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## **Notice Regarding Decision of Long-Term Vision and Mid-Term Management Plan**

GS Yuasa Corporation (Tokyo Stock Exchange: 6674 “the Company”) today announced that it has formulated its Long-Term Vision for 2035 (Vision 2035) and Mid-Term Management Plan for three years from FY2023 to FY2025 (Sixth Mid-Term Management Plan). Briefing on Long-Term Vision and Mid-Term Management Plan for investors is scheduled on April 6<sup>th</sup>.

### **I. Business Environment Surrounding GS Yuasa**

The business environment for energy devices such as storage batteries and power supplies, our core business, is changing dramatically due to the major trends of achieving a sustainable society toward carbon neutrality by 2050 and the digital transformation of society, which has been rapidly accelerated by COVID-19.

The automotive industry is said to be undergoing a once-in-a-century transformation, and with the rapid shift to electrification, batteries are now required to perform key functions related to performance and safety, not only for starting, but also for drive force, backup, and so on.

In the field of stationary batteries, storage batteries are now positioned not only for backup applications, but also as an important infrastructure for stabilizing the use of renewable energies. Furthermore, storage batteries are now required to play a major role in both mobility and public infrastructure field, and we believe that the opportunities for the Company to play a role in a sustainable society will increase.

### **II. Overview of Vision 2035**

#### **1. Philosophy**

##### **Innovation and Growth**

We are committed to people, society and the global environment through innovation and growth of our employees and business entities.

#### **2. Our Policy on Sustainability Management**

We are committed to utilizing advanced technologies developed in the field of stored energy solutions to deliver security and comfort 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.

### 3. 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.

## III. Overview of Sixth Mid-Term Management Plan

### 1. 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.

### 2. Implementation 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 business that contribute to solving social issues

### 3. Management Target

- (1) Management plan period:  
Three years from April 2023 through March 2026

- (2) Mid-Term Management targets

	Targets
Net sales	¥610.0 billion or more
Operating income	¥41.0 billion or more
ROE (return on equity)	8% or more
ROIC (return on invested capital)	10% or more
Total return ratio	30% or more

\*The above benchmarks are based on profit before goodwill amortization (operating income and net income).

#### 4. Financial measures

We will seek to improve returns on invested capital and aim to achieve the following by procuring the necessary capital from, in principle, equity capital.

Debt repayment period (FY2025): Approx. 3 years

Equity ratio: Maintain at 40% or higher

#### 5. Capital Investments

	Total cumulative		Total cumulative
Automotive Batteries	¥32.0 billion	Automotive Lithium-ion Batteries	¥105.0 billion
Industrial Batteries and Power Supplies	¥16.0 billion	Other	¥37.0 billion
		Total	¥190.0 billion

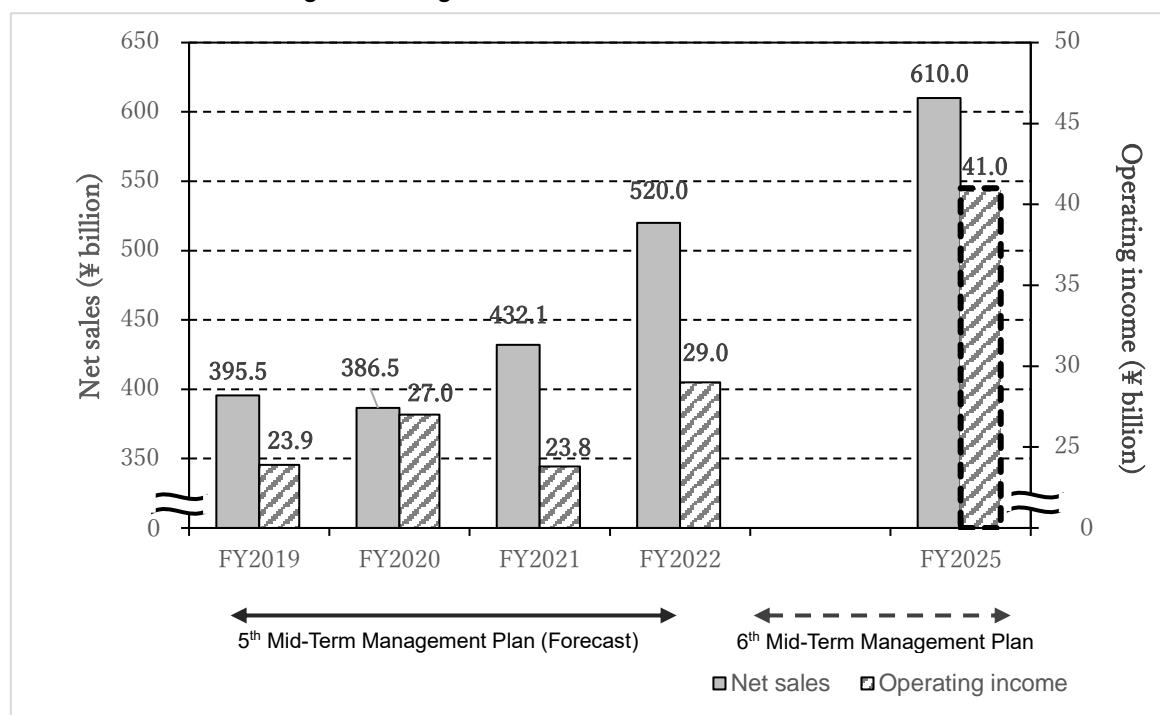
#### 6. R&D Costs

Primarily invest in research and development of a high-capacity, high-output lithium-ion batteries

Cumulative R&D costs: ¥60.0 billion

<Reference>

1. Business results and management targets



2. Management targets (by segment)

(Billions of yen)

		Automotive Batteries			Industrial Batteries and Power Supplies	Automotive Lithium-ion Batteries	Other	Total
		Japan	Overseas	Subtotal				
FY2025	Net sales	100.0	240.0	340.0	140.0	110.0	20.0	610.0
	Operating income*	7.0	17.0	24.0	11.0	6.0	0.0	41.0

\*Operating income is before goodwill amortization.