GS YUASA
Creating the Future of Energy

Current Status of GS Yuasa Corporation




GS Yuasa Corporation
(TSE : 6674)

May 2024

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Sixth Mid-Term Management Plan (FY2023-2025)

GS YUASA
Creating the Future of Energy

Corporate Profile

1. Corporate Profile

- **Corporate name** — GS Yuasa Corporation
  *Holding company
- **Established** — April 1, 2004
  *Merger between Japan Storage Battery Co., Ltd. (established in 1917) and Yuasa Corporation (established in 1918)
- **Head office** — 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto
- **Capital** — 52.8 billion yen
- **Consolidated net sales (FY2024)** — 562.9 billion yen
- **Number of employees** — Group Consolidated 12,892 (As of March 31, 2024)
- **Listed-Financial Instrument Exchange** — Tokyo stock exchange (TSE：6674)

President and Representative Director
Osamu Murao

The Detroit electric vehicle
imported from the USA by Genzo Shimadzu, founder of Japan Storage Battery Co., Ltd.

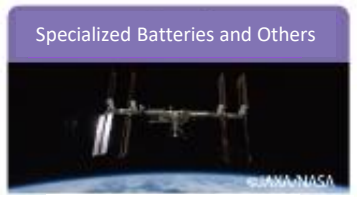
2. Business Areas

We have five business segments, starting with automotive.

Automotive lithium-ion batteries

- Lithium-ion batteries for eco-friendly vehicles
- Industrial lithium-ion batteries (manufacturing only)

Specialized Batteries and Others



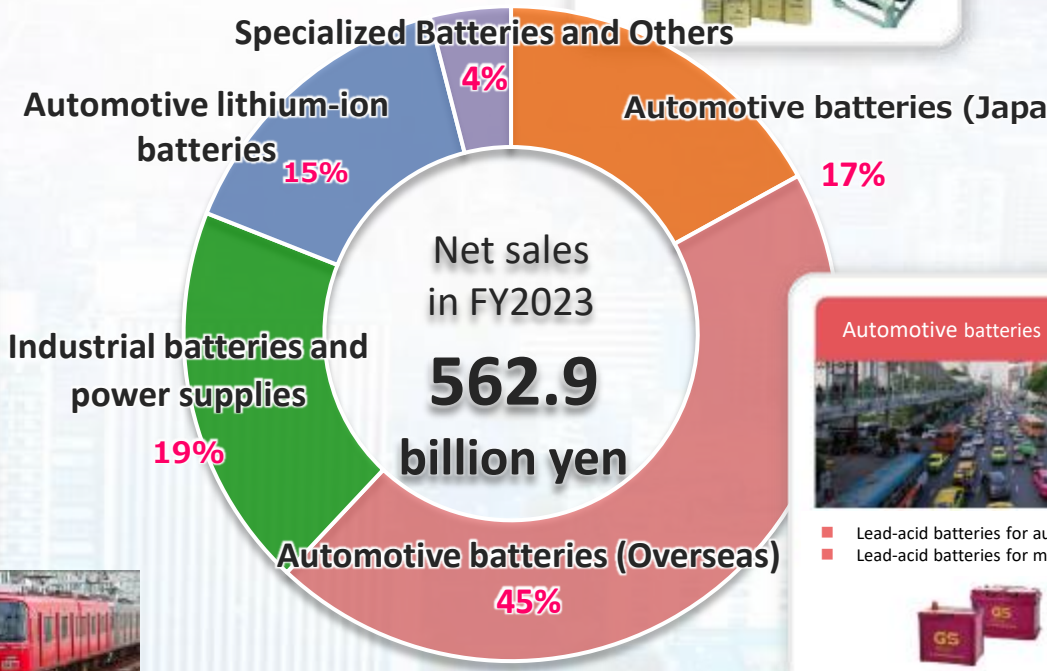
- International Space Station (ISS), satellites, aircrafts, specialized batteries for submarines etc.

Automotive batteries (Japan)

- Lead-acid batteries for automobiles
- Lead-acid batteries for motorcycles

Industrial batteries and power supplies

- Batteries and power supplies for electric backup of public infrastructure facilities, lithium-ion batteries
- Lead-acid batteries for forklift
- Lighting equipment

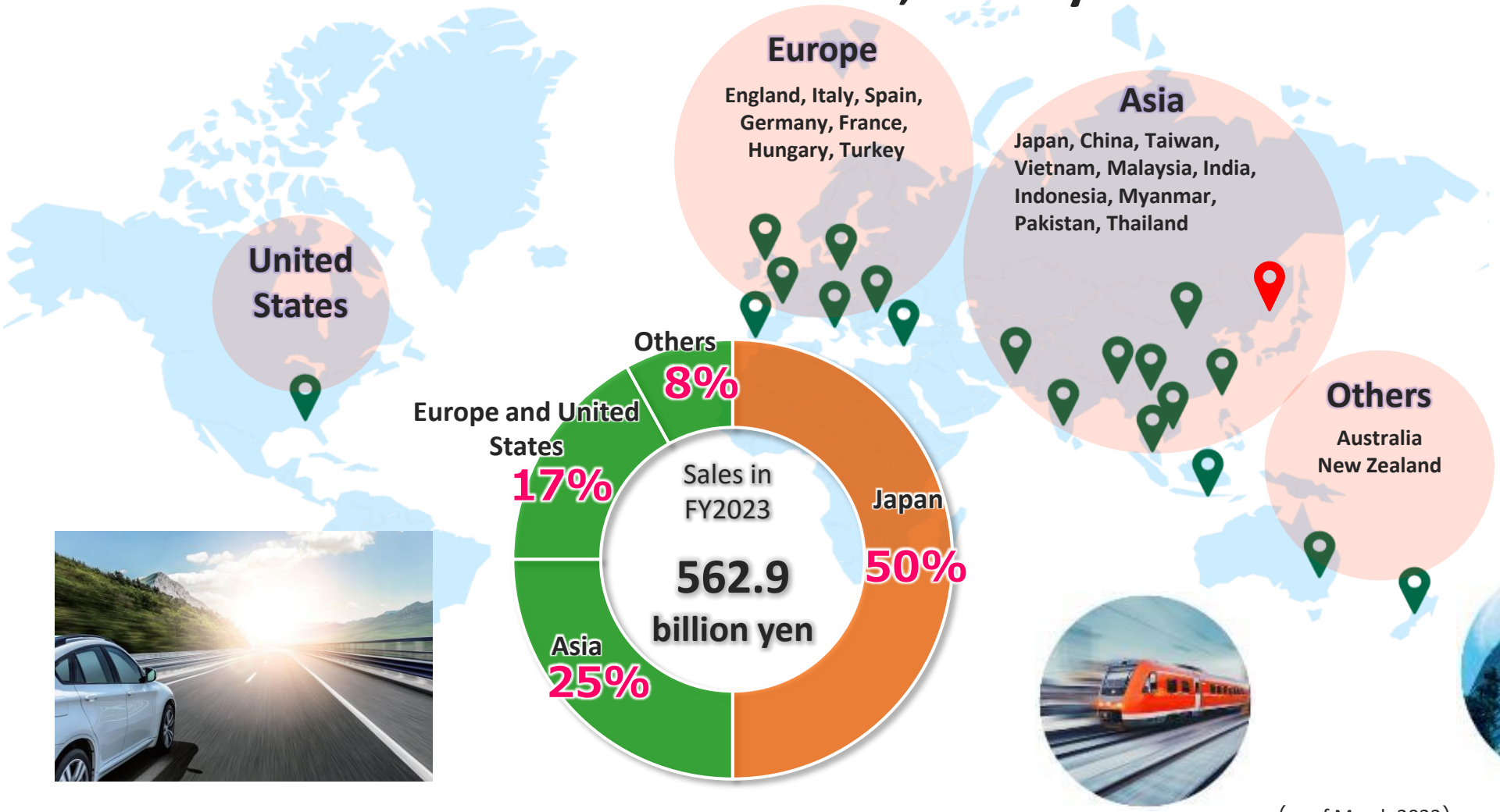


Automotive batteries (Overseas)

- Lead-acid batteries for automobiles
- Lead-acid batteries for motorcycles

3. Global Expansion

We have business in 19 countries 37 sites, mainly in Southeast Asia.



(as of March 2023)

GS YUASA
Creating the Future of Energy

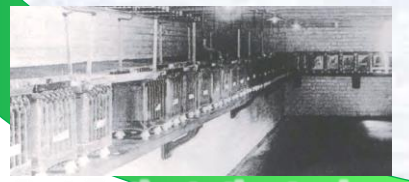
Vision 2035 (Long-Term Vision)

1. History of GS Yuasa

GS (Japan Storage Battery)

Inventor's spirit
contribute to society by developing high quality products

Founder of Japan Storage Battery Co., Ltd.
Genzo Shimadzu



Contributing to the steady supply of electric power and the development of public infrastructure

1900s
Manufacture of large-capacity storage batteries for auxiliary power

YUASA (Yuasa Corporation)

Challenging spirit
develop new businesses ahead of time

Founder of Yuasa Storage Battery Co., Ltd.
Shichizaemon Yuasa

Contributing to the development of the automotive industry

1910s
Manufacture of automotive lead-acid batteries

2004 Corporate Merger

Ushering in a new EV era

2000s
Supply of lithium-ion batteries for the i-MiEV, the world's first mass-produced EV

Honda "FIT HYBRID"

Contributing to electrification of Japanese automakers

2010s
Supply of lithium-ion batteries for HEVs to Honda Motor Co., Ltd.

Mitsubishi Motors "Eclipse Cross PHEV"

2010s
Supply of lithium-ion batteries for PHEVs to Mitsubishi Motors Corporation

TOYOTA "Harrier"

2020s
Supply of lithium-ion batteries for HEVs to Toyota Motor Corporation

Contributing to the promotion of clean energy

2000s
Development of renewable energy storage systems

Contributing to the realization of decarbonized society

2020s
Delivery of a world-class storage battery facility for wind power generation

Supporting the development of aircrafts

2000s
Receiving orders of lithium-ion battery system for Boeing 787 in the U.S.

Support safety from deep sea to outer space under harsh conditions

2010s
Installation of lithium-ion batteries on the International Space Station

2010s
Mass production of Japan's first lithium-ion batteries for submarines

Toward the next 100 years

2. Business Environment surrounding GS Yuasa

Environment surrounding 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)

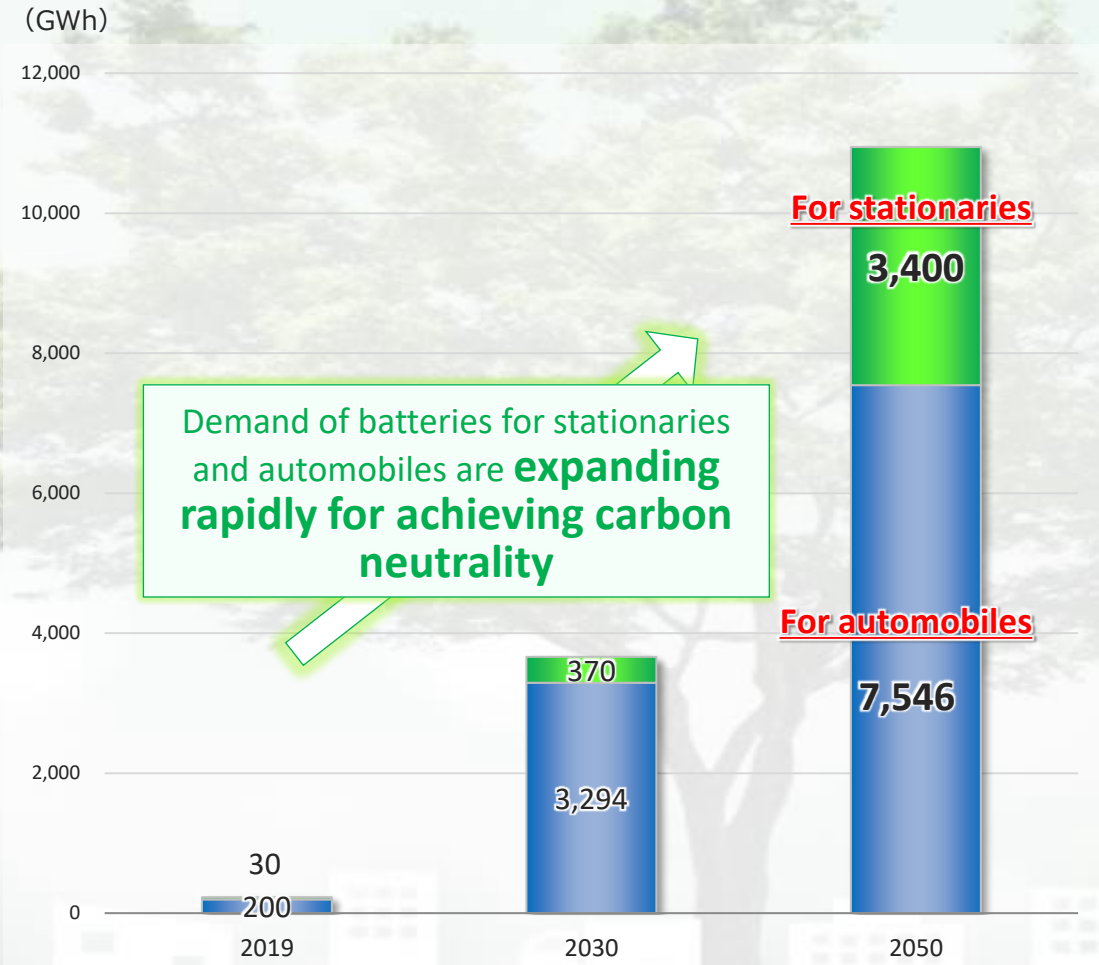
Public Infrastructure

- As the introduction of renewable energy expands, the importance of storage batteries to control fluctuations and adjust supply and demand also expands. Demand for energy management is also expanding
- Increasing importance of backup for electric power, information, and communication infrastructure, etc.

Specialized Batteries

- Expanding space utilization
- Expanding marine resource exploration

Forecast of storage batteries installation (Global)



Source: Prepared by the Company based on data from IRENA Global Renewables outlook 2020 “Energy Transformation 2050”

3. Vision 2035

Vision of GS Yuasa in 2035

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.

Reborn

A century on and still inspired anew every day by the GS Yuasa founding spirit.

Renewable

Making a genuine contribution to carbon neutrality.

Reliable

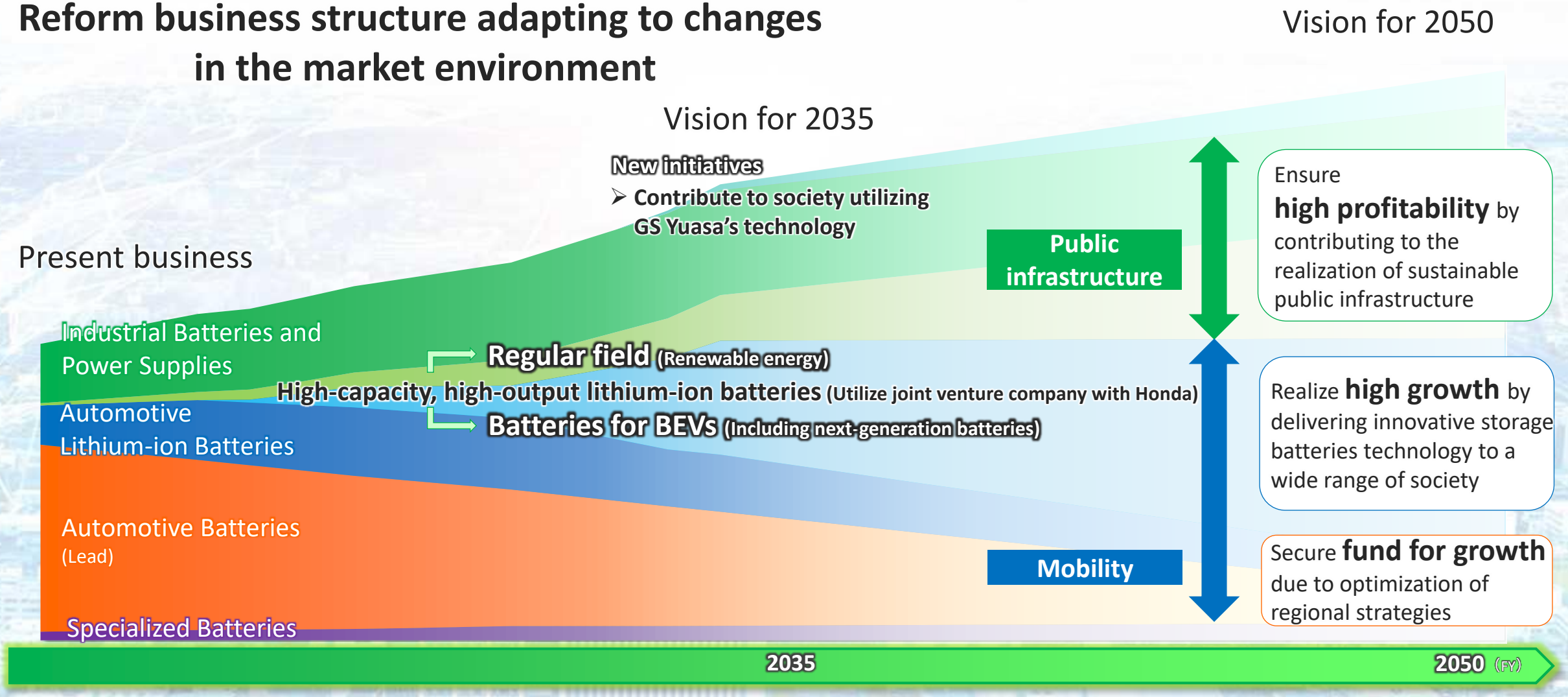
Committed to technical innovation and delivering solid, reliable energy.

Respect

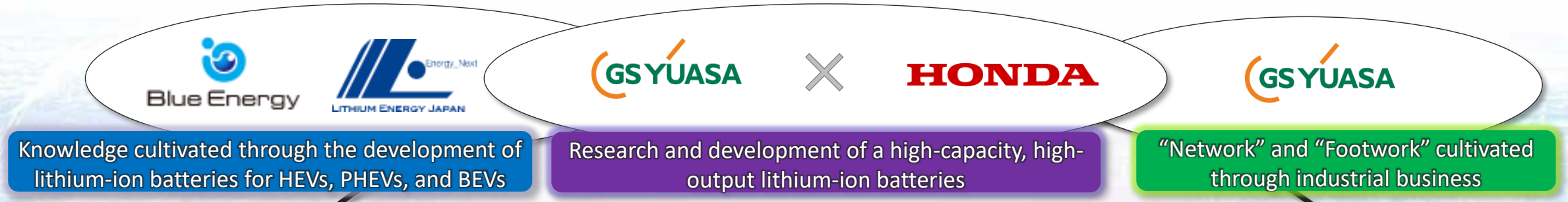
Earning the respect of the world through solid action toward achieving the SDGs.

3. Toward Achieving Vision 2035 (“Innovation and Growth” of Our Business)

Reform business structure adapting to changes in the market environment



3. Toward Achieving Vision 2035 (Point of “Innovation of Growth”)



Contribute to solving social issues with our accumulated technological capabilities and R&D results

Mobility

Entry to BEV market by utilizing results of R&D

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

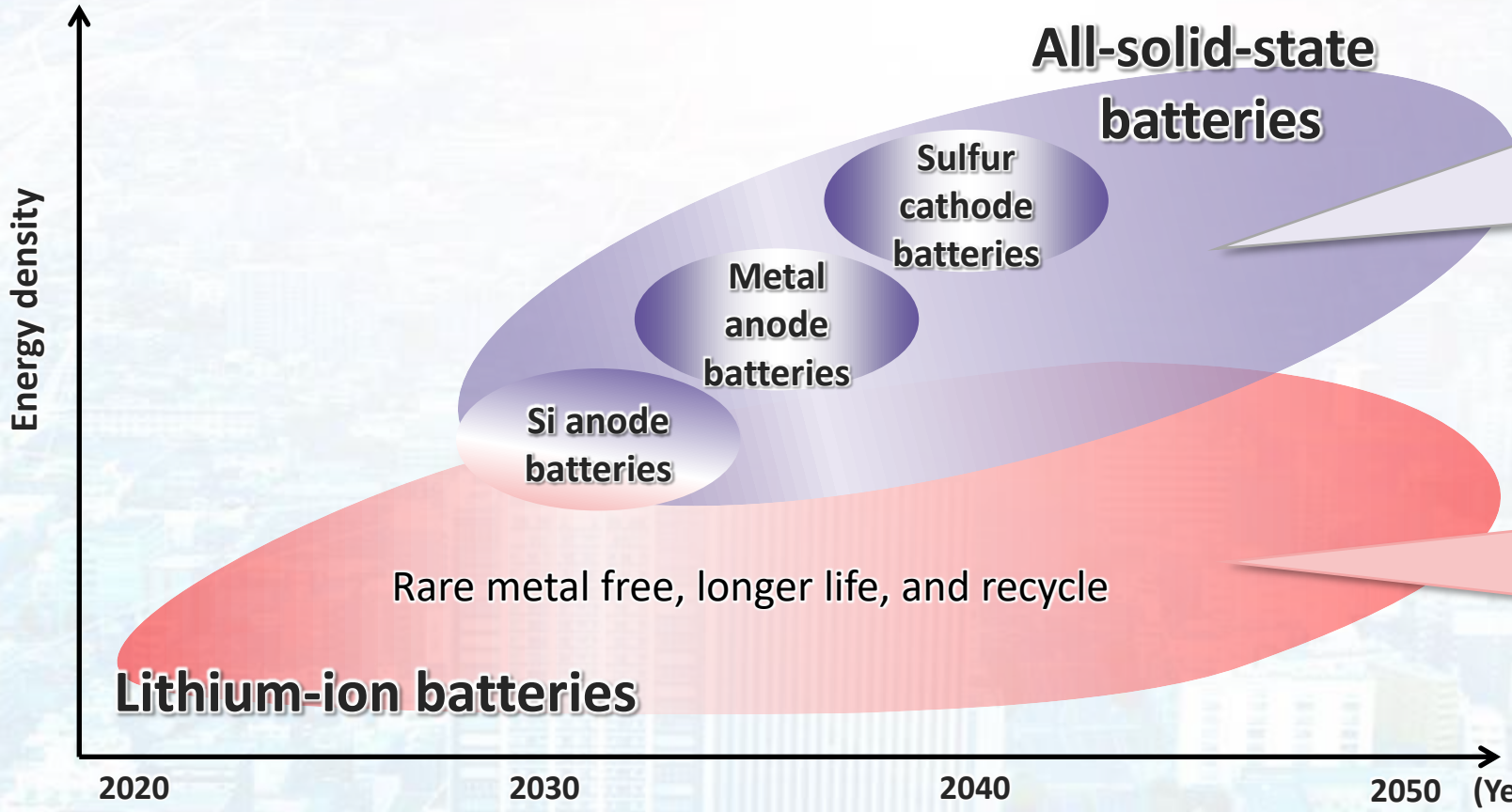
Public infrastructure

Expand presence in the growing regular field market

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

3. Toward Achieving Vision 2035 (Road map of Research and Development)

Contribute to the realization of carbon neutrality through research, development and commercialization of next-generation batteries



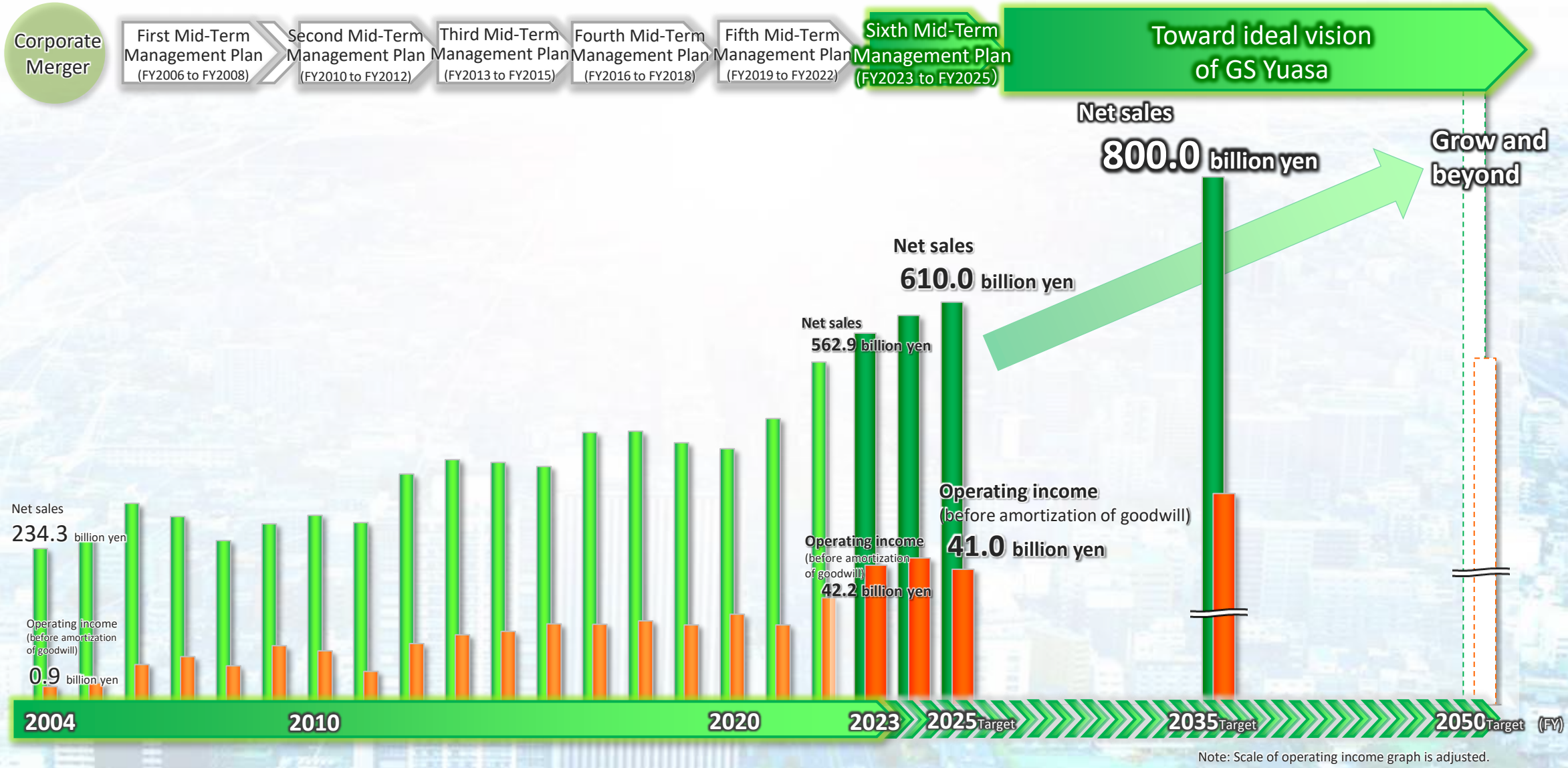
【High energy density】

⇒Based on our unique solid electrolyte technology, develop batteries with distinctive features such as compact batteries with metal-based anode and lightweight batteries with sulfur cathode

【Sustainable】

⇒Develop more sustainable lithium-ion batteries with more consideration for resources and environmental issues

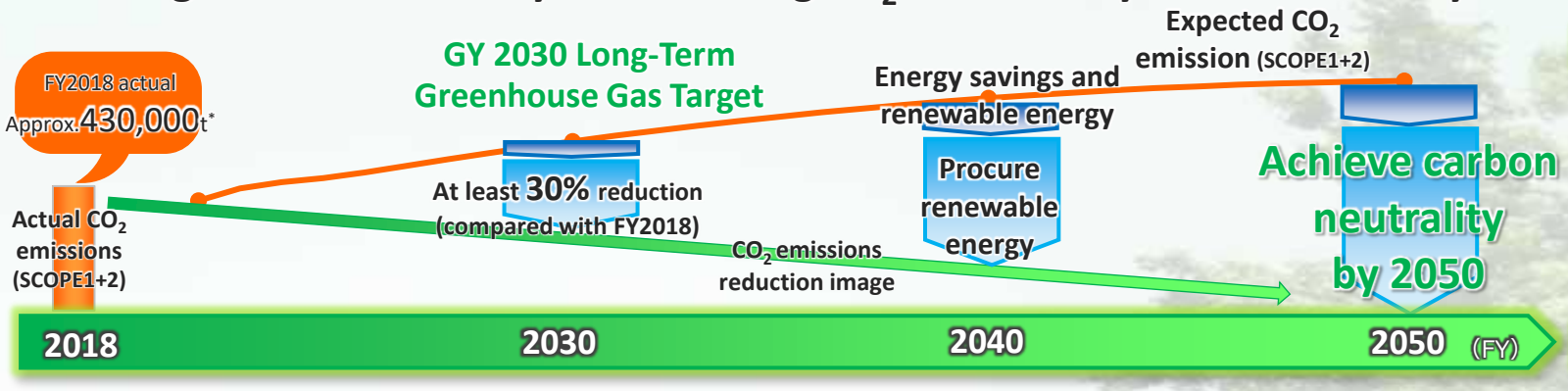
3. Toward Achieving Vision 2035 (Growth Story of Our Business)



Note: Scale of operating income graph is adjusted.

4. GY 2050 Carbon Neutrality Target

We are committed to people, society and the global environment through achieving Carbon Neutrality and reducing CO_2 emission by environmentally considered products



Promote energy-saving measures

①Contribute to energy-saving equipment
②Develop prescriptions for efficient charging methods and develop new ones

Promote of generating renewable energy

①Maximize introduction in all offices and plants in Japan and overseas
②Introduce own products (ESS, etc.) and conduct a demonstration experiment

Procure renewable energy

①Purchase electric power that uses renewable energy
②Procure reports of renewable energy

Contribute to reducing CO_2 emissions through expanding sales of environmentally considered products

- Lithium-ion batteries for HEVs / PHEVs / BEVs
- Lead-acid batteries for ISS vehicles
- Power conditioners / Industrial lithium-ion batteries etc.

Reduce further CO_2 emissions by products

Reducing CO_2 emissions by products

FY2021
At least
8 million t

* GS Yuasa Group's CO_2 emissions aggregation standards have been changed, and in FY2018, we are undergoing third-party verification again.
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.

GS YUASA
Creating the Future of Energy

Sixth Mid-Term Management Plan (FY2023-2025)

1. Sixth Mid-term Management Plan Policies and Issues

Sixth Mid-Term Management Policy

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.

Implementation Measures

①Development of batteries for BEVs

Measures

- 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

②Reinforcement of earning capacity in existing business

Measures

- 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

③DX / new business

Measures

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

2. Management Targets

Management Plan Period

Three years from April 2023 to March 2026

Mid-Term Management Targets (targets for FY2025)

	Fifth Mid-Term Management Final Result (FY2022 Actual)	**Sixth Mid-Term Management Target (FY2025 Target)**	Change	[Reference] FY2023 Actual	[Reference] FY2024 Forecast
Net sales	517.7 billion yen	**610.0** billion yen	+17.8 %	562.9 billion yen	590.0 billion yen
Operating income	32.1 billion yen	**41.0** billion yen	+27.7 %	42.2 billion yen	44.5 billion yen
ROE（Return on equity）	6.5 %	**8** % or more	+1.5 %	11.6 %	8.0 %
ROIC（Return on invested capital）	11.4 %	**10** % or more	-	13.7 %	12.5 %
Total return ratio	27.9 %	**30** % or more	+2.1 %	20.6 %	26.5 %
Domestic lead price quote	347,000 yen/t	**342,000** yen/t	-	373,400 yen/t	372,000 yen/t
LME	2,105 US$/t	**2,000** US$/t	-	2,121 US$/t	2,200 US$/t
Exchange rate	136 yen/US$	**140** yen/US$	-	145.31 yen/US$	145.00 yen/US$

Notes:1. ROE is based on net income before the amortization of goodwill, and ROIC is relative to operating income before the amortization of goodwill.
2. ROIC is calculated as operating income before amortization of goodwill, etc. ÷ invested capital (fixed assets (excluding goodwill, etc.) + working capital). Invested capital is the average of the beginning and end of the period.

3. Segment Results

(Billion yen)

		FY2022 Actual		FY2025 Target		Change		[Reference] FY2023 Actual		[Reference] FY2024 Forecast	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: PP)	Net sales	Operating income (Op. income ratio: PP)	Net sales	Operating income (Op. income ratio: PP)
Automotive Batteries	Japan	87.8	6.5 (7.5)	**100.0**	**7.0 (7.0)**	+12.2	+0.5 (-0.5)	94.0	8.1 (8.6)	100.0	8.0 (8.0)
	Overseas	247.3	13.3 (5.4)	**240.0**	**17.0 (7.1)**	-7.3	+3.7 (+1.7)	252.9	15.1 (6.0)	259.0	16.5 (6.4)
Industrial Batteries and Power Supplies		99.2	8.8 (8.9)	**140.0**	**11.0 (7.9)**	+40.8	+2.2 (-1.0)	109.7	13.2 (12.0)	120.0	13.0 (10.8)
Automotive Lithium-ion Batteries		65.4	2.0 (3.0)	**110.0**	**6.0 (5.5)**	+44.6	+4.0 (+2.5)	84.8	2.6 (3.1)	90.0	4.0 (4.4)
Specialized Batteries and Others		18.0	1.4 (7.7)	**20.0**	**0.0 (-)**	+2.0	-1.4 (-)	21.5	3.2 (14.9)	21.0	3.0 (14.3)
Total		517.7	32.1 (6.2)	**610.0**	**41.0 (6.7)**	+92.3	+8.9 (+0.5)	562.9	42.2 (7.5)	590.0	44.5 (7.5)

Note: Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

3. Segment Results and Strategies (Automotive Batteries (Japan))

Automotive Batteries (Japan)

Business Policy

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

Strategies and Important Tasks

➢ [Production]
- Establish supply system that enables both rapid response to demand fluctuations and inventory reduction

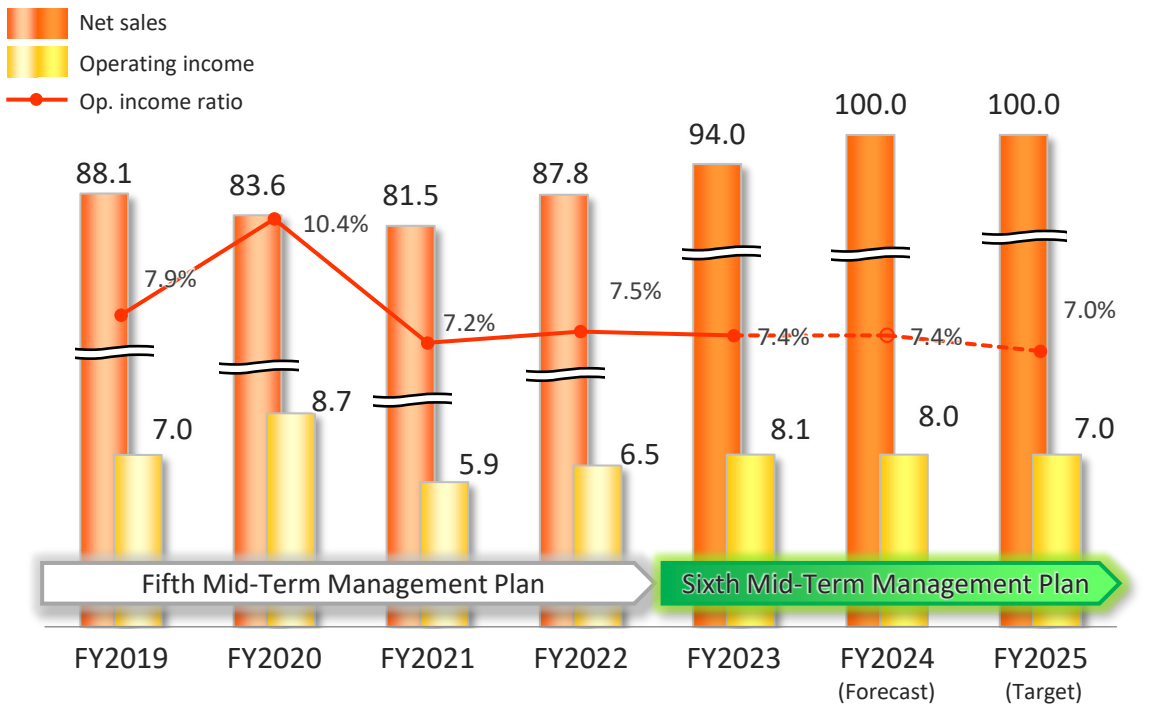
➢ [Sales - For new automobiles]
- Improve profit ratio due to optimal price revision such as raw material prices

➢ [Sales - For replacement]
- Rebuilt marketing strategies and maintain high market share
- Improve efficiency utilizing IoT and DX

SWOT

Strengths	・Technology and quality cultivated by response to new automobiles ・Brand (domestic No.1 share)	Weaknesses	・Impact on production due to change in volume of new vehicles
Opportunities	・Expand market of high value-added products	Threats	・Cost competition due to commoditization ・Rising costs due to response to environment

Net sales, Operating income and Op. ratio (Billion yen)



Factors for Operating Income Change (Sixth Mid-Term Management Plan)

For new automobiles ↗ For replacement →

Note: Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

3. Segment Results and Strategies (Automotive Batteries (Overseas))

Automotive Batteries (Overseas)

Business Policy

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

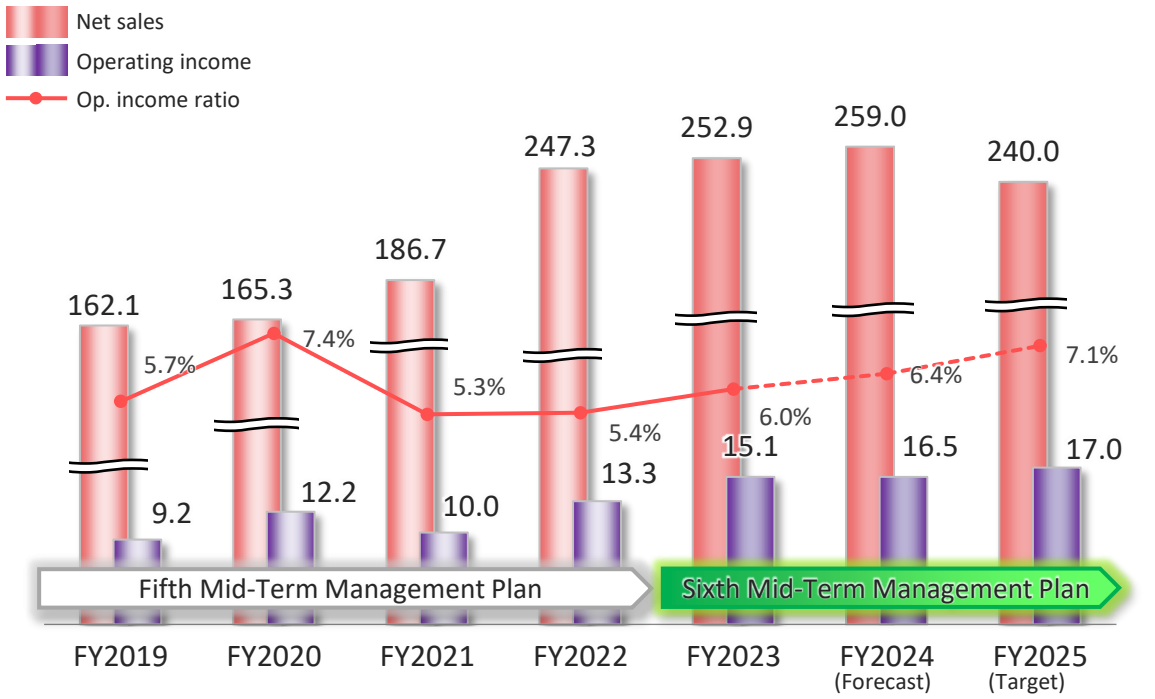
Strategies and Important Tasks

- [Southeast Asia]
  - Maximize profit by strengthening sales in ASEAN area
- [China] • Promote fundamental review of business
- [Europe] • Supply steadily to Europe utilizing Turkish site and expand sales to the Middle and Near East or North Africa
- [Other (Australia)] • Strengthen production base and expand market share of replacement batteries

SWOT

Strengths	• High technology and quality • No.1 share in ASEAN and brand	Weaknesses	• Decentralization of resources • Sales ability in area without sites
Opportunities	• Progress of motorization in emerging countries • Expansion of auxiliary batteries market	Threats	• Decrease in starting batteries due to electrification

Net sales, Operating income and Op. ratio (Billion yen)



Factors for Operating Income Change (Sixth Mid-Term Management Plan)

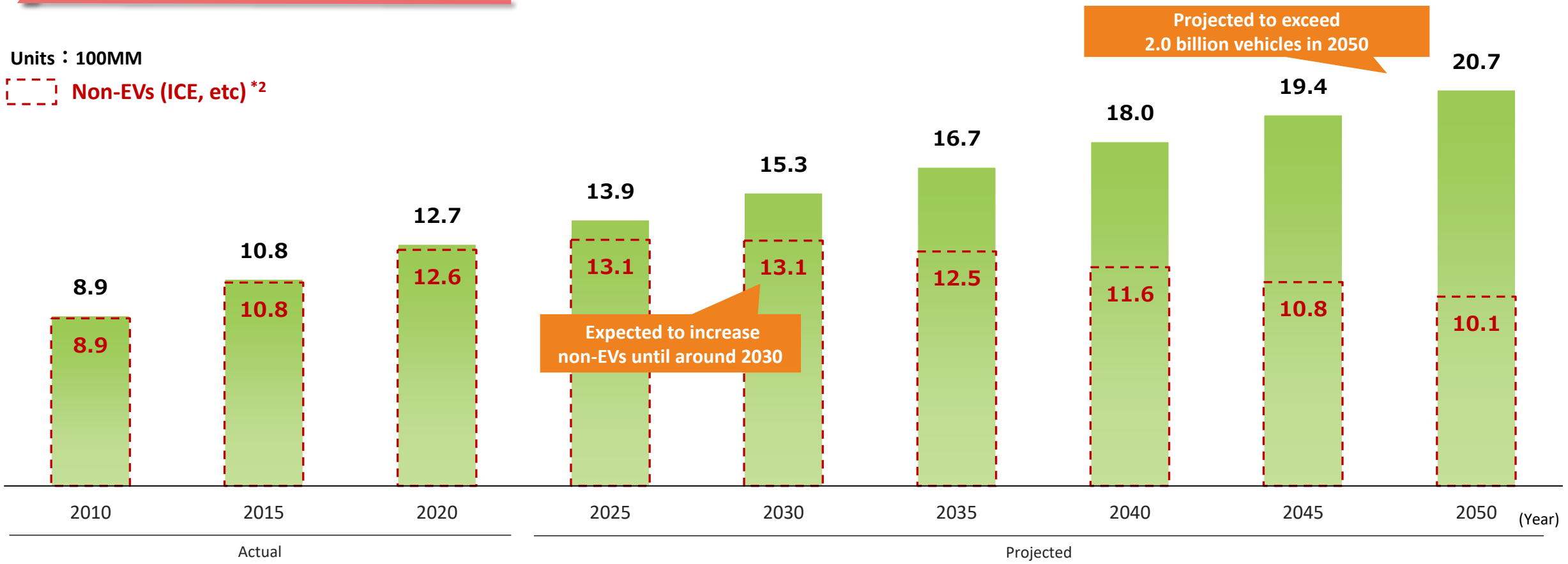
Southeast Asia	China	Europe	North America	Other (Australia)
↗	↘	↗	→	↗

Note: Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.

3. Segment Results and Strategies (Automotive Batteries)

Strategies of Automotive Batteries

Lead-acid batteries business, supported by its superior positioning, will continue to generate stable cash flows primarily from replacement batteries



【Demand for lead-acid batteries】 Replacement use for ICE＋Auxiliary use for EVs

Notes : EVs in this chart includes HEVs, PHEVs and BEVs
Source: Prepared by us based on data from Wood Mackenzie “No. of Road Vehicles (Car Parc)” (as of 10th Oct, 2023)

3. Segment Results and Strategies (Industrial Batteries and Power Supplies)

Industrial Batteries and Power Supplies

Business Policy

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

Strategies and Important Tasks

➢ [Emergency field (Japan)]
- Expand our remote monitoring services
- Maximize profit by utilizing unparalleled superiority

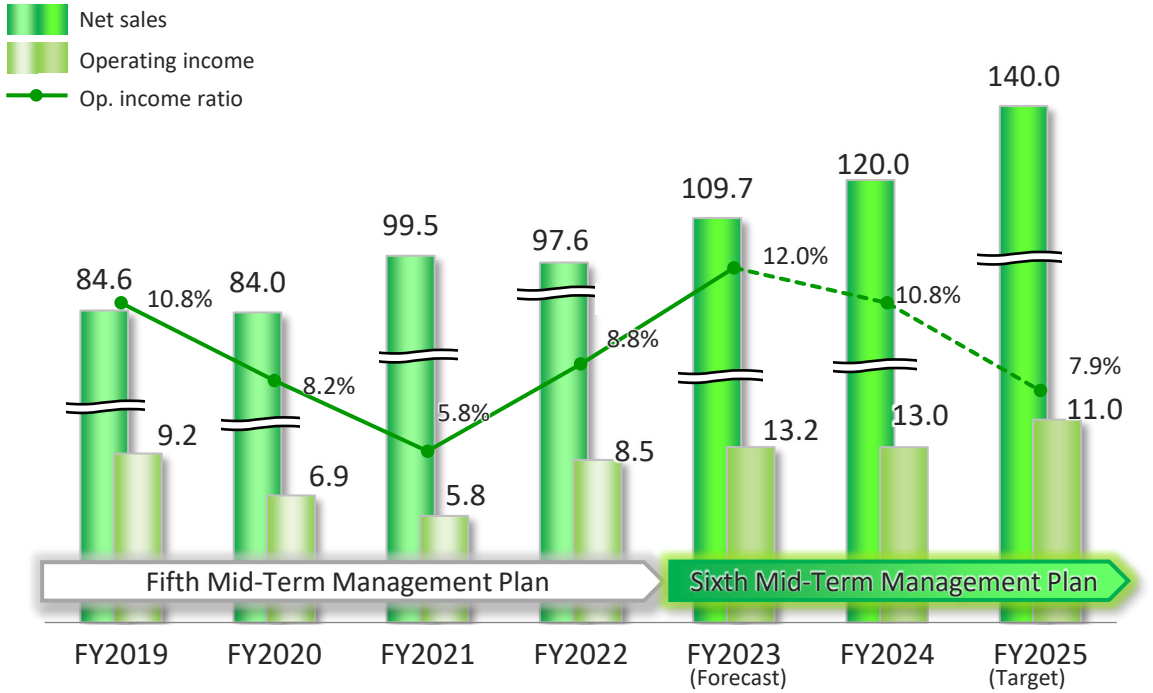
➢ [Regular field (Japan)]
- Setting the stage for a second pillar of business

➢ [Emergency field (Overseas)]
- Strengthen competitive ability by expanding product lineup

SWOT

Strengths	・High presence in Japan	Weaknesses	・Low market share in overseas
Opportunities	・Expansion of renewable energy market	Threats	・Entering renewable energy market by global competitors

Net sales, Operating income and Op. ratio (Billion yen)



Factors for Operating Income Change (Sixth Mid-Term Management Plan)

Emergency field (Japan) → Regular field (Japan) → For forklifts (Global) → Emergency field (Overseas)

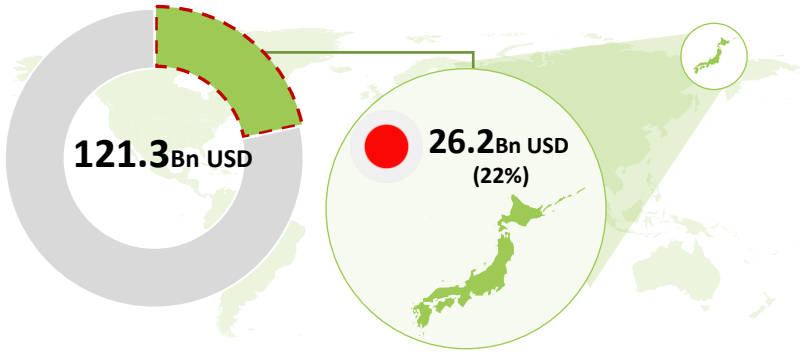
3. Segment Results and Strategies (Industrial Batteries and Power Supplies)

Strategies of Emergency Field

Growing demand for backup batteries and power supplies backed by the national resilience policy and expansion of the data center service market driven by IoT

Backup Batteries & Power Supplies Supporting Public Infrastructure

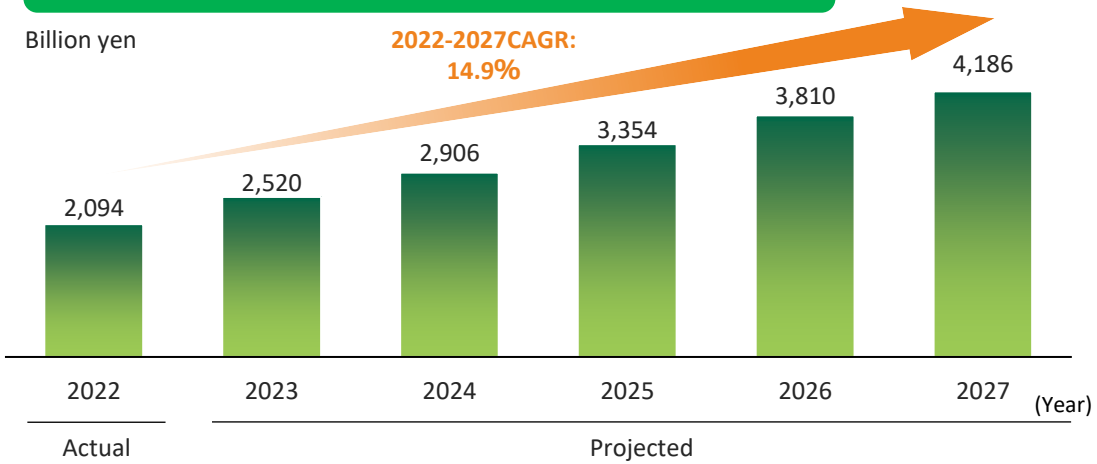
Damage amount of natural disasters since 2019



Expected
Demand Growth
for backup business for National Resilience

Source: Prepared by us based on data from Cabinet Office "White Paper on Disaster Management 2020"

Projected Growth of Domestic Data Center Service Market

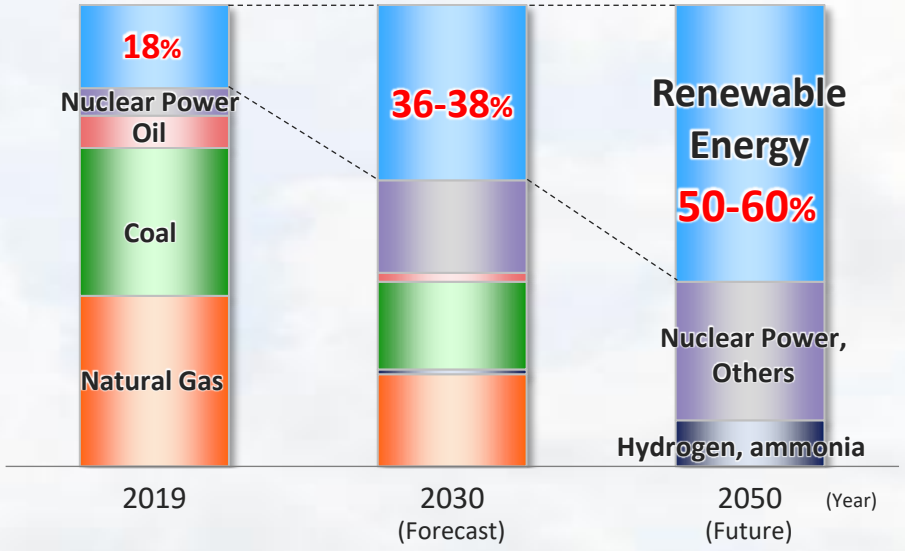


Source: Prepared by us based on data from IDC Japan "Domestic Data center service market forecast, 2023 - 2027"

3. Segment Results and Strategies (Industrial Batteries and Power Supplies)

Strategies of Regular Field

Power Supply Composition Forecast in Japan



Source: Agency for Natural Resources and Energy, "Considerations for Achieving Carbon Neutrality in 2050" and "The Sixth Energy Basic Plan"

FY2023 Estimated Budget for Renewable Energies

- **Project to accelerate the introduction of renewable energy through the introduction of grid storage batteries, etc. and rationalization of the power distribution network, etc.** — Budget request **10.0 billion yen**
- **Subsidy to promote demand-side-led introduction of solar power generation** — **16.5 billion yen**

Growing importance of storage batteries

For achieving carbon neutrality in 2050, the importance of energy storage systems (ESS) is increasing.

Subsidies related to renewable energies are expanding on the demand-side, grid connection, etc.

Utilize expanding opportunities

Regular field

Increase capacity approx. **3 times**

(compared to FY2022)

(Capacity target approx. 300MWh)

Sixth Mid-term Management Plan Period (FY2023-25)

Strengthen competitive ability and improve customer satisfaction

Promote development of PCS with large capacity

Container-integrated ESS (Energy Storage Systems)

- Storage batteries **+Remote monitoring service (STARELINK Service)**

Establish all-in-one business

- All-in-one business by using storage batteries +remote monitoring service **+PCS with large capacity**

3. Segment Results and Strategies (Automotive Lithium-ion Batteries)

Automotive Lithium-ion Batteries

Business Policy

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

Strategies and Important Tasks

➢ [HEV, PHEV]
- Improve yield rate and plant utilization rate
- Establish further increasing production system of Blue Energy No.2 plant
- Strengthen development and production systems of batteries for PHEVs

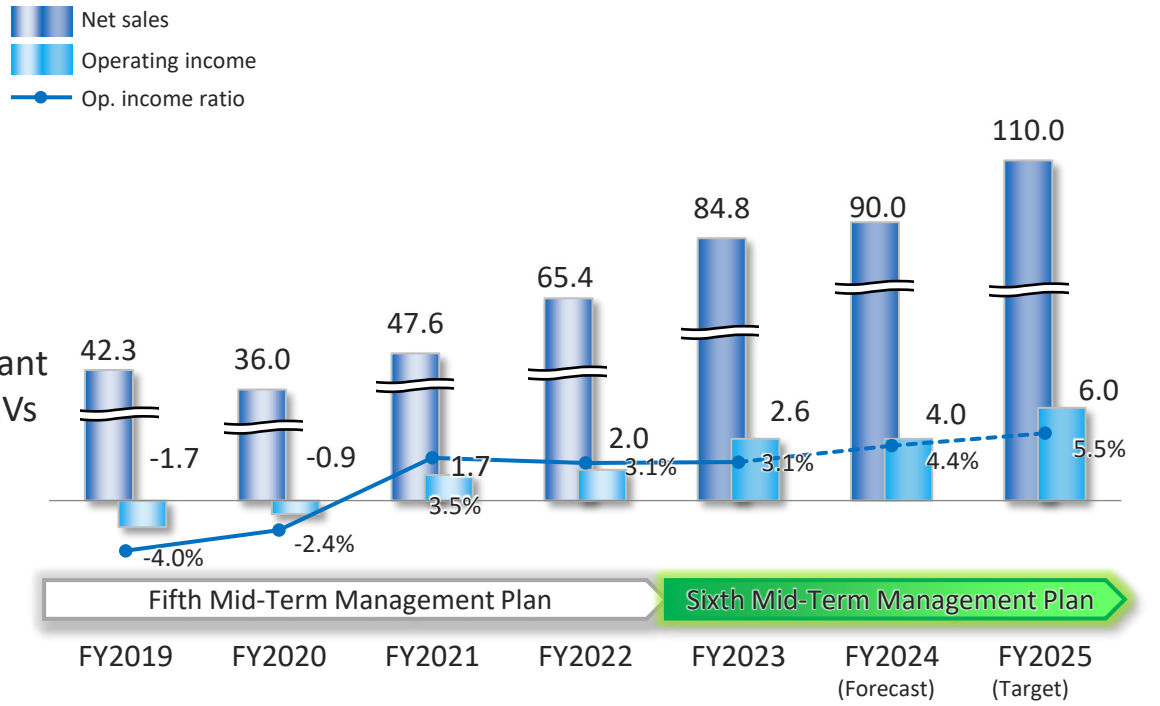
➢ [BEV] ・Strengthen development systems of batteries for BEVs
- Prepare for entering market of batteries for BEVs

➢ [Auxiliary and backup use]
- Development of products / preparation of production

SWOT

Strengths ・Connection with automakers in Japan ・High utilization rate of BEC and LEJ	Weaknesses ・Corporate scale compared to manufacturers in China and Korea ・Concentration of production sites in Japan
Opportunities ・Expand demand for HEVs by automakers in Japan ・Expand demand for BEV batteries	Threats ・Concerns about stable procurement of raw materials ・Legal regulation ・High market share by foreign manufacturers

Net sales, Operating income and Op. ratio (Billion yen)

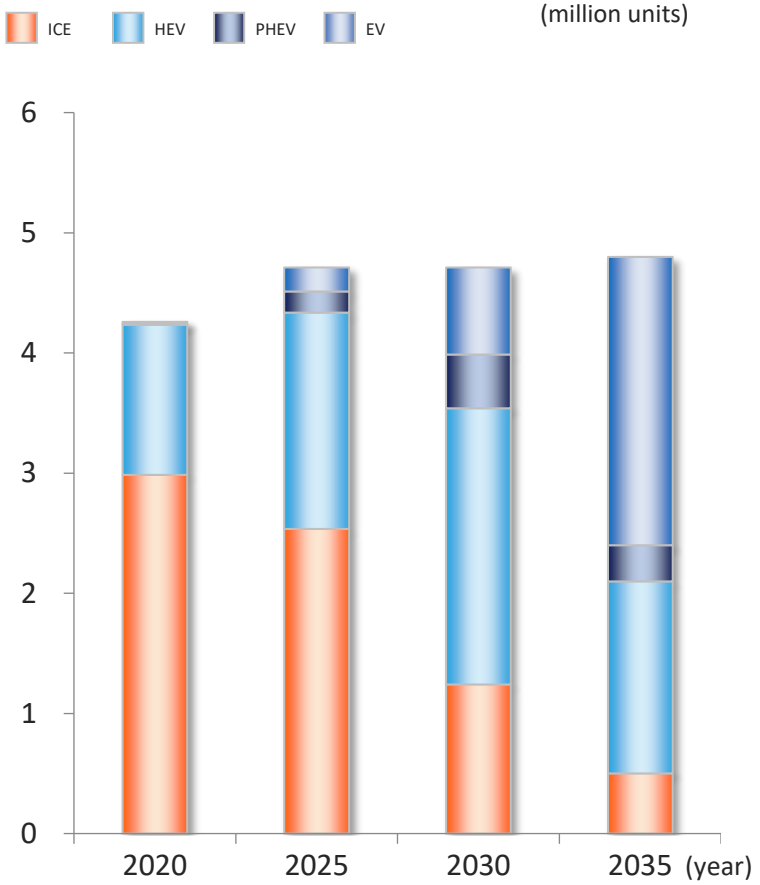


Factors for Operating Income Change (Sixth Mid-Term Management Plan)			
HEV, PHEV	↗	BEV, Auxiliary and backup use	–

3. Segment Results and Strategies (Automotive Lithium-ion Batteries)

Strategies of batteries for HEVs

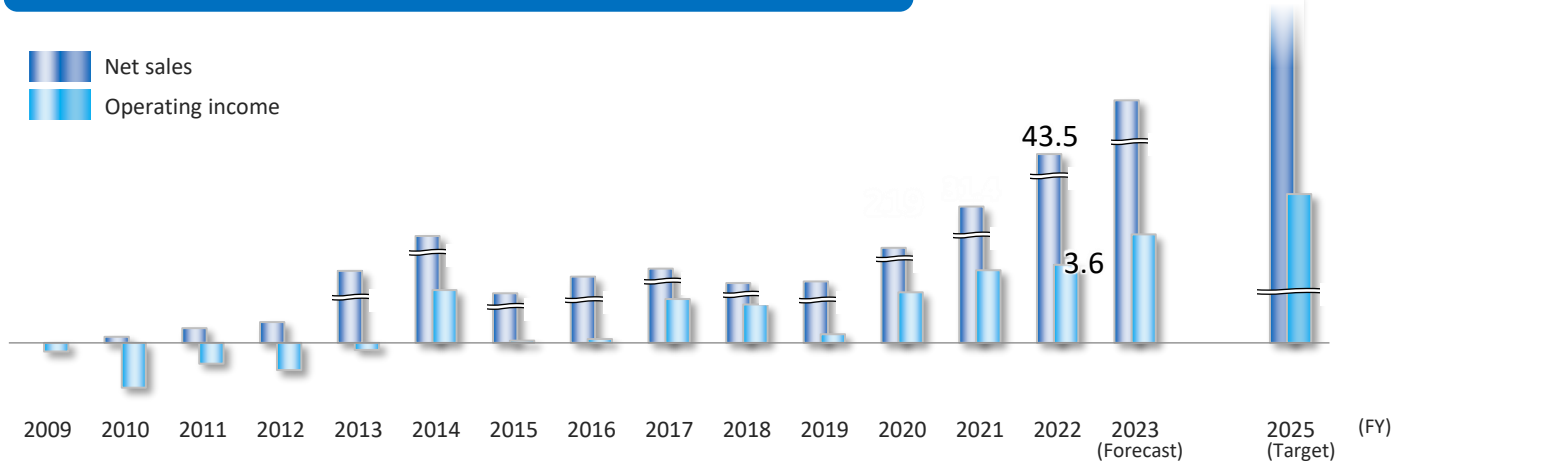
Forecast of sales of new vehicles in Japan



Note: Our estimate by reference to documents of securities companies

Change in net sales and operating profit of Blue Energy

(Billion yen)



FY2009：Establishment of Blue Energy

FY2011：Start of installation for Honda

FY2013：Adoption to FIT, VEZEL

FY2020：Start of installation for TOYOTA

FY2022：Start of operation of second plant

FY2023：Start of installation for Mitsubishi Motors

Blue Energy

Production capacity (Annual)

FY2019 20 million cells

Second half of FY2022 50 million cells

FY2025 70 million cells (Target)

Growing demand of LiB for HEVs

Increase in HEVs until 2030s especially for Japanese automakers' vehicles

Expand production ability of BEC No.2 plant 70 million cells / year during Sixth Mid-Term Management Plan period

Expand sales significantly

3. Segment Results and Strategies (Automotive Lithium-ion Batteries)

Regarding the Signing of a Joint Venture Agreement to Establish New Company, Honda・GS Yuasa EV Battery R&D Co., Ltd.

GS YUASA × HONDA

Overview of new company

Name	Honda・GS Yuasa EV Battery R&D Co., Ltd.
Address	1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto
Capital	Amount of capital at establishment: 2 billion yen Amount of capital reserve at establishment: 2 billion yen
Investors	GS Yuasa International Ltd. 50%, Honda Motor Co., Ltd. 50%

A broad scope of collaborations

- Research and development of a high-capacity, high-output lithium-ion battery, primarily for EV use, and the required production methods
- Establishment and management of intellectual properties including patents related to the joint research and development
- Planning for products that utilize technologies resulting from the joint research and development, and planning for the required sales channels
- Designing of an efficient production operation including the supply chain for key raw materials

3. Segment Results and Strategies (Automotive Lithium-ion Batteries)

Strategies of batteries for BEVs

GS YUASA
HONDA

Investment

Payment of dividends, etc.

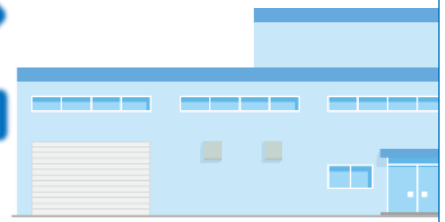
Honda・GS Yuasa EV Battery R&D

A joint venture company for research and development of a high-capacity, high-output lithium-ion batteries
(Equity method affiliates)

IP (Intellectual Property) licensing

Payment of royalties, etc.

Production facility



Mobility

Public Infrastructure

Contribute to the realization of carbon neutrality in society for a wide range of customers

Utilization of subsidies
(Supply Security Plan for Storage Batteries)

Business name	GS Yuasa International Ltd., Honda Motor Co., Ltd., Blue Energy Co., Ltd.
Total amount	Approx. 434.1 billion yen
Amount of subsidy	Approx. 158.7 billion yen (maximum)
Production scale	20GWh (in Japan)
Articles	Automotive and stationary lithium-ion batteries
Contents	Conduct R&D on high-capacity, high-output storage batteries and develop manufacturing technologies for mass production. Also, invest in mass production and start operation of production line in April 2027. (Full-scale mass production will begin in October 2027). The production line will be launched sequentially through 2030, and mass production will begin.

GS YUASA Blue Energy Image of production capacity

FY2023

≪Sixth Mid-Term Management Plan (FY2023-2025)≫

- Establish a joint venture company for research and development (Honda・GS Yuasa EV Battery R&D)
- Research and development of a high-capacity, high-output lithium-ion batteries
- Prepare production for batteries for BEVs and ESS (Consider in Shiga Prefecture, etc.)

<FY2027>
- Start operation from April
- Started full-scale mass production from October

<-FY2030>
- Set up production lines sequentially

<-FY2035>
- Aim to increase production ability to exceed 20GWh

3. Segment Results and Strategies (Specialized Batteries and Others)

Specialized Batteries and Others

Business Policy

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

Strategies and Important Tasks

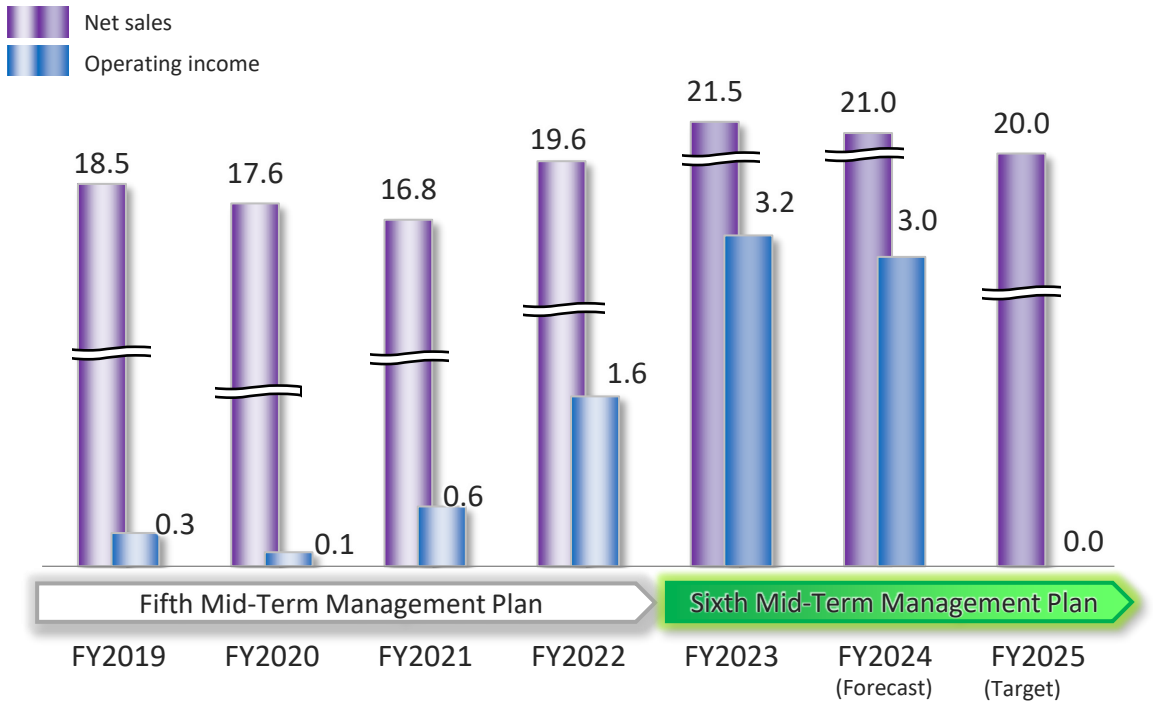
➢ [Specialized batteries business]
- Improve profitability due to efforts to strengthen the foundation of the defense industry
- Development of next-generation LiB for submarines
- Response to expand sales of LiB for aircrafts
- Expand sales of LiB for satellites

➢ [Others]
- Increase in environmental response costs
- Increase in costs for DX and creation of new business

SWOT

Strengths	・The only one specialized batteries manufacturers in Japan ・High technology and reliability	Weaknesses	・Delay in digitalization ・Aging equipment
Opportunities	・Formulation of the Three Principles on Defense Equipment Transfer ・Expansion of new market such as for space use	Threats	・Higher costs due to increased development difficulty ・Increased social responsibility

Net sales, Operating income and Op. ratio (Billion yen)



Factors for Operating Income Change (Sixth Mid-Term Management Plan)

LiB for submarines → LiB for aircrafts

4. Financial Policy and Capital Allocation

Financial Policy

- Maintain a shareholders' equity ratio of 40% or more while investing in growth in mobility and public infrastructure
- Target of total return ratio before amortization of goodwill, etc. is 30% or more
  (achieve both investment in growth and stable dividends to shareholders)

	FY2025 targets (Apr. 2025 – Mar. 2026)
Interest-bearing debt to operating cash flow ratio*1	Approx. 3 years
Total return ratio*2	30 % or more
Equity ratio	maintain 40 % or more

*1 Interest-bearing debts (including lease obligations) / operating cash flow
*2 The total return ratio for FY2025 is before goodwill amortization

	Sixth Mid-Term Management Plan 3-year total
Operating cash flow	¥140.0 bn
Investing cash flow	-¥190.0 bn
Free cash flow	-¥50.0 bn

Capital Allocation (FY2023-2025)

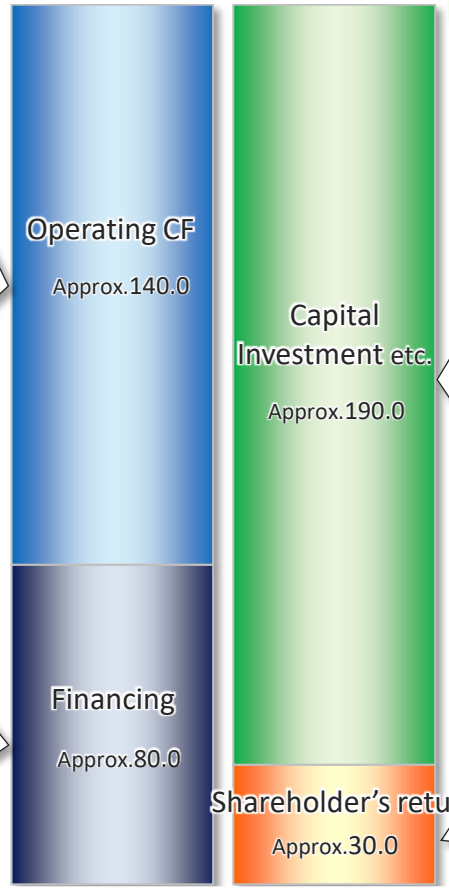
(Billion yen)

Expanding operating CF

Maximize profit and recover capital investment during Fifth Mid-Term Management Plan Period (Depreciation expenses)

Secure necessary funds

Consider a variety of direct and indirect financing



Major investment projects

- Investment for renewal mainly of overseas sites
- Investment for renewal of Kyoto office
- Investment to increase production of Blue Energy No.2 plant
  - **Additional investment for production ability to 70 million cells in FY2025 per year-Response to demand for HEVs by Japanese automakers until mid-2030s-**
- Investment for development of batteries for BEVs

Shareholder Return Policy

Recognize the most important issue of management is return to shareholders, therefore, we set total return ratio target including dividends and a share buyback pursuant more than **30%**

Cash-in　Cash-out

Note: The total return ratio is before goodwill amortization

5. Medium-term Environmental Target (FY2023-2025)

Accelerate the reduction of environmental impact from our business activities and

expand our contribution to the circular economy

Reduction of CO_2 emissions **15% or more (compared with FY2018)**

- Implementation of energy conservation measures through energy visualization
- In-house consumption of renewable energies through the introduction of solar power generation equipment
- Replacement of old equipment with energy-saving equipment

Solar power generation facility of Ritto office

Reducing water use

15% or more
(compared with FY2018)

Percentage of environmentally considered products in total sales

45% or more

Increasing usage rate of recycled lead

70% or more

Although this document has been prepared with information believed to be correct, GS Yuasa Corporation does not guarantee the accuracy or the completeness of such information. Also, the information herein contains forward-looking statements regarding the Company's plans, outlooks, strategies and results for the future. All the forward-looking statements are based on judgments derived from information available to the Company at the time of release. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented herein.

Creating the Future of Energy

GS YUASA
Creating the Future of Energy

Reference

Reference. Equity Financing for Growth

Public Offerings and Parallel Third-Party Allotment

Number of outstanding shares	80,599,442 shares ▶ 100,446,442 shares (+19,847,000 shares)
Procurement funds	Approx. 39.6 Billion Yen

Overview of Parallel Third-Party Allotment

Allottee / Number of shares to be allotted

Honda Motor Co., Ltd. / 2,497,700 shares

Through the collaboration with Honda,
build a solid supply chain
of LiBs for BEVs in Japan

Contribute to broader use of BEVs in Japan
and aim to enhance enterprise value

Collaborations with Honda

HEVs Area

- Start of installation for Honda from FY 2011. Expand sales to other Japanese OEM

  Result : Approx. **2.7 million units** (as of October 31st, 2023)

  Production capacity (BEC) :
  Second half of FY2022 **50 million cells**/year ▶ FY2025 **70 million cells**/year

BEVs Area

- FY2023 : **"Honda・GS Yuasa EV Battery R&D Co., Ltd."**
  for the purpose of R&D of high-capacity, high-output LiBs,
  started the business from August
- FY2027 : Planning to start operation of production line

  Production Capacity : FY2030 **20GWh**/year (GS Yuasa, Honda, BEC)

Reference. Equity Financing for Growth

Background and Rationale of Financing / Use of Proceeds

1 **Drastically changing external environment**

Rapid growth in global demand for batteries to achieve carbon neutrality

2 **Tipping point for transformation of the business portfolio**

Entry into BEVs areas, by leveraging technological capabilities cultivated in HEVs areas

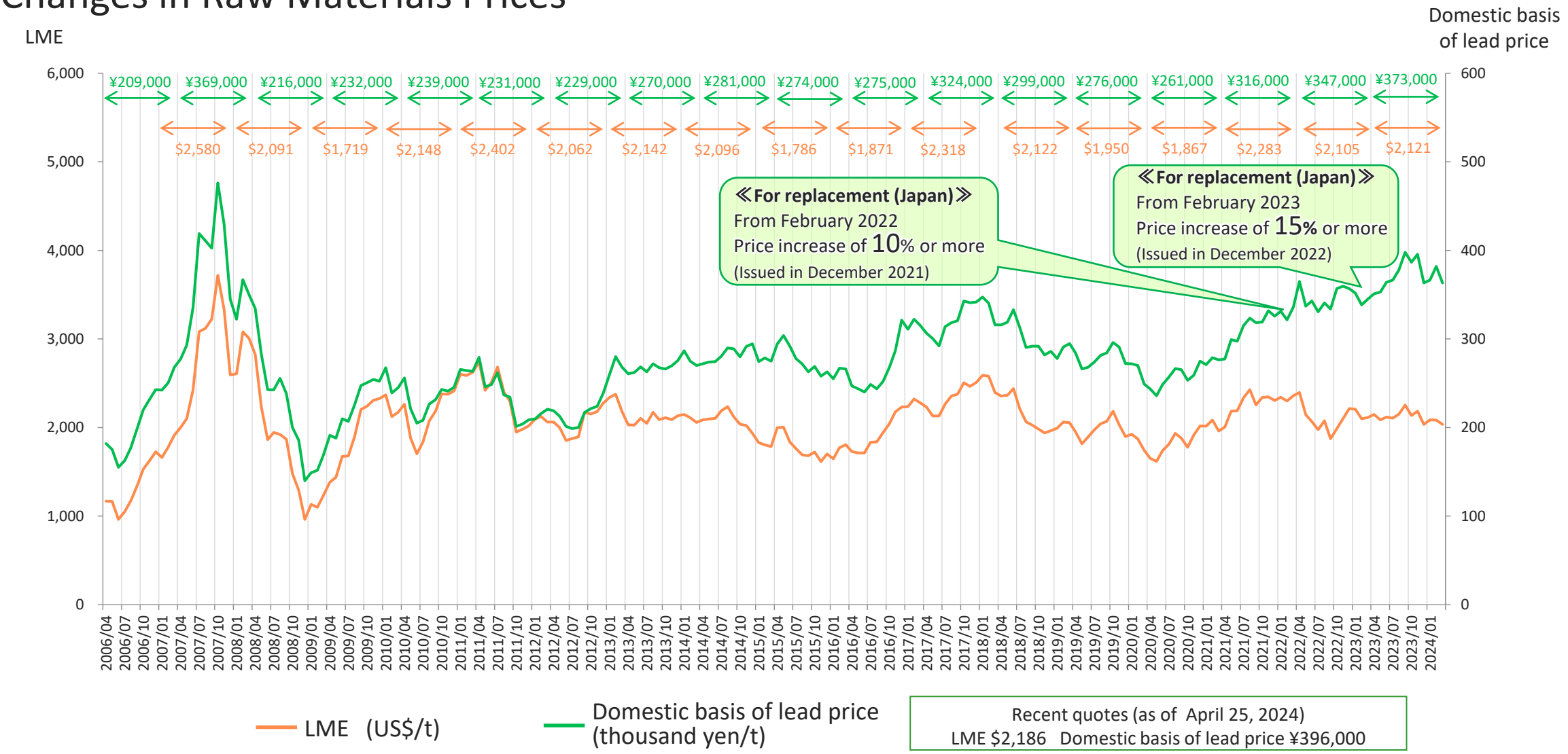
Allocating proceeds to strengthen balance sheet for further growth opportunities, as well as for capital expenditure and R&D investment in BEVs market expanding rapidly according to changes in the external environment and for capital expenditure in HEVs market, mid- to long-term growth drivers

Capital Expenditure in LiBs for BEVs	R&D investment in LiBs [*1] for BEVs and Next-gen Batteries	Capital Expenditure in LiBs for HEVs
Target: BEC	Targets: Honda・GS Yuasa EV Battery R&D and GS Yuasa	Target: BEC
30.0 billion yen	**8.0 billion yen**	**Allocating the remaining**

Notes
1. Also used for ESS use

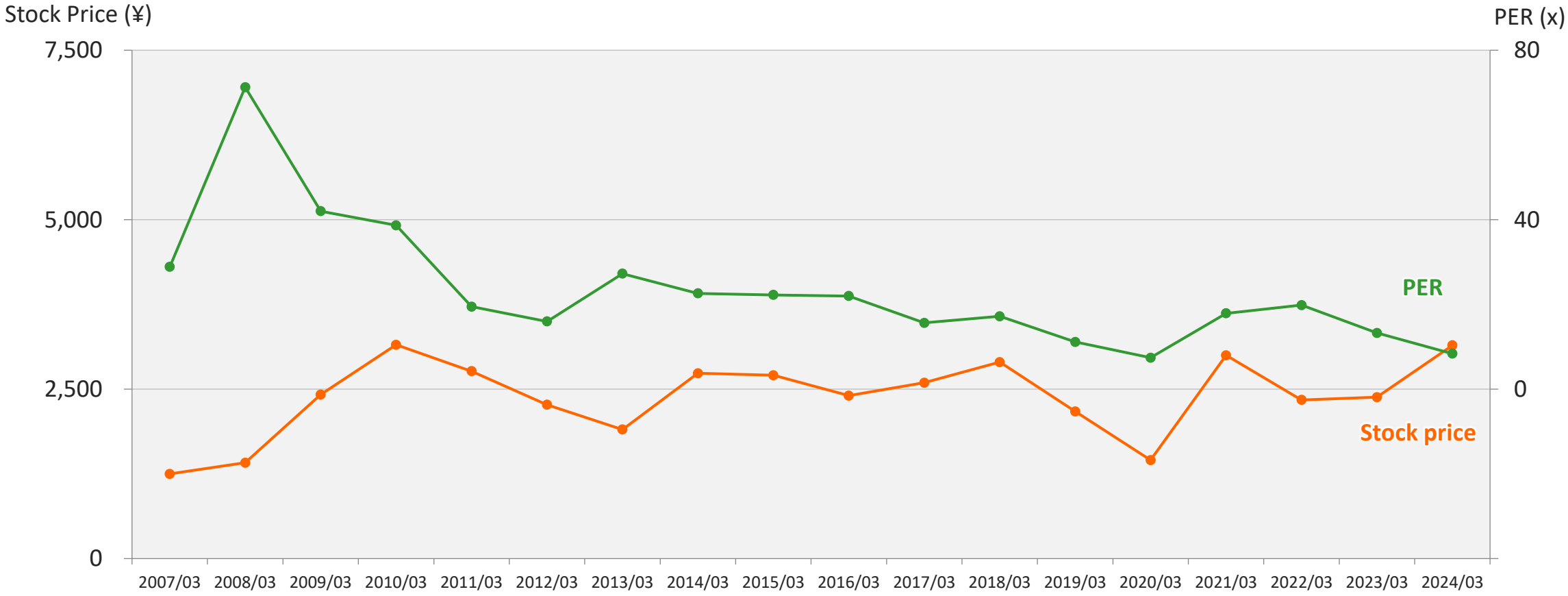
Reference

Changes in Raw Materials Prices



Recent quotes (as of April 25, 2024)
LME $2,186 Domestic basis of lead price ¥396,000

Changes in Stock Price, Price to Earnings Ratio (PER)



Notes: 1. Closing price on the last trading day of March.
2. PER is based on profit before amortization of goodwill.
3. GS Yuasa carried out a five-to-one reverse stock split of its common stock upon changing the number of shares per trading unit from 1,000 to 100 shares (effective date Oct. 1, 2018), and Stock Price and PER take into account the share consolidation.

Reference

	Fiscal year	2019	2020	2021	2022	2023
Operating income ratio	(%)	6.1	7.0	5.5	6.2	7.5
Return on equity（ROE）	(%)	9.0	7.2	4.6	6.5	11.6
Return on invested capital （ROIC）	(%)	10.9	12.0	9.7	11.4	13.7
Earnings per share（EPS）	(¥)	195.92	167.72	118.02	179.47	376.31
Dividend per share	(¥)	50	50	50	50	70 (planned)
Purchase of treasury stock	(¥bn)	1.5	0.0	0.0	0.0	0.0
Total return ratio	(%)	34.9	29.8	42.4	27.9	20.6

	Fiscal year	2019	2020	2021	2022	2023
Total borrowings	(¥bn)	64.5	65.4	82.5	103.7	76.2
D/E ratio	(x)	0.42	0.41	0.50	0.55	0.34
Equity ratio	(%)	45.8	46.8	44.8	42.6	50.3
Debt to cash flow ratio	(year)	2.2	2.2	7.0	4.0	1.4

Notes: 1. The above indices for FY2016 onward are based on profit before amortization of goodwill (operating income, profit).
2. ROIC is calculated as follows: Invested capital (fixed assets [excl. goodwill amortization] + working capital) / Operating income before amortization of goodwill. Invested capital is the average of amount at beginning and end of term.

Reference

Quarterly Results by Segment

(Billion yen)

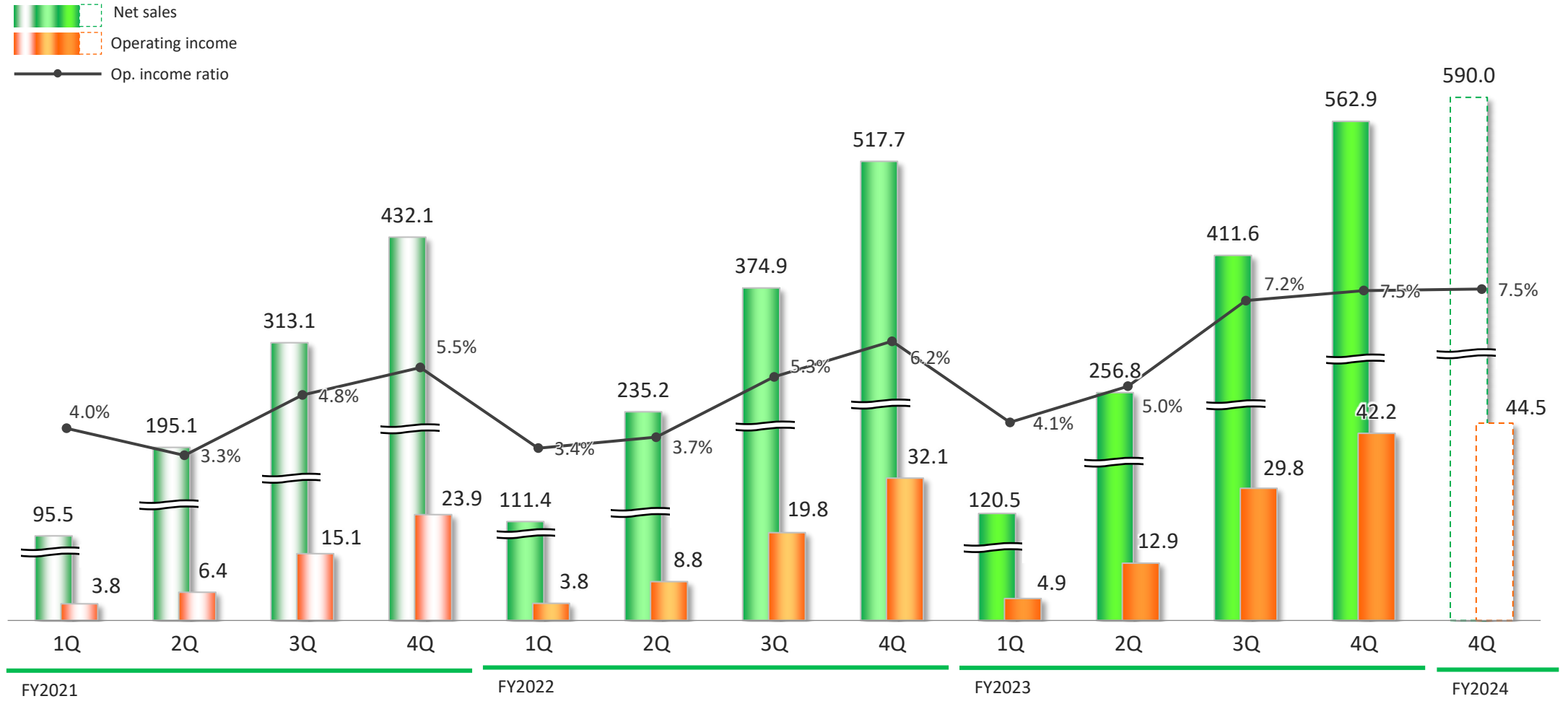
		FY2022										FY2023										FY2024		
		1Q (Apr-Jun)		2Q (Jul-Sep)		3Q (Oct-Dec)		4Q (Jan-Mar)		Full (Apr-Mar)		1Q (Apr-Jun)		2Q (Jul-Sep)		3Q (Oct-Dec)		4Q (Jan-Mar)		Full (Apr-Mar)		Full-year forecast (Apr-Mar)		
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %) EBITDA (EBITDA Margin:%)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %) EBITDA (EBITDA Margin:%)	Net sales	Operating income (Op. income ratio: %)	EBITDA (EBITDA Margin:%)
Automotive Batteries	Japan	17.7	1.0 (5.4)	20.0	0.8 (4.0)	25.5	2.5 (9.7)	24.7	2.3 (9.4)	87.8	6.5 (7.5) 9.2 (10.5)	19.6	1.0 (5.2)	21.5	1.1 (5.3)	27.8	3.0 (10.9)	25.2	2.9 (11.4)	94.0	8.1 (8.6) 10.9 (11.6)	100.0	8.0 (8.0)	-
	Overseas	60.0	3.0 (5.0)	61.9	3.1 (5.0)	65.1	4.1 (6.3)	60.4	3.1 (5.2)	247.3	13.3 (5.4) 20.1 (8.1)	58.4	2.8 (4.7)	67.1	4.8 (7.2)	65.2	5.8 (8.8)	62.2	1.8 (2.8)	252.9	15.1 (6.0) 22.6 (8.9)	259.0	16.5 (6.4)	-
Industrial Batteries and Power Supplies		17.0	-0.5 (-3.1)	22.5	1.1 (5.1)	26.4	2.7 (10.2)	31.7	5.3 (16.6)	97.6	8.5 (8.8) 10.2 (10.5)	17.9	0.2 (0.8)	21.6	1.2 (5.6)	34.2	5.1 (14.8)	35.9	6.7 (18.8)	109.7	13.2 (12.0) 15.1 (13.8)	120.0	13.0 (10.8)	-
Automotive Lithium-ion Batteries		12.4	0.4 (3.1)	15.0	-0.2 (△1.3)	17.9	0.8 (4.4)	20.1	1.0 (5.0)	65.4	2.0 (3.0) 6.1 (9.3)	19.5	0.4 (2.2)	21.1	0.3 (1.4)	22.4	1.7 (7.6)	21.8	0.2 (1.0)	84.8	2.6 (3.1) 7.5 (8.9)	90.0	4.0 (4.4)	-
Specialized Batteries and Others		4.4	0.0 (0.2)	4.5	0.1 (2.9)	4.8	0.9 (19.7)	6.0	0.6 (9.6)	19.6	1.6 (8.4) 7.4 (37.9)	5.2	0.6 (10.9)	5.0	0.5 (9.7)	5.1	1.3 (25.5)	6.2	0.8 (13.7)	21.5	3.2 (14.9) 8.9 (41.4)	21.0	3.0 (14.3)	-
Total		111.4	3.8 (3.4)	123.8	4.9 (4.0)	139.7	11.0 (7.9)	142.9	12.3 (8.6)	517.7	32.1 (6.2) 53.0 (10.2)	120.5	4.9 (4.1)	136.3	8.0 (5.9)	154.8	16.9 (10.9)	151.3	12.4 (8.2)	562.9	42.2 (7.5) 65.0 (11.6)	590.0	44.5 (7.5)	67.5 (11.4)

Note 1 : Operating income is operating income before amortization of goodwill and Op. income ratio is Op. income ratio before amortization of goodwill. EBITDA is operating income before amortization of goodwill + depreciation.
2 : Some consolidated subsidiaries in the “Industrial Batteries and Power Supplies” segment were transferred to the “Specialized Batteries and Others” segment from fiscal 2023. In conjunction with this change, figures for fiscal 2022 were restated according to the modified segments.

Reference

Net Sales, Operating Income, Op. Income Ratio

(Billion yen)



Note: Operating income is operating income before amortization of goodwill and op. income ratio is op. income ratio before amortization of goodwill.

Reference

External ratings of sustainability activities

Sustainability evaluations

(As of March 31, 2024)

	ESG rating by MSCI (U.S.)*1	ESG rating by FTSE (English)*2	CSR assessment by Toyo Keizai Inc.*3				CDP (English) assessments *4
			HR utilization	Environ-ment	Corporate governance	Sociality	
2024	BBB	3.8	AAA	AAA	AA	AA	A-
2023	BBB	3.8	AAA	AAA	AA	AAA	A-
2022	BBB	3.6	AA	AAA	AA	AA	A-
2021	A	3.6	AAA	AAA	AA	AA	B
2020	A	3.4	AA	AAA	AA	AA	B

*1: ESG rating of MSCI (U.S.) is done by Japan ESG Select Leaders Index and is seven-grade evaluation of AAA, AA, A, BBB, BB, B and CCC. (Rating Update : around June)

*2: ESG rating of FTSE (English) is five-grade evaluation of 1, 2, 3, 4, 5. (Rating Update : around June)

*3: Toyo Keizai Inc.'s CSR assessment is five-grade evaluation of AAA, AA, A, B and C. (Rating Update : around November)

*4: CDP (English) is eight-grade evaluation of A, A-, B, B-, C, C-, D, D-. (Rating Update : around September)

[Reference] Actual for FY2023 / Forecast for FY2024

(Billion yen)

	FY2023 Actual		FY2024 Forecast		Change		(YoY%)	[Reference] 1st half Result / Forecast (Apr. - Sep.) FY2023 1H Actual		FY2024 1H Forecast	
Net Sales	562.9		**590.0**		+27.1		(+4.8%)	256.8		263.0	
Operating income (ratio)	41.6	7.4%	**44.0**	**7.5%**	+2.4	+0.1P	(+5.8%)	12.7	4.9%	13.0	4.9%
Operating income before amortization of goodwill (ratio)	42.2	7.5%	**44.5**	**7.5%**	+2.3	+0.0P		12.9	5.0%	-	
Ordinary income	44.0		**44.0**		+0.0		(+0.0%)	12.0		12.5	
Profit (ratio)	32.1	5.7%	**26.0**	**4.4%**	-6.1	-1.3P	(-18.9%)	6.0	2.3%	6.0	2.3%
Profit before amortization of goodwill (ratio)	32.6	5.8%	**26.5**	**4.5%**	-6.1	-1.3P		6.2	2.4%	-	
EPS (Basic earnings per share) (¥/share)	¥369.74		**¥259.21**		-¥110.53			¥74.06		¥59.82	
Annual dividend (¥/share)	¥70	(Plan)	**¥70**	**(Plan)**	±¥0			¥15	(Interim)	¥20	(Interim)
Total return ratio	20.6	%	**26.5**	**%**	+5.9	P		-		-	
ROE (Return on equity)	11.6	%	**8.0**	**%**	-3.6	P		-		-	
ROIC (Return on invested capital)	13.7	%	**12.5**	**%**	-1.2	P		-		-	
Domestic lead price quote	¥373,400	/t	**¥372,000**	**/t**	-¥1,400	/t		¥368,400	/t	¥372,000	/t
LME	2,121	US$/t	**2,200**	**US$/t**	+79	US$/t		2,144	US$/t	2,200	US$/t
Exchange rate	¥145.31	/US$	**¥145.00**	**/US$**	-¥0.31	/US$		¥142.61	/US$	¥150.00	/US$

Notes: 1. ROE and total return ratio are based on profit before amortization of goodwill.
2. ROIC is calculated as follows: Invested capital (fixed assets [excl. goodwill amortization] + working capital) / Operating income before amortization of goodwill. Invested capital is the average of amount at beginning and end of term.

[Reference] Actual for FY2023 / Forecast for FY2024 (By Segment)

(Billion yen)

		FY2023 Actual		FY2024 Forecast		Change	
		Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: %)	Net sales	Operating income (Op. income ratio: pp)
Automotive Batteries	Japan	94.0	8.1 (8.6)	**100.0**	**8.0 (8.0)**	+6.0	-0.1 (-0.6)
	Overseas	252.9	15.1 (6.0)	**259.0**	**16.5 (6.4)**	+6.1	+1.4 (+0.4)
Industrial Batteries and Power Supplies		109.7	13.2 (12.0)	**120.0**	**13.0 (10.8)**	+10.3	-0.2 (-1.2)
Automotive Lithium-ion Batteries		84.8	2.6 (3.1)	**90.0**	**4.0 (4.4)**	+5.2	+1.4 (+1.3)
Specialized Batteries and Others		21.5	3.2 (14.9)	**21.0**	**3.0 (14.3)**	-0.5	-0.2 (-0.6)
Total		562.9	42.2 (7.5)	**590.0**	**44.5 (7.5)**	+27.1	+2.3 (+0.0)

Assumption of financial forecast (Apr. - Mar.)

- Sales will increase due to raw material and inflation effects, but pass-through will be limited
- Production of automobiles will increase partly due to increased demand for hybrid vehicles
- Regarding trends in lead price, LME is progressing stable but domestic lead prices remained high due to the impact of yen depreciation
- The yen continues to weaken against the U.S. dollar

<Prerequisites>	FY2023 Actual	FY2024 Forecast	Change
Domestic lead price quote (¥10,000/t)	37.34	**37.20**	-0.14
LME (US$/t)	2,121	**2,200**	+79
Exchange rate (¥/US$)	145.31	**145.00**	-0.31

Note : Operating income is operating income before amortization of goodwill and operating income ratio is operating income ratio before amortization of goodwill.