Value Creation Process

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.

Policy on Sustainabilit Management to our customers around the globe, to make a real contribution to the global effort toward sustainability, and to grow corporate value.

1. We will strive to help address the challenges to sustainability and seek lasting growth together with the community.

2. We will pursue fair and healthy business practices, and maintain steadfast business foundations able to support sustained growth.

3. We will strive to earn the understanding and trust of a diverse range of stakeholders through dialogue.

Sixth Mid-Term Management Plan (FY2023-2025) → P.25

Period for laying the foundation for reform to realize the vision envisioned in Vision 2035

Business Portfolio

FY2025 targets: Net sales of 610.0 billion yen; operating profit before amortization of goodwill of 41.0 billion yen



Economic and social transformation due to resource and environmental constraints

Slowing of the

population growth rate

Intensification of DX. Al. and IoT

Mega Trends

→ P.8 Business environment and value provided

Geopolitical

risks

Increased importance of

Opportunities

- Diffusion of eco-friendly vehicles
- Expansion of renewable energy
- Increase in demand for public infrastructure

Risks

- Changes in legal regulation and standards
- Changes in the supply chains
- Sustainability of human resources

Grow ent of sustainable

Innovation

Provide innovative storage attery technologies to broad segments of society **Next-generation batteries**

Cash cow

Materiality

nvironment

Contribute to sustainability of the global environment

- Developing and popularizing environmentally considered products
- Promoting environmental protection

Social

Respect for human rights and contribution to society

- Respect for individuality
- Respect for diversity
- environments and occupational Human resources development
 - health and safety Provision of high-quality products

Enhancement of work

Responsible procurement promotion

overnance

Promotion of fair, transparent, and swift group-wide governance

- and ensuring compliance
- Thorough management of confidential information
- Thoroughly fulfilling our CSR
 Protection of intellectual property

promotion of DE&I and human resource development

Value Provided

to Society

Energy management through

increased sales of environmentally considered products CO2 emissions reduction of at least 8 million

Development of comfortable living

environments through innovation

and the creation of new business

Number of patents held (in Japan and overseas)

Products and maintenance services

that support people's lives

Service sites: At least **100** throughout Japan

Maximization of returns to

shareholders through maximization of

profit and efficient use of assets

Operating profit 32.1 billion yen (FY2022)

Building stable supply systems

through strengthened bonds

with suppliers

Creation of value through

Total payout ratio 27.9% (FY2022)

Note: The above indicators are based on profit before the amortization of goodwill

3,748 (as of March 31, 2023)

Vision of GS Yuasa in 2035

→ P.7 Vision 2035

Net sales target: 800.0 billion yen

Reborn

Renewable

Vision 2035

Reliable

Respect

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

Mobility Batteries for BEVs

Supply lithium-ion batteries mainly for BEVs and also for HEVs. PHEVs. auxiliary and backup use

Public infrastructure Regular field (renewable energy

Supply optimal batteries for a wide range of public infrastructures such as electric power, telecommunication and information

Underpinnings of Value Creation → P.21-22

A stable financial foundation bolstered by lead-acid batteries

Highly reliable production, sales, and maintenance networks that respond to market

Advanced technology elopment capabilitie that support business

Strong brand power and competitiveness supported by business

A workforce that upholds and passes down technologies rooted in sound understanding of the

A corporate culture that disseminates the corporate philosophy and pursue

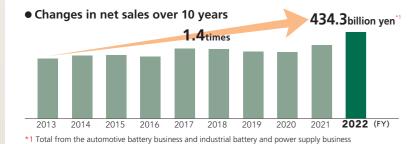
Investment and return of management resources

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Underpinnings of Value Creation

A stable financial foundation bolstered by the lead-acid battery business

Our wide range of lead-acid starting batteries for automobiles support the Group's financial foundation. In addition to those for new automobiles, **profit is obtained continuously** through demand for replacement with vehicle maintenance and inspections as the focus, and stable earnings can also be gained from backup batteries and power supplies and lead-acid batteries for forklifts, which support public infrastructure.





Highly reliable production, sales, and maintenance networks that respond to market needs

We establish a global network of business sites and offer proposals tailored to needs in each region. In the automotive battery business, we have a network of more than 4,000 dealers nationwide that can propose the optimal battery to users. In the industrial battery and power supply business, our strength is the provision of services up to maintenance and inspections at more than 100 service sites in Japan.

• Number of global sites (As of July 2023)

19 countries 37 sites

Domestic service sites in the industrial battery and power supply business



Dealers in the automotive battery business (Japan)



Advanced technology development capabilities that support business

As a pioneering manufacturer of automotive lithium-ion batteries, since supplying the lithium-ion batteries for the world's first mass-produced EVs and HEVs, we have focused on cutting-edge technology and product development, and our products are used in the models of many Japanese automakers.

We are developing high-capacity, high-output lithium-ion batteries for BEVs and ESS and also focusing on R&D and practical application of next-generation batteries with "Sustainability" and "High energy density" as the key concepts.

• Honda Motor Co., Ltd. Excellent **Appreciation Awards** received in the Cost Category*2 and **Delivery Category***2(2023)

*2 Received by Blue Energy

Toyota Motor Corporation **Technology &** Development



Award*3 received (2021)

(Lithium-ion battery for hybrid vehicles "EHW4S") *3 Received jointly by GS Yuasa International Ltd. and

Blue Energy Co., Ltd.



Strong brand power and competitiveness supported by business partnerships

The Group's lead-acid batteries maintain high market shares in both the automobile and motorcycle battery markets. Since every vehicle including electric vehicles contains a lead acid battery, we believe that demand will be maintained in the future. We are also maintaining our leading share of the domestic market for backup applications and forklifts.

• Global market share (FY2022)

No. **2**

No.



 Domestic market (for automobiles) share (FY2022)

No. $\mathbf{1}$

No. **1**



A workforce that upholds and passes down technologies rooted in sound understanding of the corporate philosophy

We promote integrated management as a Group and implement "Innovation and Growth" imbued with our inventor and challenge spirit on a daily basis. We hold "Mono-zukuri (product creation) expert" education workshops and case presentations of team activities to drive kaizen (improvement). Also, each department registers topics in a dedicated database and undertakes Improvement Activities activities on a daily basis, which leads to visualization and invigoration of activities. In this way, the Group's manufacturing technologies are maintained and passed down through various activities.

(As of March 2023)

• Number of Group employees • Number of action topics registered for Improvement Activities



A **corporate culture** that disseminates the corporate philosophy and pursue sustainability

We reviewed the existing Management Vision and Management Policy and formulated a new Sustainability Management Policy in April 2023. We have been holding sustainability workplace meetings to address topics related to CSR policies since fiscal 2018 with the objectives of establishing business activities with an awareness of sustainability and promoting awareness of compliance.

 Ratio of implementation of sustainability workplace meetings (FY2022)

 Ratio of workplaces where employees felt that sustainability workplace meetings are meaningful (FY2022)

Target All GS Yuasa workplaces: 363 / Group companies in Japan: 22

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