

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)



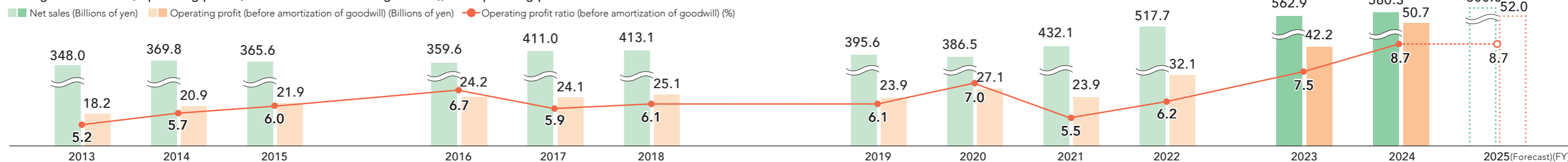
Based on the *Mono-Koto zukuri* (product and service creation) concept, GS Yuasa will promote strategic activities that lead to sustainable growth of both the lead-acid battery and lithium-ion battery businesses through creation of new value.

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

<p>Lithium-ion battery business Stabilize foundations of business by building a competitive advantage for new businesses (lithium-ion batteries and new energy sectors)</p>	<p>New business Ensure profit in the lithium-ion battery business and firmly put the business on a stable growth track</p>	<p>Lead-acid battery business Strengthen management foundations by boosting profits in the lead-acid battery business and expanding overseas business</p>	<p>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</p>
<p>Overseas business Improve position through global expansion based around overseas growth markets</p>	<p>Growth business Further expand the business domain of overseas operations and improve its profitability</p>	<p>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</p>	<p>Reinforcement of earning capacity in existing business <ul style="list-style-type: none"> 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 </p>
<p>Automotive battery business and industrial battery and power supply business Improve earning power by leveraging technological strengths and cost responsiveness of existing domestic business</p>	<p>Existing business Expand and stabilize cash flow from the automotive battery business and industrial battery and power supply business, and invest for future growth</p>	<p>Establishment of business processes with CSR issues incorporated into business strategies Strengthen initiatives to solve key CSR issues that are identified in business processes</p>	<p>DX / new business <ul style="list-style-type: none"> Promote DX to enable business structure transformation Aim to create new businesses that contribute to solving social issues </p>

Achievements and issues / implemented measures

<p>Achievements</p> <ul style="list-style-type: none"> 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) 	<p>Achievements</p> <ul style="list-style-type: none"> 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 	<p>Achievements</p> <ul style="list-style-type: none"> [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 	<p>Main implemented measures</p> <ul style="list-style-type: none"> 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
<p>Issues</p> <ul style="list-style-type: none"> Responding flexibly to intensifying competition and other changing market conditions 	<p>Issues</p> <ul style="list-style-type: none"> 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 	<p>Issues</p> <ul style="list-style-type: none"> [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 	

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					
		Net sales	Operating profit (profit ratio: %)	Net sales	Operating profit (profit ratio: %)	Initial target (April 2023)		Revised target (July 2024)		Revised forecast (May 2025)	
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)			FY2023-2025 total (planned)
	FY2023	FY2024	FY2025 (forecast)	
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	—	—

*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
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	
		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	Achievement rate of patent acquisition plans that contribute to the expansion of business	Opportunities for business growth and new business creation	100%	100%		
G Respect and protection for intellectual property ▶ P.68	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	▶ Developing Fair, Transparent and Sound Business and Anti-Corruption
	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%	
	D	Ratio of employees passing information security proficiency test	96%	95% or more			
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%	
	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
		D	Employment rate of persons with disabilities		2.83%	2.70% or more	
	D	Promotion of the employment of persons with disabilities					
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		Achievement ratio of overtime work reduction target: 67%	None	
	D	Thorough implementation of appropriate employment management		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
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%	
		D	Achievement ratio of cross-department project plan		100%	100%	
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
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