

# Strategy by Business Segment – Industrial Batteries and Power Supplies

## Message from the Business Unit Manager

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.



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

**Yasuyuki Nakamura**

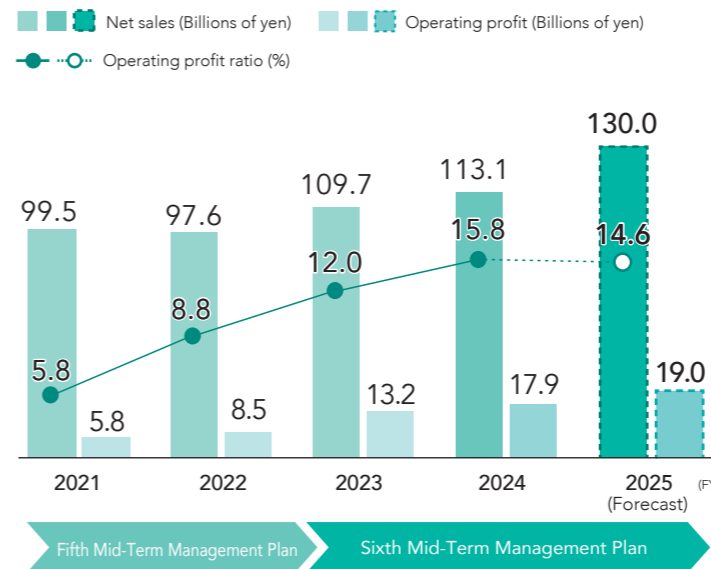
## Business Policy in the Sixth Mid-Term Management Plan

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

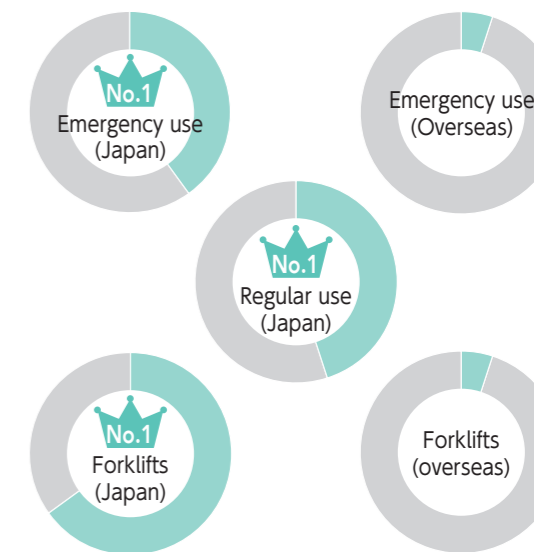
## Strategies and Important Tasks in the Sixth Mid-Term Management Plan

	Initiatives	Progress
Emergency field (Japan)	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)	Introduce prior art into overseas production sites	Product development for CO <sub>2</sub> 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)	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	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)



## SWOT

<ul style="list-style-type: none"> <li>High presence in Japan</li> <li>Delivering peace of mind and safety through a nationwide service network and Koto-zukuri (service creation)</li> <li>Seamless (all-in-one) system from design to manufacturing, construction, and maintenance</li> </ul> <p>Strengths</p>	<ul style="list-style-type: none"> <li>Low market share overseas</li> <li>Cost-effective in-house lithium-ion batteries (outperforming Chinese alternatives)</li> <li>Production capacity for global readiness</li> </ul> <p>Weaknesses</p>
<ul style="list-style-type: none"> <li>Increased demand for environmentally conscious products due to the expansion of the renewable energy market</li> <li>Market growth of battery energy storage systems (BESSs)</li> <li>Transition of the forklift market to battery-powered models</li> </ul> <p>Opportunities</p>	<ul style="list-style-type: none"> <li>Overseas competitors entering renewable energy markets</li> <li>Advancement of the shift to lithium-ion batteries in the forklift market</li> <li>Chinese lithium-ion battery manufacturers entering the Japanese market</li> </ul> <p>Threats</p>

## 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.

