ltd.
President, GS Yuasa Battery Ltd.
Jun. 2019 Senior Officer, GS Yuasa International Ltd.
Apr. 2020 Director, GS Yuasa International Ltd.
Business Unit Manager of Automotive Batteries Business Unit, GS Yuasa International Ltd.
Apr. 2021 Managing Director, GS Yuasa International Ltd.
Jun. 2021 Managing Director of the Company
Jun. 2022 Senior Managing Director of the Company
Senior Managing Director, GS Yuasa International Ltd.
Jun. 2023 Vice President of the Company (current position)
Vice President, GS Yuasa International Ltd. (current position)



Hiroaki Matsushima
Director and CFO

Years in office: 3
Number of shares held: 7,400 shares

Apr. 1989 Joined Yuasa Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Apr. 2015 General Manager, Corporate Office of the Company
Jun. 2016 General Manager, Finance and Accounting Division, GS Yuasa International Ltd. (current position)
Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
Corporate Auditor, GS Yuasa Fieldings Ltd.
Jun. 2017 Officer, GS Yuasa International Ltd.
Jun. 2018 President, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
Apr. 2020 Head of Corporate Office of the Company (current position)
Apr. 2021 Director, GS Yuasa International Ltd. (current position)
Jun. 2022 Director of the Company (current position)
Chief Financial Officer (CFO) of the Company (current position)



Yoshiko Nonogaki
Outside Director N

Years in office: 5
Number of shares held: 1,200 shares

Apr. 1980 Joined Sony Corporation (currently Sony Group Corporation)
Sep. 1992 President and Representative Director, Sony Poland
Jul. 1994 General Manager of Sales and Marketing Department, Recording Media and Energy Company, Sony Corporation (currently Sony Group Corporation)
Apr. 1999 General Manager of Planning and Marketing Department, Personal IT Network Company, Sony Corporation
Apr. 2006 General Manager of Business Planning Department, Business and Professional Solution Group, Sony Corporation
Apr. 2009 Senior General Manager of Planning and Marketing Division, Business and Professional Solution Group, Sony Corporation
Apr. 2013 Director of Global Diversity, Personnel HQ, Sony Corporation
Jun. 2015 Outside Director, Jolly-Pasta Co., Ltd.
Jun. 2019 Outside Director, Nifco Inc. (current position)
Jun. 2020 Outside Director of the Company (current position)
Jun. 2021 Outside Director, SATO Holdings Corporation (currently SATO CORPORATION) (current position)



Koji Nitto N
Outside Director

Years in office: 1
Number of shares held: 400 shares

Apr. 1983 Joined OMRON TATEISI ELECTRONICS CO. (currently OMRON Corporation)
Mar. 2011 Senior General Manager of Global Resource Management HQ, OMRON Corporation
Jun. 2011 Executive Officer, OMRON Corporation
Mar. 2013 Senior General Manager of Global SCM and IT Innovation HQ, OMRON Corporation
Apr. 2013 Managing Executive Officer, OMRON Corporation
Mar. 2014 Senior General Manager of Global Strategy HQ, OMRON Corporation
Apr. 2014 Senior Managing Executive Officer, OMRON Corporation
Jun. 2014 Director and Senior Managing Executive Officer, OMRON Corporation
Apr. 2017 Director, Senior Managing Executive Officer and Chief Financial Officer (CFO), OMRON Corporation
Jun. 2023 Outside Director, Wacoal Holdings Corporation (current position)
Jun. 2024 Outside Director (Audit and Supervisory Committee Member), T&D Holdings Inc. (current position)
Outside Director of the Company (current position)



Mitsugu Yamaguchi
Outside Director N

Years in office: Newly appointed
Number of shares held: —

Apr. 1981 Joined Kobe Steel, Ltd.
Apr. 2006 General Manager of Planning & Administration Department, Machinery & Engineering Company, Kobe Steel, Ltd.
Apr. 2010 Senior General Manager and General Manager of Planning & Administration Department, Machinery Business, Kobe Steel, Ltd.
Apr. 2011 Officer and General Manager of Corporate Planning Department, Kobe Steel, Ltd.
Apr. 2013 Senior Officer, Kobe Steel, Ltd.
Apr. 2014 Senior Officer, Deputy General Manager of Compressor Division, Machinery Business, and General Manager of Planning & Administration Department, Machinery Business, Kobe Steel, Ltd.
Apr. 2015 Executive Officer and General Manager of Industrial Machinery Division, Machinery Business, Kobe Steel, Ltd.
Jun. 2016 Director, Senior Managing Executive Officer, and Head of Machinery Business, Kobe Steel, Ltd.
Apr. 2017 Executive Vice President and Director, and Head of Machinery Business, Kobe Steel, Ltd.
Apr. 2018 President, CEO and Director, Kobe Steel, Ltd.
Jun. 2024 Senior Advisor, Kobe Steel, Ltd. (current position)
Jun. 2025 Outside Director of the Company (current position)

Corporate Auditors



Masaya Nakagawa
Corporate Auditor (Full-time) A

Years in office: 2
Number of shares held: 9,400 shares

Apr. 1987 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Jul. 2008 President, GS Battery Vietnam Co., Ltd.
Apr. 2015 Deputy Division Manager of Planning Division, International Business Unit, GS Yuasa International Ltd.
General Manager of Technical Strategic Planning Office, Global Technical Headquarters, GS Yuasa International Ltd.
Aug. 2015 Division Manager of Planning Division, International Business Unit, GS Yuasa International Ltd.
General Manager of Strategy Planning Department, Planning Division, International Business Unit, GS Yuasa International Ltd.
Jun. 2016 Officer, GS Yuasa International Ltd.
General Manager of Quality Management Department, Business Development Division, International Business Unit, GS Yuasa International Ltd.
Apr. 2017 Division Manager of Planning Division, Automotive Batteries Business Unit, GS Yuasa International Ltd.
General Manager of Strategy Planning Department, Planning Division, Automotive Batteries Business Unit, GS Yuasa International Ltd.
Apr. 2018 General Manager of Technical Strategic Planning Office, Global Technical Center, GS Yuasa International Ltd.
Jun. 2019 Director, GS Yuasa International Ltd.
Deputy Business Unit Manager of Automotive Batteries Business Unit, GS Yuasa International Ltd.
Jun. 2023 Full-time Corporate Auditor of the Company (current position)
Full-time Corporate Auditor, GS Yuasa International Ltd. (current position)
Corporate Auditor, Lithium Energy Japan
Corporate Auditor, Blue Energy Co., Ltd. (current position)
Corporate Auditor, GS Yuasa Fieldings Ltd. (current position)
Corporate Auditor, Honda·GS Yuasa EV Battery R&D Co., Ltd. (current position)



Yoshiyuki Sanada
Corporate Auditor (Full-time) A

Years in office: 1
Number of shares held: 4,900 shares

Apr. 1985 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Jun. 2004 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
Oct. 2005 Director, GS Yuasa Business Support Ltd. (currently GS Yuasa International Ltd.)
Jun. 2006 General Manager, Finance and Accounting Division of the Company
Oct. 2008 General Manager, Internal Control Office of the Company
Apr. 2010 General Manager, Corporate Office of the Company
Mar. 2011 Director of Lithium Energy Japan
Apr. 2012 General Manager of Business Planning Department, Automotive Batteries Business Unit, GS Yuasa International Ltd.
General Manager of Technical Strategic Planning Office, Global Technical Headquarters, GS Yuasa International Ltd.
Jul. 2014 General Manager, Corporate Office of the Company
General Manager of Corporate Strategic Planning Office, GS Yuasa International Ltd.
Jun. 2016 Officer, GS Yuasa International Ltd.
Apr. 2020 Manager of Secretarial Office, GS Yuasa International Ltd.
Jun. 2024 Full-time Corporate Auditor of the Company (current position)
Full-time Corporate Auditor, GS Yuasa International Ltd. (current position)
Corporate Auditor, GS Yuasa Technology Ltd. (current position)
Corporate Auditor, GS Yuasa Battery Ltd. (current position)
Corporate Auditor, GS Yuasa Energy Co., Ltd. (current position)



Akira Tsujiuchi A
Outside Corporate Auditor (Part-time)

Years in office: 4
Number of shares held: 600 shares

Feb. 1978 Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)
Mar. 1982 Registered as a certified public accountant
Jun. 1998 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Jun. 2019 Outside Director (Audit & Supervisory Committee Member), Estic Corporation
Jul. 2019 Head of Tsujiuchi Accounting Office (current position)
Jan. 2020 Outside Director, Gakujo Co., Ltd. (current position)
Jun. 2020 Outside Corporate Auditor, Sekisui Jushi Corporation (current position)
Jun. 2021 Outside Corporate Auditor of the Company (current position)
Jun. 2022 Director, The Japanese Institute of Certified Public Accountants Kinki Chapter (current position)



Miya Miyama A
Outside Corporate Auditor (Part-time)

Years in office: Newly appointed
Number of shares held: —

Oct. 2002 Public Prosecutor (Tokyo District Public Prosecutors Office)
Jul. 2013 Head of Compliance Department, Innovation Network Corporation of Japan
Jul. 2016 Registered as an attorney at Law of Japan Federation of Bar Associations (a member of Dai-Ichi Tokyo Bar Association)
Joined CITY-YUWA PARTNERS
Apr. 2018 Regular Delegate, Dai-Ichi Tokyo Bar Association
Jan. 2019 Partner Attorney, CITY-YUWA PARTNERS (current position)
Apr. 2020 Vice Chair of Gender Equality Committee, Kanto Federation of Bar Associations
Jun. 2021 Outside Director, Totetsu Kogyo Co., Ltd. (current position)
Mar. 2022 Outside Corporate Auditor, Renesas Electronics Corporation
Jun. 2025 Outside Corporate Auditor, JCR Pharmaceuticals Co., Ltd. (current position)
Outside Corporate Auditor of the Company (current position)

Summary of Key Financial Data

Notes: 1. Operating profit ratio, ROE, and total payout ratio refer to profit before amortization of goodwill (operating profit and profit) after FY2016.
2. The Company implemented a five-to-one consolidation of ordinary shares on October 1, 2018, and consequently, per-share indicators from prior to the consolidation have been calculated as if the share consolidation were implemented.
3. The "automotive batteries (overseas)" segment previously included a portion of transaction amounts for industrial batteries handled overseas, but as of FY2018, the segment was changed to "industrial batteries and power supplies." Net sales and operating profit for FY2017 are indicated for the reporting segments after the change.
4. Some consolidated subsidiaries in the "automotive batteries (overseas)" segment were transferred to the "industrial batteries and power supplies" segment in FY2019. In conjunction with this change, figures for FY2018 were restated according to the modified segments.
5. ROIC is calculated as follows: Operating profit 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.
6. Some consolidated subsidiaries in the "Industrial Batteries and Power Supplies" segment were transferred to the "Specialized Batteries and Others" segment from FY2023. In conjunction with this change, figures for FY2022 were restated according to the modified segments.
7. R&D expenses for automotive lithium-ion batteries in FY2024 include R&D expenses for Honda GS Yuasa EV Battery R&D in the total R&D expenses for the segment.

(Millions of yen)	FY2014 (Year ended March 31, 2015)	FY2015 (Year ended March 31, 2016)	FY2016 (Year ended March 31, 2017)	FY2017 (Year ended March 31, 2018)	FY2018 (Year ended March 31, 2019)	FY2019 (Year ended March 31, 2020)	FY2020 (Year ended March 31, 2021)	FY2021 (Year ended March 31, 2022)	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)	**FY2024 (Year ended March 31, 2025)**
Operating results											
Net sales	¥ 369,760	¥ 365,610	¥ 359,605	¥ 410,951	¥ 413,089	¥ 395,553	¥ 386,511	¥ 432,133	¥ 517,735	¥ 562,897	**¥ 580,340**
Automotive batteries (Japan)	51,747	50,986	67,598	89,240	91,460	88,059	83,639	81,494	87,802	94,047	**101,922**
Automotive batteries (Overseas)	183,759	191,402	170,613	185,574	177,052	162,138	165,296	186,743	247,329	252,863	**260,076**
Industrial batteries and power supplies	79,822	74,804	72,765	74,237	80,042	84,566	84,037	99,465	97,611	109,668	**113,134**
Automotive lithium-ion batteries	45,181	38,312	39,305	44,784	45,585	42,264	35,950	47,637	65,355	84,787	**82,791**
Specialized batteries and others	9,248	10,104	9,323	17,113	18,947	18,525	17,587	16,791	19,636	21,531	**22,415**
Operating profit	20,914	21,909	23,106	21,920	22,654	21,676	24,810	22,664	31,500	41,595	**50,028**
Operating profit before amortization of goodwill	–	–	24,185	24,076	25,066	23,935	27,069	23,853	32,074	42,229	**50,748**
Automotive batteries (Japan)	2,397	3,291	5,676	6,143	7,766	6,976	8,669	5,878	6,547	8,071	**10,669**
Automotive batteries (Overseas)	10,786	11,358	10,460	8,960	9,926	9,187	12,225	9,965	13,345	15,119	**18,703**
Industrial batteries and power supplies	8,657	8,061	8,701	7,364	7,827	9,157	6,890	5,775	8,549	13,182	**17,855**
Automotive lithium-ion batteries	(2,626)	(565)	45	1,320	300	(1,708)	(852)	1,654	1,986	2,649	**1,383**
Specialized batteries and others	1,698	(235)	(699)	287	(754)	322	136	579	1,646	3,207	**2,136**
Ordinary profit	22,357	21,416	22,545	21,387	24,728	23,109	27,279	24,684	24,213	43,981	**46,345**
Profit attributable to owners of parent	10,043	9,030	12,229	11,449	13,524	13,674	11,455	8,468	13,925	32,064	**30,416**
Profit attributable to owners of parent before amortization of goodwill	–	–	13,699	13,894	15,974	15,925	13,538	9,498	14,435	32,634	**31,050**
Investment related											
Capital investment	11,008	12,955	19,909	15,223	21,461	18,220	23,159	28,575	32,800	49,355	**58,763**
Automotive batteries (Japan)	783	1,490	1,909	2,355	3,649	2,151	2,500	3,796	2,764	3,198	**3,005**
Automotive batteries (Overseas)	3,994	2,531	3,718	6,301	6,669	5,488	5,064	5,279	10,952	7,336	**8,849**
Industrial batteries and power supplies	1,541	1,321	1,190	1,068	2,074	1,703	1,428	1,347	4,238	2,046	**5,738**
Automotive lithium-ion batteries	1,877	2,704	1,742	1,325	5,195	5,030	5,639	10,972	7,166	14,967	**13,040**
Specialized batteries and others	2,812	4,909	11,351	4,174	3,874	3,849	8,256	7,180	7,677	21,805	**28,130**
Depreciation expenses	16,260	16,004	16,314	18,119	17,820	17,659	18,031	18,207	20,954	22,799	**24,660**
Automotive batteries (Japan)	768	815	1,340	1,860	1,774	3,167	3,137	2,862	2,646	2,813	**2,936**
Automotive batteries (Overseas)	5,013	5,336	4,204	4,174	4,016	4,414	4,467	4,908	6,725	7,455	**8,380**
Industrial batteries and power supplies	1,071	1,125	1,224	1,267	1,602	1,654	1,688	1,624	1,680	1,943	**1,862**
Automotive lithium-ion batteries	6,011	5,298	5,554	5,212	4,387	3,258	3,525	3,280	4,103	4,886	**6,149**
Specialized batteries and others	3,394	3,428	3,989	5,603	6,040	5,164	5,212	5,531	5,798	5,700	**5,331**
Research and development expenses	6,725	6,996	9,533	11,170	9,868	9,517	11,201	12,383	12,622	14,002	**18,499**
Automotive batteries (Japan)	685	703	1,230	2,615	2,160	2,434	1,914	1,786	1,860	1,993	**1,984**
Automotive batteries (Overseas)	643	625	498								
Industrial batteries and power supplies	2,258	2,257	2,288	2,055	2,353	2,325	2,101	2,584	2,594	4,089	**2,988**
Automotive lithium-ion batteries	3,006	3,221	5,200	6,086	5,022	4,370	6,901	7,727	7,738	7,595	**13,168**
Specialized batteries and others	131	190	316	412	332	386	284	285	428	324	**357**
Cash flows											
Cash flows from operating activities	19,729	30,215	34,846	21,934	31,493	33,119	35,817	12,879	28,330	63,180	**39,296**
Cash flows from investing activities	(14,519)	(17,311)	(32,912)	(20,810)	(17,570)	(20,690)	(19,327)	(30,204)	(26,567)	(46,192)	**(58,824)**
Free cash flow	5,210	12,904	1,934	1,124	13,923	12,429	16,490	(17,325)	1,763	16,988	**(19,528)**
Cash flows from financing activities	(5,798)	(9,685)	(3,715)	(6,702)	(11,706)	(10,245)	(7,018)	5,203	8,826	3,480	**14,235**
Financial condition											
Total assets	¥ 359,522	¥ 346,523	¥ 370,508	¥ 389,216	¥ 384,243	¥ 385,416	¥ 431,913	¥ 480,763	¥ 540,906	¥ 656,663	**¥ 693,738**
Cash and cash equivalents	25,708	27,788	24,673	19,776	23,408	24,748	35,807	25,845	36,027	60,307	**56,681**
Total net assets	182,187	177,790	188,155	205,638	207,708	205,318	234,570	249,938	270,890	373,880	**390,987**
Total debt	82,166	73,608	74,257	75,153	66,940	64,548	65,420	82,478	103,675	76,159	**105,655**
Total equity before noncontrolling interests	161,386	153,723	161,722	175,775	178,320	176,336	202,245	215,233	230,677	329,991	**347,046**
Number of employees	14,506	14,415	14,710	14,585	14,217	13,542	13,305	13,571	14,317	12,892	**12,478**
Per share data											
Basic earnings per share (yen)	¥ 121.66	¥ 109.39	¥ 148.14	¥ 138.90	¥ 164.74	¥ 168.23	¥ 141.91	¥ 105.23	¥ 173.11	¥ 369.74	**¥ 303.25**
Net assets per share (yen)	1,954.89	1,862.16	1,959.14	2,138.45	2,179.03	2,173.37	2,509.08	2,675.70	2,867.23	3,289.95	**3,460.02**
Cash dividends per share applicable to the year (yen)	50	50	50	50	50	50	50	50	50	70	**75**
Financial indices											
Operating profit ratio (%)	5.7	6.0	6.7	5.9	6.1	6.1	7.0	5.5	6.2	7.5	**8.7**
ROE (Return on Equity) (%)	6.7	5.7	8.7	8.2	9.0	9.0	7.2	4.6	6.5	11.6	**9.2**
ROIC (Return on Invested Capital) (%)	9.3	9.8	11.1	10.9	11.3	10.9	12.0	9.7	11.4	13.7	**14.8**
Equity ratio (%)	44.9	44.4	43.6	45.2	46.4	45.8	46.8	44.8	42.6	50.3	**50.0**
Ratio of interest-bearing debt to cash flow (years)	4.3	2.5	2.2	3.5	2.2	2.2	2.0	7.0	4.0	1.4	**3.0**
Treasury shares purchase amount (purchase amount for next fiscal year) (100 million yen)	–	–	10.0	9.2	13.8	15.0	–	–	–	–	**–**
Total payout ratio (%)	41.1	45.7	37.4	36.3	34.3	34.9	29.8	42.4	27.9	20.6	**24.3**
Overseas sales ratio (%)	52.4	55.5	51.1	49.9	49.4	46.2	46.9	47.4	52.7	50.0	**49.8**

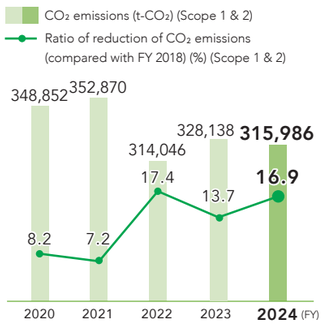
Summary of Key Non-Financial Data

The following non-financial data is excerpted from the ESG Data Collection.
For other non-financial data, aggregation ranges, and other detailed information, please refer to the ESG Data Collection.

- Environmental Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Environmental_Data_2025.pdf
- Social Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Social_Data_2025.pdf
- Governance Data Collection ▶ https://www.gs-yuasa.com/en/csr/pdf/Governance_Data_2025.pdf

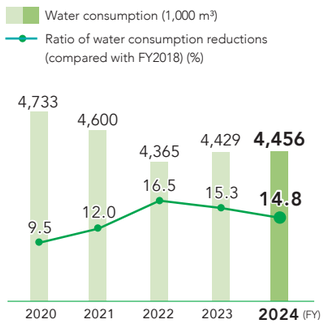
Environment Related

CO_2 emissions / Ratio of CO_2 emission reductions



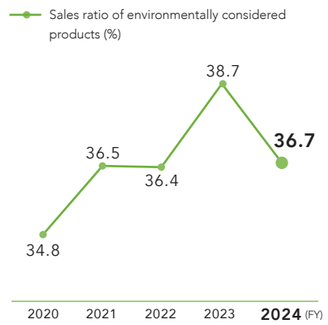
Note: Figures for past years have been revised in line with the scope review for FY2023.

Water consumption / Ratio of water consumption reductions

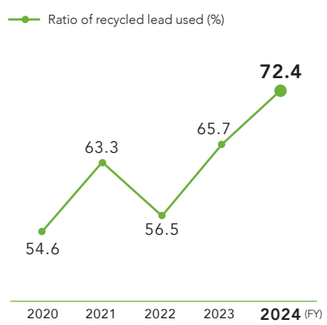


Note: Figures for past years have been revised in line with the scope review for FY2023.

Sales ratio of environmentally considered products

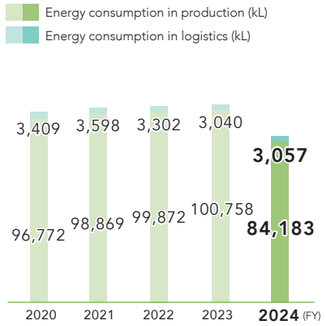


Ratio of recycled lead used as lead raw materials in lead-acid batteries

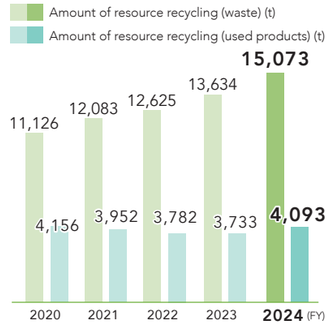


Note: Figures for past years have been revised in line with the scope review for FY2023.

Energy consumption (crude oil equivalent)

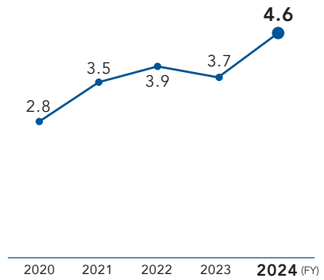


Amount of resource recycling (waste)

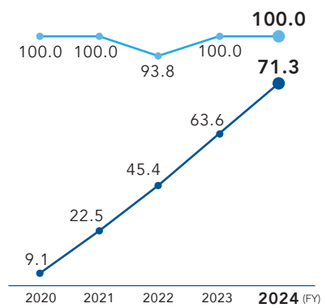


Social Related

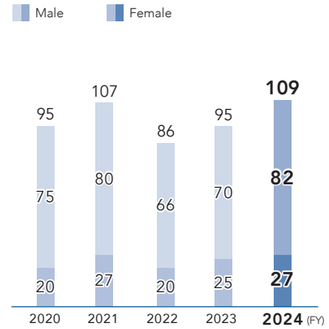
Percentage of women in managerial positions



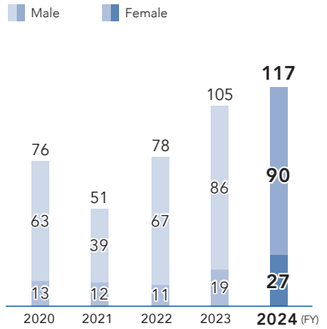
Rate of taking childcare leave



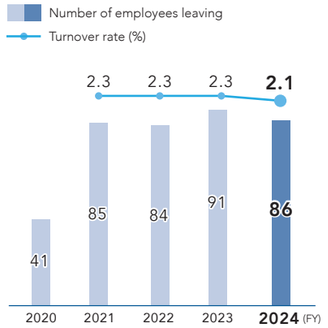
Number of newly hired new graduates



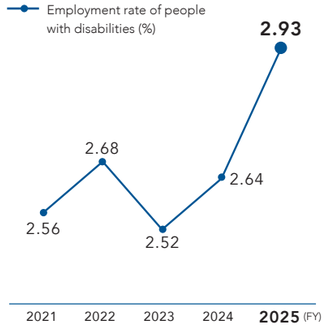
Number of newly hired mid-career employees



Number of employees leaving / Turnover rate

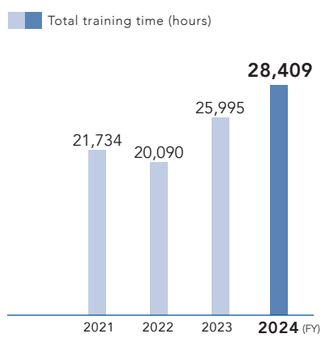


Employment rate of people with disabilities

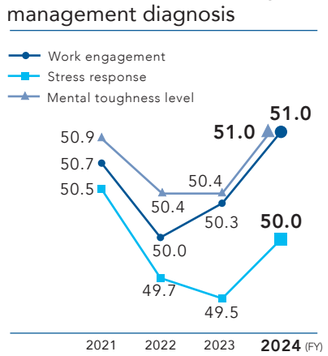


Note: As of April 1 of each fiscal year

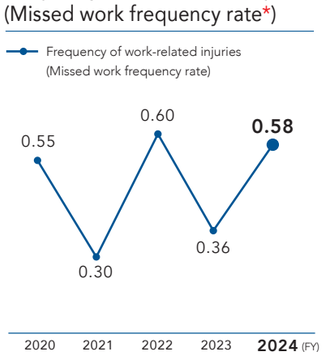
HR development training times



Deviation value in mentality management diagnosis



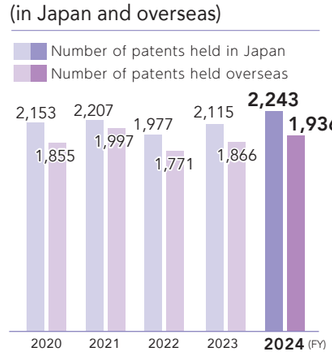
Frequency of work-related injuries (Missed work frequency rate*)



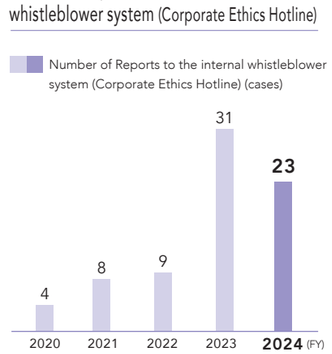
* Missed work frequency rate is the number of people missing work per 1,000,000 work hours

Governance Related

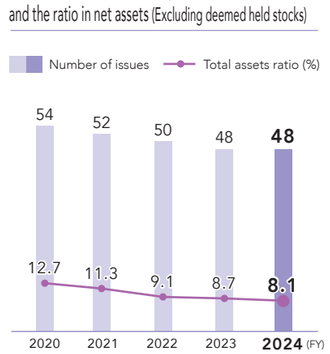
Number of patents held (in Japan and overseas)



Number of reports to the internal whistleblower system (Corporate Ethics Hotline)



Number of cross-shareholdings (number of different stocks) and the ratio in net assets (Excluding deemed held stocks)



External Evaluation

Incorporation into ESG Indexes

- FTSE 4Good Index Series
- FTSE Blossom Japan Index*1
- FTSE Blossom Japan Sector Relative Index

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX CARBON EFFICIENT INDEX

S&P/JPX Carbon Efficient Index

MSCI Nihonkabu ESG Select Leaders Index*2

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Morningstar Japan Index
Gender Diversity Tilt Index (excluding REITs)

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that GS Yuasa Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series and FTSE Blossom Japan Index Series are designed to measure the performance of companies and Japanese companies demonstrating strong Environmental, Social, and Governance (ESG) practices. The FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 The inclusion of GS Yuasa Corporation in any MSCI Index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute support, endorsement, or promotion of GS Yuasa Corporation by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. The MSCI Index names and logos are trademarks or service marks of MSCI and / or its affiliates.

Incorporation into ESG Indexes

- TOPIX
- Nomura Enterprise Value Allocation
- Nomura RAFI
- Nikkei Stock Average
- iSTOXX® MUTB Japan Proactive Leaders 200
- Russell / Nomura Prime

IR Related

Broadband Security, Inc.
Gomez IR Site Ranking 2024
Outstanding Company:
Silver Prize for five consecutive years
(January 2025)

Gomez IR Site Ranking SILVER 2024

Daiwa Investor Relations Co., Ltd.
The 2024 Internet IR Award
First time awarded the Excellence Award
(December 2024)

Internet IR Excellence Award 2024 Daiwa Investor Relations

Nikko Research Center, Inc.
Integrated Report Award 2024
Awarded the Best Practice Award for two consecutive years

Nikko Investor Relations Co., Ltd.
FY2024 All Japanese Listed Companies' Website Ranking

All Markets Ranking
Four consecutive years for AAA Website
(December 2024)

WITH GRADE AAA Corporate Websites 2024 Nikko Investor Relations Co.,Ltd All Markets Ranking in Japan

CSR and Sustainability Related

Toyo Keizai CSR Ranking (Five ratings: AAA, AA, A, B and C)
(As of August 2025)

Utilization of human resources	Environment	Corporate Governance	Sociability
AA	AAA	AA	AA

Sustainalytics ESG
Risk Ratings
Low Risk
(As of July 2023)

Rated SUSTAINALYTICS

CDP
B (climate change program)
(Eight ratings: A, A-, B, B-, C, C-, D, D-)
(As of August 2025)

CDP Discloser 2024

Kurumin Mark
(Ministry of Health, Labour and Welfare)
Platinum Kurumin
"high-level initiatives undertaken to support childcare"
(June 2020)

プラチナくるみん 子育てサポートしています

Broadband Security, Inc.
Gomez ESG Site
Ranking 2024
Outstanding Company
(August 2024)

Gomez ESG Web Awards 2024

2025 Outstanding Organization of
KENKO Investment for Health (Large Enterprise Category)
The Company and three Group companies certified
(March 2025)

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Product Related

The 2021 Commendation for Science and Technology presented by the Minister of Education, Culture, Sports, Science and Technology
Award for Science and Technology (Development Category)
The development of lithium-ion batteries for use in space and technologies to facilitate operation of those batteries

Toyota Motor Corporation
Technology & Development Award*4 (2021)
EHW4S lithium-ion battery for hybrid vehicles

National Research and Development Agency Japan Aerospace Exploration Agency (JAXA)
Meritorious Service Award for Safety and Mission Assurance in Aerospace*3

Honda Motor Co., Ltd.
Excellent Appreciation Award, Cost Category and Delivery Category*5 (2023)
Excellent Appreciation Award, Sustainability Category*5 (2024)

New Energy Award 2024
New Energy Foundation Chairman's Award*6
Introduction of the Largest Lithium-ion Battery Storage System and Solar Power Generation System for A Domestic Factory

令和6年度 新エネ大賞

DAIHATSU MOTOR CO., LTD. Quality Excellence Award (2025)

*3 Received by GS Yuasa Technology Ltd.
*4 Received jointly by GS Yuasa International Ltd. and Blue Energy Co., Ltd.
*5 Received by Blue Energy Co., Ltd.
*6 Received jointly by Tokyo Gas Engineering Solutions Corporation and Honda Motor Co., Ltd.

Corporate Information (As of March 31, 2025)

Corporate Information

Corporate Name	GS Yuasa Corporation
Head Office	1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520, Japan
Tokyo Office	1-7-13, Shiba-koen, Minato-ku, Tokyo 105-0011, Japan
Establishment	April 1, 2004
Capital Stock	¥52.8 billion
Employees	Group (Consolidated) 12,478
Domestic Consolidated Subsidiaries	20 companies
Overseas Consolidated Subsidiaries	27 companies

Group Companies

JAPAN
GS Yuasa International Ltd.
GS Yuasa Battery Ltd.
GS Yuasa Energy Co., Ltd.
GS Yuasa Technology Ltd.
Blue Energy Co., Ltd.
Honda·GS Yuasa EV Battery R&D Co., Ltd.
GS Yuasa Fieldings Ltd.
Hokkaido GS Yuasa Service Co., Ltd.
GS Yuasa Innovation Co., Ltd.
GS Yuasa Lighting Service Co., Ltd.
GS Yuasa Socie Ltd.
GS Yuasa Chemical Co., Ltd.
GS Yuasa Ibaraki Co., Ltd.
GS Yuasa Environmental Science Laboratory Co., LTD.
GS Yuasa Membrane Co., Ltd.
GS Yuasa Iwaki Co., Ltd
GS Yuasa Moldings Co., Ltd.
GS Yuasa Azumino Co., Ltd.
GS Yuasa Engineering Co., Ltd.

TAIWAN
GS Battery Taiwan Co., Ltd.
Taiwan Yuasa Battery Co., Ltd.

THAILAND
GS Yuasa Asia Technical Center Ltd.
Siam GS Battery Co., Ltd.
Siam GS Sales Co., Ltd.
Yuasa Battery (Thailand) Pub. Co., Ltd.
GS Yuasa Siam Industry Ltd.
GS Yuasa Siam Sales Ltd.

VIETNAM
GS Battery Vietnam Co., Ltd.

MALAYSIA
GS Yuasa Battery Malaysia Sdn. Bhd.
Yuasa Power Systems (Malaysia) Sdn. Bhd.

CHINA
Tianjin GS Battery Co., Ltd.
Yuasa Battery (Shunde) Co., Ltd.
Yuasa Battery (Guangdong) Co., Ltd.

INDONESIA
PT. Yuasa Battery Indonesia
PT. Trimitra Baterai Prakasa
PT. GS Battery
PT. Yuasa Industrial Battery Indonesia

MYANMAR
Siam GS Battery Myanmar Limited

INDIA
Tata AutoComp GY Batteries Private Limited

AUSTRALIA
Century Yuasa Batteries Pty Limited

NEW ZEALAND
Century Yuasa Batteries (NZ) Ltd.

PAKISTAN
Atlas Battery Ltd.

U.S.
Yuasa Battery, Inc.
GS Yuasa Energy Solutions, Inc.
GS Yuasa Lithium Power, Inc.

FRANCE
GS Yuasa Battery France SAS

UK
GS Yuasa Battery Europe Limited
GS Yuasa Battery Manufacturing UK Limited
GS Yuasa Battery Sales UK Limited

GERMANY
GS Yuasa Battery Germany GmbH.

HUNGARY
GS Yuasa Hungary Ltd.

TURKEY
İnci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi

ITALY
GS Yuasa Battery Italy S.R.L.

SPAIN
GS Yuasa Battery Iberia SA


GS Yuasa Asia Technical Center Ltd. (Thailand)


Siam GS Battery Co., Ltd. (Thailand)


PT. GS Battery (Indonesia)


GS Battery Vietnam Co., Ltd. (Vietnam)



Inci GS Yuasa Akü Sanayi ve Ticaret Anonim Şirketi (Turkey)

Stock Information (As of March 31, 2025)

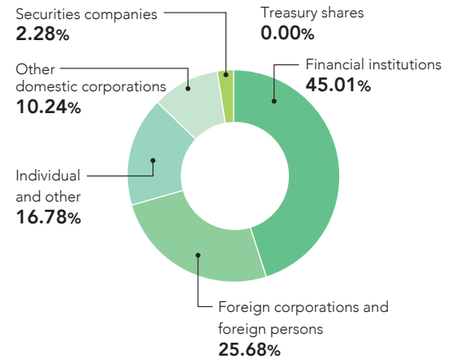
Stock Information

Securities Code	6674
Listed Securities Exchange	Tokyo Stock Exchange Prime Market
Total Number of Issued Shares	100,446,442
Number of Shareholders	41,532 (including shareholders holding fractional units of shares)
Rating Information	

	Rating	Rating projection
Long-term issuer rating	A	Stable
Bond rating	A	—
Domestic CP rating	J-1	—

(As of August 2025)

Shareholdings by type of shareholder



Principal Shareholders

Name	Number of Shares Held	Investment ratio* (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,068,800	16.99
Custody Bank of Japan, Ltd. (Trust Account)	8,343,900	8.31
Honda Motor Co., Ltd.	4,915,750	4.89
Meiji Yasuda Life Insurance Company	2,800,000	2.79
Toyota Motor Corporation	2,236,080	2.23
MUFG Bank, Ltd.	1,865,467	1.86
Nippon Life Insurance Company	1,789,133	1.78
The Bank of Kyoto, Ltd.	1,548,069	1.54
Sumitomo Mitsui Trust Bank, Limited	1,470,800	1.46
Sumitomo Mitsui Banking Corporation	1,421,703	1.42

* Investment ratio is calculated based on the number of shares (100,444,954) after deducting treasury shares from the number of shares issued.

Stock Price and Trading Volume

