



Governance

Corporate Governance

1 Board of Directors

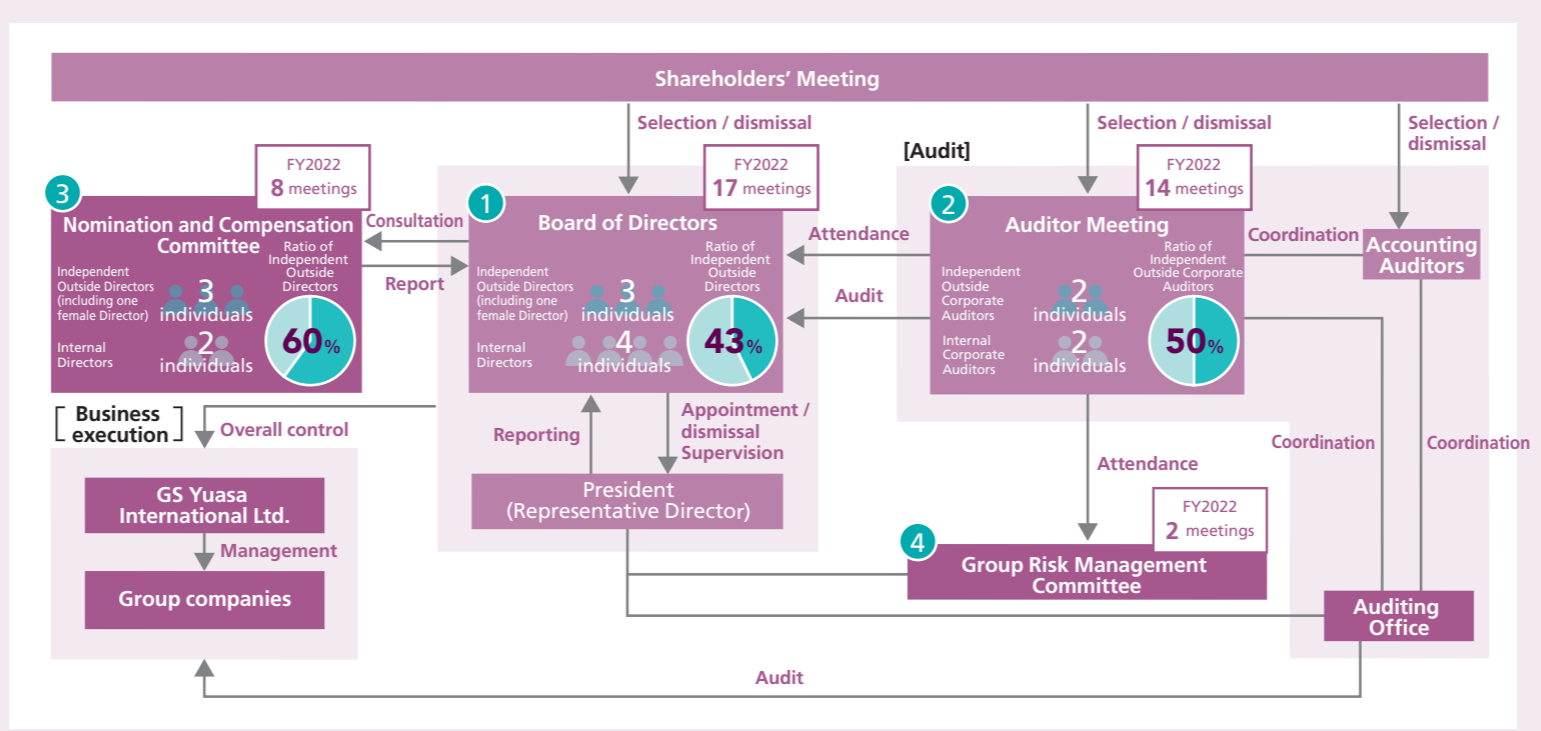
Meeting frequency: In principle, once per month*1

The Board of Directors determines medium- to long-term strategies for the Group including management strategies and medium- to long-term management plans, deliberates on significant matters, confirms progress concerning these matters, and creates systems for reporting the operational status of risk management by the Group, thereby overseeing management of the Group as a whole.

*1 Extraordinary meetings are held, written resolutions are adopted, and reports are made as necessary.

Main matters discussed in meetings of the Board of Directors in FY2022

Matters relating to the Shareholders' Meeting	<ul style="list-style-type: none"> Decision on convocation and agenda of the Shareholders' Meeting Approval of business reports, financial documents, etc. Deciding of director nominations
Matters relating to directors	<ul style="list-style-type: none"> Selection of president and executive directors Remuneration and bonuses of directors Directors serving concurrently at other companies
Matters relating to management in general	<ul style="list-style-type: none"> Matters relating to the Long-Term Vision and Mid-Term Management Plan Matters relating to the Group's business strategies Matters relating to capital procurement Matters relating to key business activities
Other	<ul style="list-style-type: none"> Selection of members of the Nomination and Compensation Committee Implementation of appraisal of the Board of Directors' effectiveness and report Reports relating to investor relations activities Verification of cross-shareholdings



2 Auditor Meeting

Meeting frequency: In principle, once per month

Corporate auditors conduct appropriate auditing and fulfill a management monitoring function by, among other activities, hearing reports on the business situation, risk management conditions, and other topics in meetings of the Board of Directors and other important conferences; offering their opinions and suggestions; interviewing directors, employees, and others about the execution of their duties; browsing important decisions, resolutions, and other documents; and investigating asset conditions.

Main matters discussed in the Auditor Meeting in FY2022

- Formulation of audit policies and audit plans
- Preparation of audit reports
- Evaluation of the accounting auditors and agreement on compensation

3 Nomination and Compensation Committee

FY2022: 8 meetings → P.82

The Nomination and Compensation Committee is an advisory body aimed at strengthening the independence, objectivity, and accountability of the Board of Directors' functions, such as the nomination and remuneration of directors. The committee discusses proposals for nominating new directors and selecting a new corporate president, as well as plans for successors (including human resource development plan) and other matters, and reports to the Board of Directors. The Nomination and Compensation Committee discusses policy for determining director remuneration, the remuneration of individual directors, and other matters and reports to the Board of Directors.

Status of activities by the Nomination and Compensation Committee

Name	No. of meetings	No. of attendances
Ikuo Otani (Chairperson)	8	8
Takayoshi Matsunaga	8	8
Yoshiko Nonogaki	8	8
Osamu Murao	8	8
Masahiro Shibutani	5	5

4 Group Risk Management Committee

Meeting frequency: In principle, twice per year → P.88

The Group Risk Management Committee promotes the management of risks and countermeasures relating to Group management and to share necessary information. It is chaired by the president, and meetings are attended by directors and corporate auditors, the presidents of major subsidiaries, general managers of business units, and others.

Approach and system of governance

To drive sustainable growth and enhance corporate value over the medium-to long terms, the Group is committed to establishing an organization and systems that enable fast, efficient responses to a changing business environment. At the same time, our basic policy on corporate governance is to make every effort to thoroughly implement and strengthen compliance and improve the soundness and transparency of management.

Based on this philosophy, GS Yuasa Corporation, a pure holding company, is responsible for formulating management strategies for all of the Group's businesses, as well as

management for the entire Group and oversight of the Group's business execution. GS Yuasa International Ltd., the Group's core operating subsidiary, is the key decision-making body for business execution, consolidating and strengthening business execution and enhancing dynamisms in the execution of business.

In this manner, functions are divided between GS Yuasa Corporation and GS Yuasa International to enhance and reinforce management structures while establishing governance structures that can increase the transparency and efficiency of management.



Skills matrix of directors and corporate auditors

Name	Position or responsibility	Knowledge and experience expected by GS Yuasa Corporation								Nomination and Compensation Committee
		Corporate / business management	Financial accounting	Legal affairs Risk management	IT Digitalization	Global	Manufacturing Development	Marketing Sales	ESG	
Osamu Murao	President Chief executive officer (CEO)	●		●			●		●	■
Masahiro Shibutani	Vice President	●	●			●		●		■
Kazuhiro Fukuoka	Director	●		●	●				●	
Hiroaki Matsushima	Director Chief financial officer (CFO)	●	●		●				●	
Ikuo Otani	Director Outside Independent	●	●	●					●	■ (Chairperson)
Takayoshi Matsunaga	Director Outside Independent	●				●	●		●	■
Yoshiko Nonogaki	Director Outside Independent	●				●		●	●	■
Akio Furukawa	Corporate Auditor (Full-time)	●				●		●		
Masaya Nakagawa	Corporate Auditor (Full-time)	●				●		●		
Tsukasa Fujii	Corporate Auditor Outside Independent		●	●					●	
Akira Tsujiuchi	Corporate Auditor Outside Independent		●	●					●	

Note: The number of items expected of directors by the Company is limited to four. The above table does not show all the knowledge and experience possessed by directors.

Policy on the selection of directors and corporate auditors

To enable the Board of Directors to effectively fulfill its duties as the Board of Directors of the holding company, we select, in a well-balanced manner, persons with knowledge, experience, skills, and so on relating to the business of our Group as a whole and persons who can make statements and act from an objective standpoint and a long-term, wide-ranging perspective. In addition, we strive to achieve a size and composition that can reflect diverse opinions, including gender and international viewpoints. In the selection of candidate directors, the Board of Directors asks the Nomination and Compensation Committee for advice and makes a final decision in the light of its report.

Note: Reasons for the selection of individual internal directors are available on our website:
<https://ir.gs-yuasa.com/en/ir/management/esg/governance/governance.html>

Fostering of next-generation management

In the evaluation of the effectiveness of the Board of Directors, there was a suggestion regarding policy on the fostering of next-generation management. In the light of this proposal, training is implemented for executives of GS Yuasa Corporation and directors and corporate auditors of GS Yuasa International Ltd., our core operating subsidiary, as well as executive officers and corporate officers, with the aim of deepening their understanding of the duties and responsibilities of directors.

Fiscal Year	Officer training topics
FY2023	Trends concerning carbon neutrality and the storage battery business
FY2022	Purpose-driven management and implementation of sustainable management
FY2021	Sustainable management, TCFD, management analysis

Reasons for nomination of, status of main activities of, and record of attendance by outside directors at Board of Directors and Auditor Meetings (FY2022)

Official position	Name	Reasons for nomination and status of main activities	No. of attendances/No. of meetings	
			Board of Directors	Auditor Meeting
Director	Ikuo Otani	<p>Reasons for nomination Ikuo Otani has extensive experience and wide-ranging knowledge about management planning and overall group management of a holding company of a listed company engaged in global business.</p> <p>Status of main activities Mr. Otani has made valuable points and recommendations in deliberations, in particular with regard to business strategies including proposal of the Sixth Mid-Term Management Plan and risk management in the management of the Group's overseas subsidiaries. As the main independent outside director, he provides leadership as chair of the Nomination and Compensation Committee and when conducting interviews including evaluating the effectiveness of the Board of Directors and holding meetings with officers of GS Yuasa International, the core business company and also makes useful suggestion and proposals to strengthen the supervisory function of the Board.</p>	17 / 17 times	—
Director	Takayoshi Matsunaga	<p>Reasons for nomination Takayoshi Matsunaga has extensive knowledge for supervising overall management based on managerial experience as a director of a listed company engaged in global business and experience as an Audit & Supervisory Board member of a listed company.</p> <p>Status of main activities In deliberations on overall management as well as business strategies including formulation of the Sixth Mid-Term Management Plan in particular, Mr. Matsunaga appropriately verifies suitability from an objective perspective and makes valuable suggestions and proposals, from new perspectives that differ from existing viewpoints including indicators and ideas. As an independent outside director on the Nomination and Compensation Committee and when evaluating the effectiveness of the Board of Directors and at other times, he makes various suggestions and proposals from the perspectives of accelerating the pace of management, nurturing candidates for future executives, and strengthening the Board's supervisory function.</p>	17 / 17 times	—
Director	Yoshiko Nonogaki	<p>Reasons for nomination Yoshiko Nonogaki has extensive experience and wide-ranging knowledge as an outside director of listed companies in addition to experience in the business division of a listed company engaged in global business and in management at an overseas subsidiary.</p> <p>Status of main activities In deliberations on overall management as well as business strategies including formulation of the Sixth Mid-Term Management Plan and ESG measures in particular, Ms. Nonogaki makes indications and verifies suitability from an objective perspective. As an independent outside director on the Nomination and Compensation Committee and when evaluating the effectiveness of the Board of Directors and at other times, she makes various suggestions and proposals and provides valuable advice to management concerning the use of human capital that incorporates a perspective of diversity and inclusion.</p>	17 / 17 times	—
Corporate Auditor	Tsukasa Fujii	<p>Reasons for nomination Tsukasa Fujii has extensive knowledge gained through extensive experience as an attorney.</p> <p>Status of main activities Mr. Fujii offers valuable opinions and advice based on broad knowledge gained through extensive experience as an attorney and his advanced expertise regarding legal matters and risk management.</p>	17 / 17 times	14 / 14 times
Corporate Auditor	Akira Tsujiuchi	<p>Reasons for nomination Akira Tsujiuchi has broad knowledge gained through extensive experience as a certified public accountant.</p> <p>Status of main activities Mr. Tsujiuchi offers valuable opinions and advice based on his broad knowledge gain though extensive experience as a certified public accountant and his advanced expertise regarding finance and accounting.</p>	17 / 17 times	14 / 14 times

Policy on the independence of outside directors

We appoint several outside directors as persons with ample experience and knowledge who can make statements from an objective standpoint and contribute to the medium- to long-term enhancement of our corporate value without being restricted by corporate officers. When making such appointments, we also give consideration to their external independence, such as by ensuring that any company to which a candidate, or that candidate's close relative, belongs or belonged has no business ties, or just minor business ties, with our Group. We report all outside directors as independent directors to the Tokyo Stock Exchange.

Measures to support outside directors

The Company provide support for the main activities of outside directors and outside corporate auditors, primarily through their respective administrative offices and secretarial divisions. Materials for Board of Directors

meetings are distributed in advance, and the relevant divisions provide prior individual explanations concerning important matters when necessary.

Provision of information to outside directors

The Company actively shares information with outside directors. In addition to the advance briefings intended to enhance the quality of deliberations at Board of Directors meetings, periodic liaison meetings and other meetings are held with representative directors, business divisions, and management divisions. To facilitate communication with outside directors, we create various opportunities for sharing information including annual briefings by overseas sites, internal databases, and the minutes from meetings of deliberative bodies.

Details of Activities in FY2022	Number of times held
Periodic liaison meetings with outside directors, outside corporate auditors, and representative directors	16 times per year
Periodic liaison meetings with business divisions and management divisions	Approximately 10 times per year
Meetings for outside directors to report to the president	2 times per year

Evaluating the effectiveness of the Board of Directors

Once each year, the Company evaluates the effectiveness of its Board of Directors under the leadership of the outside directors and the president with the objectives of confirming whether the current situation is consistent with the ideal status of the Board and the roles it should fulfill, identifying areas for improvement, and further improving operation of the Board.

The Board then investigates and carries out improvement measures to address the issues that were identified through the evaluation. The Company will continue to evaluate the effectiveness of the Board and strive to make further improvements in the future.

Evaluation method

Each director and corporate auditor completes a questionnaire, and based on the responses obtained, individual interviews are conducted. The details of the responses are analyzed and evaluated, and based on the results, the Board of Directors deliberates on improvement measures.

Evaluation items

- Composition of the Board of Directors
- Agenda of the Board of Directors
- Management of the Board of Directors
- Duties of the Board of Directors

Results of FY2022 evaluation of effectiveness (Targeted period: January–December 2022)

Overall evaluation

The evaluations were positive for each item including the effectiveness of measures implement in the prior year, and we determined that overall effectiveness has been achieved.

Main opinions

There were opinions to the effect that further improvements are needed to strengthen systems for following up on important matters referred to the Board of Directors and for nurturing the next generation of human resources.

Our response

A review was conducted of the system for reporting important matters to the Board of Directors. In addition, with respect to nurturing the next generation of human resources, we looked into recruiting successor human resources for important posts including at subsidiaries.

Results of FY2021 evaluation of effectiveness (Targeted period: January–December 2021)

Main opinions

There were opinions to the effect that further improvements are needed in the efficient operation of resolutions, deliberations, and reporting matters of the Board of Directors and in strengthening the system for internal auditing divisions to report directly to the Board.

Our response

A review was conducted of the Group Approval Regulations, which specify decision-making authority within the Group, and the number of times that internal auditing divisions report directly to the Board of Directors.

Remuneration of directors

Basic policy

To continuously enhance our corporate value and strengthen our corporate competitiveness, the remuneration of directors is ranked and structured in consideration of such factors as securing and retaining talented human resources and increasing their motivation to achieve better business performance.

Determination process and composition of remuneration

At a meeting held on February 25, 2021, the Board of Directors approved a policy on determining the details of remuneration including the remuneration of individual directors. In deciding this policy, the Board referred the matter to the Nomination and Compensation Committee and received a report. The Board also confirmed that the method of determining the remuneration for each director for the current fiscal year and the specifics are consistent with the decision-making policy approved by the Board and that the report from the Nomination and Compensation Committee was complied with and is in line with the decision-making policy. The Board of Directors determines the specific amounts to be paid within the limit of compensation approved by the Shareholders' Meeting and

delegates decisions to the president based on the report of the Nomination and Compensation Committee.

A director's remuneration consists of a fixed basic remuneration, a performance-linked annual bonus as a short-term incentive, and a performance-linked stock remuneration scheme as a medium- to long-term incentive, and is decided in consideration of such factors as levels at listed companies with about the same business scale as the Company. An annual bonus is paid to directors (excluding outside directors) as short-term performance-linked remuneration, with the aim of increasing awareness of the need to contribute to sustained business growth and enhanced corporate value and a stock remuneration scheme is provided at the time of a director's retirement through a trust set up by the Company.

Corporate auditor remuneration is determined by discussion among the corporate auditors within the range of the amount approved by resolution at the first annual Shareholders' Meeting, which was held on June 29, 2005. In view of their role and independence, auditors receive only the fixed basic remuneration.

The Company also started investigations into linking evaluations of ESG indicators to remunerations systems.

Composition of GS Yuasa Corporation's director remuneration

Internal Directors	Basic remuneration 80%	Short-term performance-linked remuneration 10%	Medium-to long-term performance-linked remuneration 10%
Outside Directors	Basic remuneration 100%		
Corporate Auditors	Basic remuneration 100%		

Note: The figure is hypothetical with percentages calculated based on results for fiscal 2022 and may change due to variations in consolidated performance and other factors.

Evaluation items regarding officer remuneration for directors

Basic remuneration	<ul style="list-style-type: none"> ● Standard amount in accordance with the director's position, etc. ● Evaluation of the business performance of the of the relevant division and individual ● Consolidated business performance ● Levels at listed companies with about the same business scale as the Company and other factors
Short-term performance-linked remuneration	<ul style="list-style-type: none"> ● Business performance in the fiscal year (profit attributable to owners of parent, etc.) ● Degree of improvement and target achievement since the previous year
Medium- to long-term performance-linked remuneration	<ul style="list-style-type: none"> ● Fixed points granted each month according to positions, etc. ● Performance-linked points that fluctuate in the range of 0% to 100% depending on the degree of achievement of performance targets (Net sales / Operating profit ratio before amortization of goodwill, etc. / ROIC (return on invested capital), an evaluation of the efficiency of business activities)

Total amount of remuneration, etc. by category, total amounts of remuneration, etc. by type, and number of applicable persons

Category	Total amount of remuneration, etc.	Total amount of remuneration, etc. by type				Number of eligible persons
		Basic remuneration	Performance-linked remuneration		Non-monetary remuneration included in the remuneration to the left	
			Bonus	Share remuneration		
Directors (excluding outside directors)	¥197million	¥150million	¥22million	¥23million	¥23million	5 (including 1 retiree)
Corporate auditors (excluding outside corporate auditors)	¥49million	¥49million	—	—	—	2
Outside directors	¥43million	¥43million	—	—	—	5 (3 current directors and 2 current corporate auditors)

Note: The above figures are the total amount of remuneration, etc. paid to directors by GS Yuasa Corporation and our subsidiaries.

Internal control system

To strengthen its management foundations, the Group has improved systems and relevant rules for ensuring the maintenance of ethical business practices in accordance with the Companies Act. Such systems include mechanisms to ensure effective auditing, information management, and risk management throughout the Group.

To comply with the internal control reporting system

required under the Financial Instruments and Exchange Act, we are maintaining an internal control system and financial reporting mechanisms to meet all requirements. Our international subsidiaries and other consolidated Group companies evaluate the status of the improvement and implementation of internal controls. Following external audits, reports on these internal controls are publicly disclosed.

Cross-shareholding

Cross-shareholding is the possession of shares of other companies for purposes other than pure investment. Possession of the shares of business partners and others can be expected to help maintain medium- to long-term relations, expand business, and promote synergy.

Accordingly, every year the Board of Directors examines the rationale behind the holdings of specific shares. If it is decided that there is no rationale for holding them, efforts are made to reduce them.

In fiscal 2022, the Company sold a portion of its cross-shareholdings in accordance with these policies. Each year, the Board of Directors examines the rationale for holding each issue, primarily from the following perspectives

to confirm the reasonableness of maintaining holdings.

Qualitative Information	<ul style="list-style-type: none"> ● Whether there is a trading relationship ● Possibility of trading or alliance in the future ● Risks if the shares are disposed of ● Significance of the holding other than trading
Quantitative Information	<ul style="list-style-type: none"> ● Most recent trading volume and profit amount ● Amount of dividends received annually, profit / loss on share valuation

Regarding the voting rights of shares held as cross-shareholdings, the Company exercises voting rights after comprehensively assessing the reasonableness of the proposals of the investment target company from the perspective of enhancing corporate value over the medium to long term.

Number of cross-shareholdings and amount recorded on balance sheet

Categories		(Number of issues, millions of yen)		
		End of FY2021	End of FY2022	Change
Listed shares	Number of issues	30	28	-2
	Amount recorded on balance sheet	28,021	24,538	-3,483
Non-listed shares	Number of issues	25	25	0
	Amount recorded on balance sheet	573	573	0
Total	Number of issues	55	53	-2
	Amount recorded on balance sheet	28,595	25,111	-3,483

Notes:1. The numbers of issues and the amounts recorded on the balance sheet include holdings of GS Yuasa, which is the company with the highest balance sheet amount for cross-shareholdings among consolidated subsidiaries of the Company.
2. As of the end of FY2022, in addition to the amounts to the left, there was 22,946 million yen in deemed share holdings, and the total of cross-shareholdings (including deemed share holdings) was 48,058 million yen. This amount equals 17.7% of consolidated net assets at the end of FY2022. The amount of deemed share holdings is calculated by multiplying the market price at the end of FY2022 by the number of shares held.

Measures to reinforce overseas governance

We are reinforcing collaboration with Group companies to ensure comprehensive control by the Company of the business management aspects of overseas Group companies and to prevent the occurrence of problems in

the execution of business. Specifically, we are taking action to gain a timely understanding of conditions through briefing meetings with overseas sites and on-site observations of important sites.

Thoroughly Fulfilling Our CSR and Ensuring Compliance

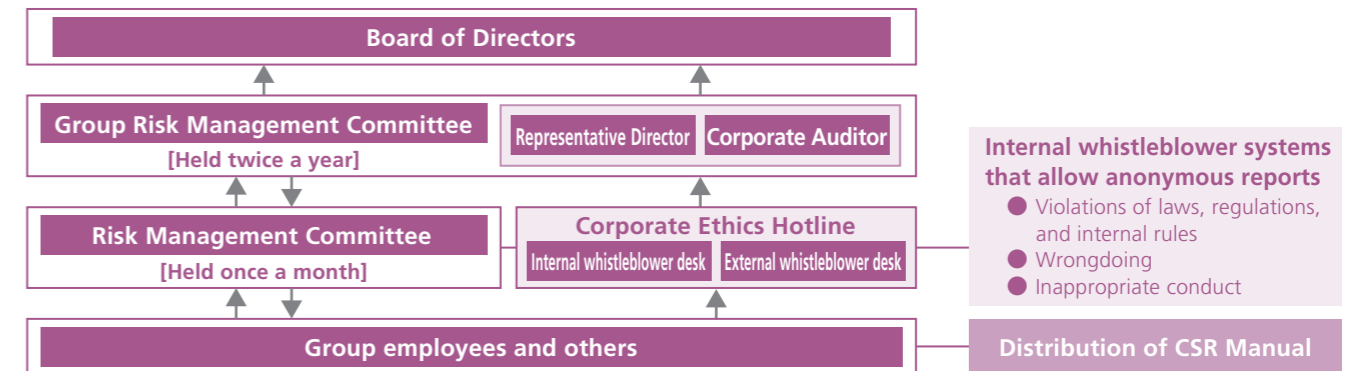
Basic approach

By training our personnel according to our philosophy of "Innovation and Growth" while manifesting our commitment to society and preserving the global environment, we are ensuring that all employees are guided in their behavior focusing on compliance with laws, company regulations and ethical standards.

The Compliance Declaration made by the president states that success must never be achieved through legal

and moral infringements and that "establishing rules and structure" and "developing a strong sense of commitment to realize compliance" are essential to becoming a corporate leader in compliance. Based on these guidelines, multifaceted compliance promotion activities are developed at every employee level, and each employee is encouraged to incorporate self-directed and proactive actions to yield an effective improvement in compliance awareness.

Diagram of compliance systems



Permeation of compliance awareness

The CSR Manual which delineates rules for adherence by every corporate Group member is distributed to all employees to facilitate permeation of compliance awareness in the Company. This manual clarifies the Group's CSR policy. It outlines explicitly the behavioral standards that each employee must follow during business activities.

In addition, the manual details how to use the internal whistleblower system, a mechanism that facilitates detection of compliance risks, and introduces an emergency contact system for use in a crisis to realize quick responses to compliance infringements.

Items included in the CSR Manual

- Concrete examples of compliance operations and risk actualization (explained in a Q&A format and in columns)
- Diagnostic checklist to help employees assess their own adherence to corporate behavioral standards

Workplace meetings on sustainability

Workplace meetings on compliance were initiated in fiscal 2012 as a means of allowing compliance awareness to permeate to each and every employee, and have been held for 11 consecutive years through fiscal 2022.

Since fiscal 2018, meetings have been conducted as "workplace meetings on sustainability," covering topics relating to CSR policies. In addition to all GS Yuasa workplaces (363 workplaces), domestic group companies

(22 companies) are also included in the scope of application. The educational materials used in the meetings are prepared by the division in charge for each topic and include content tailored to the circumstances of the Group. We intend to continue holding these meetings while constantly upgrading the content.

Examples of themes of sustainability workplace meetings

- Contribution to the SDGs through "Innovation and Growth"
- Diversity (psychological stability)
- Preventing intentional wrongdoing
- Handling confidential information
- Subcontracting laws
- Personal information protection
- Security trade controls
- Harassment (sexual harassment / power harassment)
- Management of working hours
- Occupational health and safety
- Product safety
- Specific facility reports
- Global warming and corporate responsibility
- Promotion of supply-chain CSR activities

GS Yuasa Group Corporate Ethics Hotline

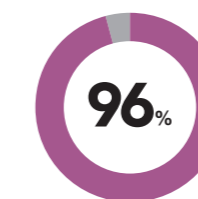
We formulated Corporate Ethics Hotline Regulations and set up a corporate ethics hotline. Accessible both internally and externally, the Corporate Ethics Hotline, an internal whistleblower system, enables employees of the Group and business partners to provide information by telephone, email or in writing if they become aware of any violation of the law or company regulations, unethical or inappropriate conduct, or risk of such conduct by a Group employee, etc. Reports can be made anonymously.

In addition, we ensure that information identifying whistleblowers managed rigorously and that whistleblowers are protected so that they are not subject to disadvantageous treatment as a result of making a report.

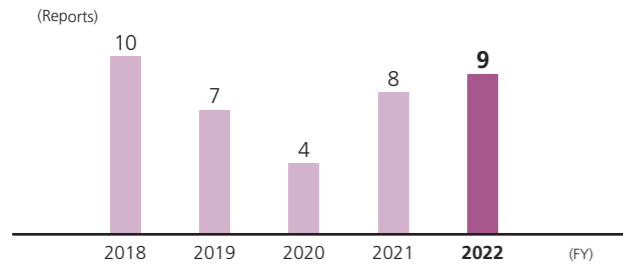
Ratio of implementation of workplace meetings on sustainability (FY2022)



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



● Number of reports to the Corporate Ethics Hotline



■ Elimination of antisocial forces

The Group clearly disavows contact “with personnel or organizations of organized crime,” in its CSR Policy while its CSR Code of Conduct similarly stipulates “separation from organized crime,” stating a specific policy that, “we will not provide any form of benefit in excess of the normal shareholder’s right to any person or company associated with organized crime” and “we will cut off business or any other relationships with individuals and organizations having an indication of support for organized crime.” This policy and the Code of Conduct have been shared with all Group employees.

other measures, we endeavor to prevent illegal access to our in-house network and forestall damage.

We established Information Security Management Rules applicable to the entire Group and promote awareness-raising activities so that our employees follow our Procedures for the Management of Information System Usage. To prevent the outflow of confidential information, we conduct the encryption of personal computer data taken outside the company, the distribution of an information security handbook, the implementation of e-learning, distribution of email newsletters on information security, and so on. Furthermore, based on domestic security standards, we

conduct surveys of security measures in overseas Group companies and give guidance to address vulnerabilities.

● Internal initiatives relating to information security (FY2022)

	Details	Number of times implemented
Education and training	e-learning	1
	Targeted attack email training (implemented only in some divisions)	2
Awareness-raising activities	Distribution of columns on information security in internal newsletter	4
	Distribution of awareness-raising information in email newsletters	11

DX Initiatives

The Group first introduced AI and IoT in 2018 and launched full-scale efforts to promote DX in 2021. In fiscal 2022, all GS Yuasa employees took the DX Literacy Course to enable employees to consider the use of digital technology in their individual work assignments, and was intended to further establish awareness of DX promotion.

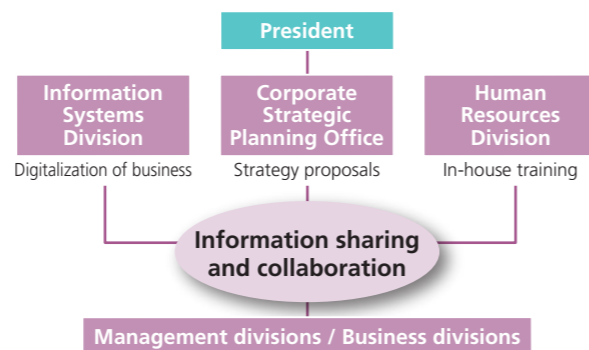
In fiscal 2023, we distributed educational content on DX to all GS Yuasa employees to promote the internal

development of DX human resources on a full scale with the aim of raising DX levels by having employees take the course. In addition, we opened a “DX Training Dojo” and are conducting specialized training for 49 employees who were recommended by their divisions. We will focus on training DX human resources so that we can implement business structure reforms including higher operational efficiency and high added value.

● Examples of initiatives

Overview	Details
Demand forecasts for automotive lead-acid batteries	Use AI to automate demand forecasts for replacement lead-acid batteries, which had been performed based on experience
AI-based predictive failure detection technology for battery energy storage systems	AI can detect potentially faulty storage batteries before a failure occurs. Monitoring large-scale energy storage systems can save manpower
AI-based image inspection for specialized batteries	Introduce AI to image inspections to ensure battery quality, significantly reducing the number of man-hours required for inspections

● Internal structure for DX promotion



● Roadmap for DX initiatives

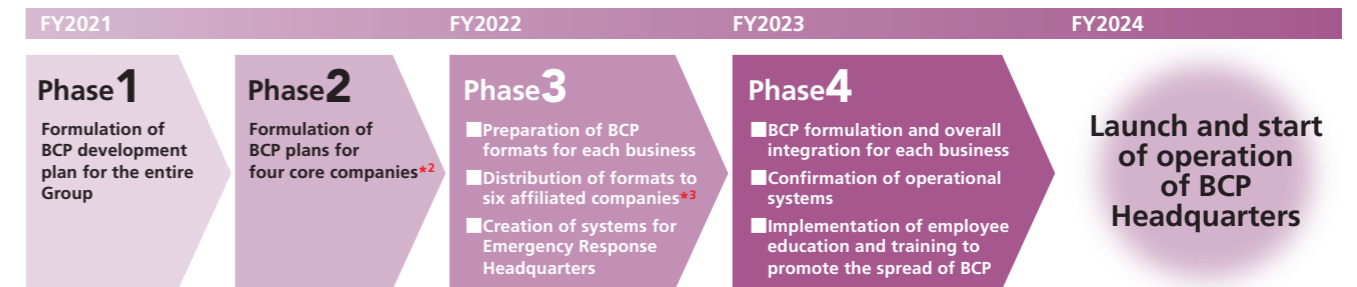
	FY2020	FY2021	FY2022	FY2023	FY2024 and beyond
	Promoting the use of AI in each division	Starting full-scale measures to implement DX	Establishing awareness of DX among employees	Developing DX human resources and supporting implementation	
In-house training		Officers took the DX Literacy Course	All GS Yuasa employees took the DX Literacy Course	<ul style="list-style-type: none"> Distribute educational content on DX to all employees 30 to 40 employees to acquire DX implementation skills at the “DX Training Dojo” 	
Other initiatives	Individual divisions promoted AI use	<ul style="list-style-type: none"> DX Policy Planning Workshop '21 held and two proposals selected DX Case Study Presentation Conference held with 350 employees attending online 	<ul style="list-style-type: none"> Budgets established for the two proposals selected at the Workshop '21 and measures taken for implementation Workshop '22 held and one proposal selected 	Budget established for one proposal selected at the Workshop '22 and measures taken for implementation	Graduates of the “DX Training Dojo” take the lead in promoting DX implementation in each business division

BCP Initiatives

Natural disasters, plant fires, and supply chain disruptions have occurred in recent years, and responding to risk has become critical as an aspect of corporate social responsibility. Accordingly, to promote BCP responses, in fiscal 2021 the Group launched a BCP project led by the Environmental Management, Occupational Health & Safety Division and including personnel from other divisions.

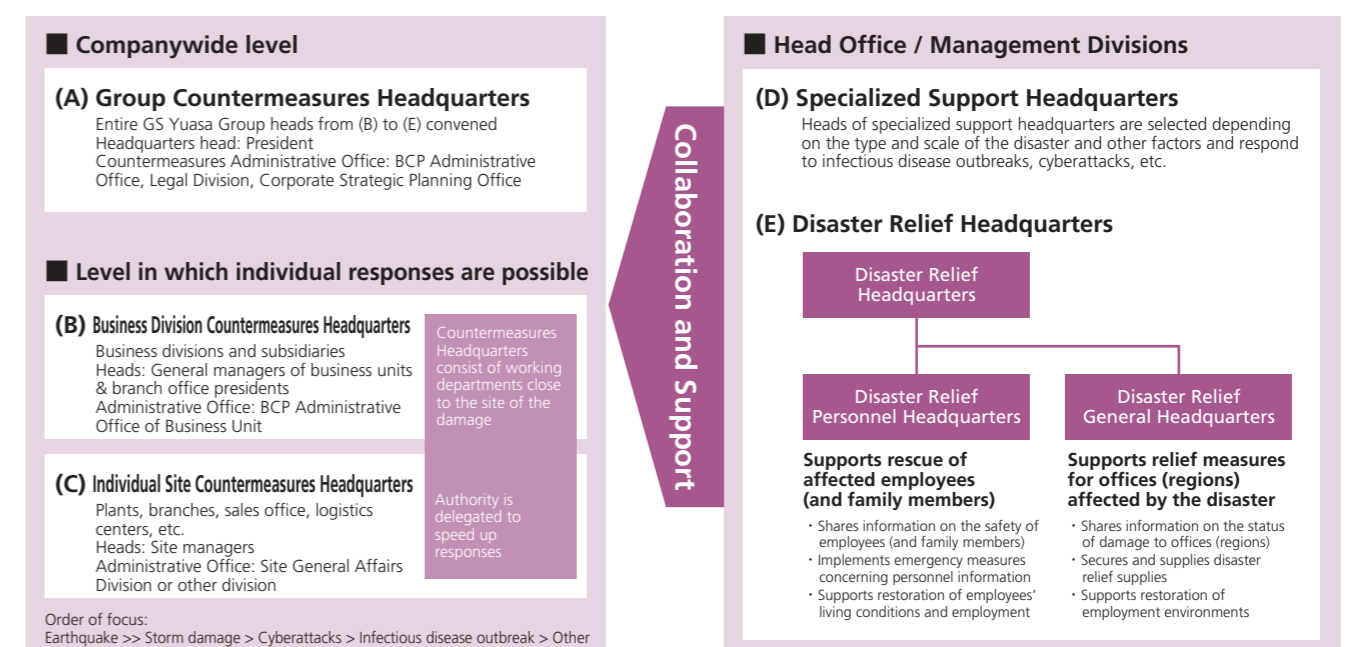
In fiscal 2022, we prepared BCP formats for each business and distributed formats to affiliated companies. In the future, we plan to conduct full-scale operation of the Emergency Response Headquarters and a safety confirmation system, implement internal education and training to promote BCP, and make preparations for operation of BCP systems throughout the entire Group.

● BCP project activity roadmap (conceptual)



*2 GS Yuasa International Ltd. / Blue Energy Co., Ltd. / Lithium Energy Japan / and GS Yuasa Technology Ltd.
*3 GS Yuasa Ibaraki Co., Ltd. / GS Yuasa Iwaki Co., Ltd. / GS Yuasa Chemical Co., Ltd. / GS Yuasa Moldings Co., Ltd. / GS Yuasa Energy Co., Ltd. / GS Yuasa Azumino Co., Ltd.

● Diagram of Emergency Response Headquarters systems in the event of an emergency



Information Security

The Group places importance on efforts to ensure information security. In addition to preventing malware infection of endpoints including PCs, we are strengthening our countermeasures by introducing tools that can quickly

detect and respond if infection or intrusion is allowed to occur. In addition, through the regular monitoring of communications by an outside security service, the introduction of an illegal connection detection system and

Intellectual Property Initiatives



Intellectual property strategy

The Group's intellectual property activities are based on the PDCA cycle of identifying patent strength, identifying and avoiding risks, and acquiring rights with an awareness of how to link these activities to the growth of GS Yuasa's business. During the period from the Fifth to Sixth Mid-Term Management Plans, we emphasized transformation to strategic business, creation of intellectual property that is closely related to business units, clearance activities, and elimination of foreign competition and produced a certain degree of results.

During the terms of the Sixth Mid-Term Management Plan, we will focus on the three points described below with the objectives of ensuring the growth of existing businesses as well as new fields by using intellectual property rights and acquiring and capitalizing on intellectual property rights that other companies need from the perspectives of both *mono* (products) and *koto* (service creation).

1 Calculation of patent scores and patent inventory

We use a patent power analysis tool to analyze our own patents and those of other companies, calculate patent scores to measure the degree of contribution from intellectual property activities to medium- to long-term growth and expansion of profits, and build a patent portfolio. By doing this, we can visualize our patent power and enhance the value of intellectual property.

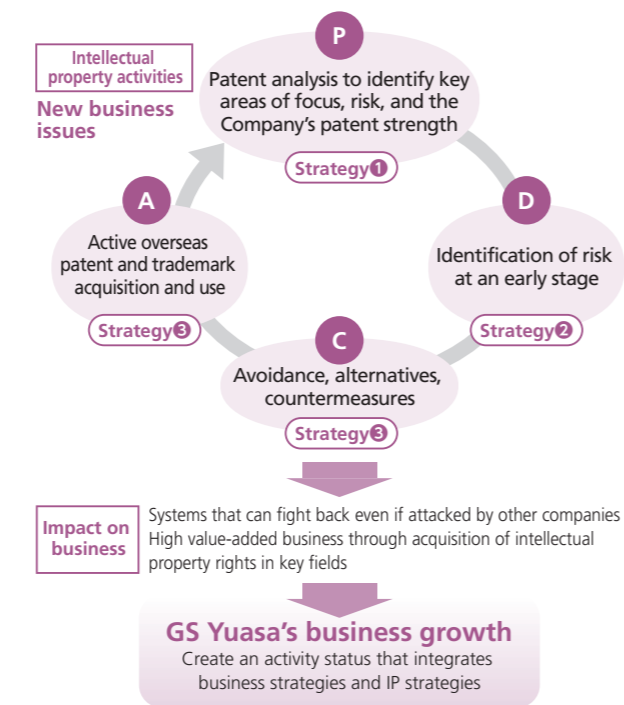
2 Reforming the rights acquisition process by using specialized and intellectual property information

Until now, we held invention policy meetings in cooperation with development divisions at the beginning of each fiscal year and formulated a patent application plan with a focus on patent applications, but starting in fiscal 2023, we are considering how patent—especially important patents—will affect business plans and select technologies by matching the development division with the business plan. By committing the maximum amount of resources based on this, we are taking action to build an even stronger patent network.

3 Acquisition of patent rights in new business fields

One of the GS Yuasa Group's initiatives under Vision 2035 is transitioning from the provision of *mono* (products) to the provision of solutions and services. We have started measures to identify patents related to such provision of *koto* at an early stage. This means that in the future, we will conduct business not just by taking action independently, but also by creating patent assets that will be necessary for collaborating with other companies.

Image of the Group's intellectual property activities



Communication with management

At the beginning of each fiscal year, we hold a business policy meeting to discuss activity policies with management as well as management meetings twice a year to report on these policies, new issues, and the status of disputes.

Issues investigated (partial list)

- Information on the patents of the Company and other companies relating to all-solid-state batteries
- Survey of patent trends relating to reuse of lithium-ion batteries

Intellectual property creation activities

We confer with each division to discuss key topics for the year and coordinate and make arrangements on important issues and methods for building a patent network related to them. Plan progress is reviewed, revisions are made at regular meetings with divisions, and measures are taken to achieve targets.

In addition, to enhance the incentives for invention, we have an annual award system that encourages inventions throughout the Company including the Outstanding Invention Award for the patent that has contributed the most to business and the Best Inventor Award for those who have created inventions that are outstanding both in quality and quantity.

Global activities

In addition to applying for foreign patents for most domestic patent applications, the Group is also focusing on business defense through patent rights in order to curb competition from emerging companies overseas. In the area of

trademarks, the Group has been curbing counterfeiters in China, ASEAN countries, and other countries by exposing them and suing for injunctive relief and has publicized major results on its own websites and the websites of overseas affiliates to curtail them.

Communication with Stakeholders

We endeavor to communicate with shareholders, investors, and other stakeholders through various channels.

As investor relations activities, in addition to quarterly financial results briefings for institutional investors and analysts, we regularly hold individual meetings, conferences sponsored by securities companies, briefings for individual investors, and other events. We also actively hold events such as study meetings and plant tours to deepen understanding of our business. Furthermore, we make use of investor relations websites to actively transmit information in a timely manner.

As a means of disseminating information internally, the director responsible for investor relations provides video presentations of financial results to managers on a half-year basis and regularly publishes and investor relations column on the PR portal site, and we implement various other measures including briefings (external and internal) on Vision 2035 and the Sixth Mid-term Management Plan, distribution of pamphlets on Vision 2035, and in-house training programs to disseminate investor relations information.

We endeavor to regularly share opinions obtained through these activities with management including the Board of Directors and reflect them in our management and business activities.



Video briefing on Vision 2035 and the Sixth Mid-Term Management Plan | Investor relations website

Record of main IR activities (FY2022)

Activity content	Frequency
Financial results briefing for Institutional investors and analysts ^{*4}	4 times
Individual meetings	Japan: 170 Overseas: 51
Overseas roadshows ^{*5}	1 time
Conferences	4 times
Small meetings	3 times
Business briefings for institutional investors and analysts ^{*6}	1 time
Plant tours	3 times
Briefing for individual investors ^{*7}	4 times
Shareholders' Meeting	1 time

^{*4} Audio data (Japanese only) for the first and third quarters is available on the investor relations website. Video clips (Japanese and English versions) for the second and fourth quarters are posted on the investor relations website.
^{*5} Conducted online.
^{*6} A briefing session providing an overview of and strategies for the industrial battery and power supply business was conducted.
^{*7} One in-person briefing and three online briefings. The videos and briefing materials are posted on the investor relations website.

Risk Management and Risk Information

Basic approach

Risk management is essential for the lasting growth of a company. The GS Yuasa Group believes that the following two points are important as risk management so that crises stemming from the escalation of risks do not occur and exert a serious impact on the Group or on society.

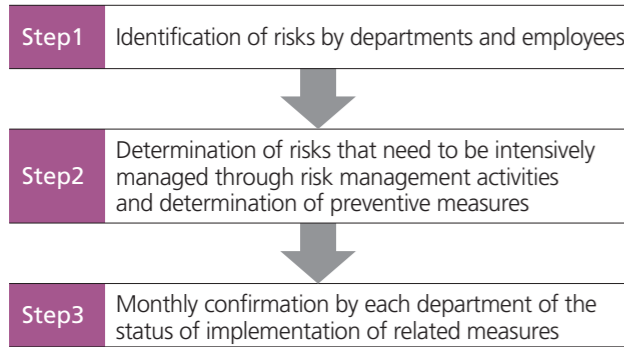
First, by predicting and understanding risks and adopting appropriate preliminary measures, the escalation of risks (outbreak of crises) can be prevented (risk avoidance). Second, effective measures can be taken beforehand so that even if a crisis does occur, losses and other damage are kept to a minimum (risk reduction). Based on this approach, our Group has formulated risk management rules that stipulate the responsibilities of employees and our risk management promotion setup.

The Group Risk Management Committee

The Group Risk Management Committee, headed by the president and consisting of the chairs of departmental Risk Management Committees among others, holds semiannual meetings to promote group-wide risk management and to encourage the sharing of key information related to risk management. In addition to making decisions on measures to promote risk management, the Risk Management Committee confirms that the appropriate risk management measures have been implemented, and the committee chairs report on progress in this area. We also actively exchange opinions and share information on the different styles of risk management and so on.

Risk management activities

In accordance with our risk management rules, each department uses a risk management sheet and promotes risk management activities. The following is an outline of these activities:



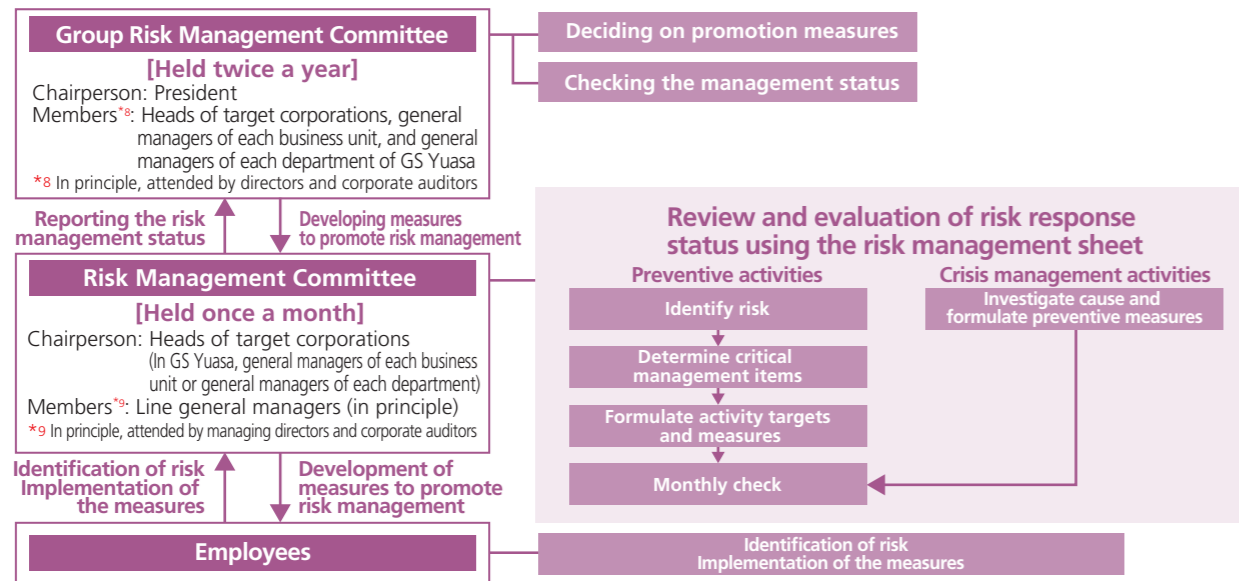
The risk management sheets produced by the departments are compiled at the divisional level, and the directors in charge of the divisions and corporate auditors verify and assess the status of response through the Risk Management Committee. The deliberations by the committees are summarized and then fed back to each department and employee as required to enhance the effectiveness of risk management.

■ System for dealing with crises

To prepare for the possibility that a risk materializes, we have established a system that includes an emergency contact network to swiftly implement crisis management. If a serious crisis occurs, members from the Group Risk Management Committee will be appointed to organize a crisis management headquarters, under the president, to minimize corporate losses, and an effective response will be implemented swiftly and with appropriate care.

In the event of the occurrence of a critical incident, measures are taken for early resolution and normalization of operations and efforts are made to strengthen management by identifying root causes, implementing and expanding preventive measures, and confirming their status each month using a risk management sheet.

● Structure and functions of risk management



Risk information

Likelihood of occurrence of risks
 ◎: At any time in the next fiscal term ○: Some possibility of occurrence in the next fiscal term △: Awareness of the likelihood of occurrence is necessary

Risk	Details of impacts if a risk occurs	Likelihood of occurrence of risks	Countermeasure
Raw material markets fluctuations	Lead is a key material used in lead-acid batteries, our main product. However, changes in the market price of lead cannot be reflected immediately in our product prices, so our earnings and financial standing could be affected.	◎	Optimizing production systems and working to reduce costs while building an optimum supply structure.
Intensification of price competition	We are exposed to intense price competition in each of the markets where it conducts business, and setting prices at advantageous levels has become difficult. We not only face the same competitors as in Japan, but also must deal with low-cost products supplied by overseas companies, which make competition more intense. It may not be easy to maintain and expand market share and secure profitability in the future. If business profitability declines as a result, there may be an impact on our earnings and financial standing including the risk of impairment of fixed assets.	◎	Cutting costs and implementing measures to strengthen marketing power.
Foreign exchange rate fluctuations	Financial statement items that are denominated in local currencies outside of Japan, such as sales, expenses, and assets, are converted into yen for consolidated financial statements. The yen value of these amounts can change depending on the exchange rate, even if the amounts have not changed in local currencies. When local currencies appreciate in areas where the Group carries out overseas production, manufacturing and procurement costs can rise in these areas, and medium- to long-term currency fluctuations may impede the Group's ability to procure, manufacture, distribute, and sell goods according to plan. Therefore, it is possible for foreign exchange rate fluctuations to influence our earnings and financial standing.	◎	Conducting forex-hedged transactions in an effort to hold the adverse effects of short-term foreign exchange rate fluctuations to a minimum.

Likelihood of occurrence of risks
 ◎: At any time in the next fiscal term ○: Some possibility of occurrence in the next fiscal term △: Awareness of the likelihood of occurrence is necessary

Risk	Details of impacts if a risk occurs	Likelihood of occurrence of risks	Countermeasure
Related to international activities and overseas expansion	The following risks are intrinsic to overseas markets, and they could affect our earnings and financial standing. a) Unforeseen changes to laws or regulations b) Difficulty in hiring and keeping human resources c) The possibility that inadequate technology infrastructure will affect our manufacturing and other activities, or lower the reputation of our products among customers d) Social disturbances caused by terrorism or war	○	Strengthening communications between headquarters and our various sites to build a framework capable of rapidly supplying products and services that meet needs in each region of the world.
Environmental regulations	In China, the central government shows signs of strengthening environmental regulations on lead-acid battery manufacturers and lead smelters. Some manufacturing activities at the Group companies could be affected.	◎	Established the Fundamental Environmental Policy to outline our basic Group-wide approach to environmental efforts. The policy aims to guide our contributions to the emergence of a sustainable society. Also, developing and using environmental management systems that will help to reduce environmental impacts and prevent any accidents that could cause environmental pollution.
M&A	When we carry out M&A, the transaction is considered from a range of viewpoints, including the target company's financial standing and potential synergy with our businesses. Due to drastic changes in the business environment or other factors, however, an acquired business might not perform as planned. If invested funds cannot be recovered or a loss on goodwill is recorded, our earnings and financial standing could be affected.	△	Monitoring financial results on a monthly basis.
Climate change	Based on an awareness that climate-related issues are one of the important management issues, we have announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and are working to reduce greenhouse gas emissions in our business activities. However, the occurrence of events that make it extremely difficult to adapt to environmental regulations or unforeseen circumstances in the future could increase costs for environmental responses beyond expectations, damage facilities as a result of wind, flooding, or other causes, or restrict business activities, which could affect our earnings and financial standing.	It is difficult to make a complete forecast	Working to reduce greenhouse gas emissions throughout society as a whole by promoting renewable energy that uses storage battery technology and other measures while further expanding information disclosures in line with the TCFD recommendations.
Disasters and accidents	If a natural disaster such as an earthquake, storm or flood damage, or major snowstorm or if an accident such as a fire, explosion, or damage were to occur at our business site, there is a risk of unforeseen events occurring.	◎	Creating earthquake, flood, and snowstorm response manuals and working to enhance fire-prevention management and disaster preparedness.
Interest rate fluctuations	Our interest-bearing debt burden includes some debt with variable interest rates. Therefore, if interest rates rise, the Group's cost for procuring funds could increase.	○	Making efforts to keep the debt redemption period within three years and to achieve both growth and financial discipline during the Sixth Mid-Term Management Plan, when interest-bearing debts are expected to increase in order to activate growth investment.
Lawsuits and other legal proceedings	In carrying out business, we may be sued by suppliers or third parties, and there is a risk that regulatory authorities could take legal action against us.	○	Continuously surveying the rights, patents, and other intellectual property of other companies and working to minimize the risks by reinforcing internal information sharing.
Economic conditions	Demand for the Group's products is influenced by economic conditions in the markets where products are sold. Therefore, in the Group's main markets, which include Japan, the rest of Asia, North America, and Europe, economic setbacks and accompanying demand contractions, could adversely affect the earnings and financial standing.	○	Providing reassurance and confidence to customers through business operations based on a fundamental stance that emphasizes quality, and working to enhance corporate value and build corporate infrastructure for sustainable growth in the future in accordance with our corporate philosophy of "Innovation and Growth."
Market environment	The Group conducts business in Japan, Asia, North America, Europe, and other regions, and sales and profits/losses of these businesses are impacted greatly by the market environment and economic trends in each country. The Group has a consolidated subsidiary in Turkey, where inflation is high and the Turkish lira is decreasing in value. If the Turkish lira continues to depreciate due to continued inflation and other factors, the Group may incur substantial foreign-exchange losses and there could be a significant impact on business results depending on the balance of credits, liabilities, and the volume of transactions resulting from local overseas sales and procurement.	○	Working to strengthen information sharing between the headquarters and sites and responding quickly and flexibly to risks from changes in the market environment.
Supply chains	The Group conducts business in Japan, Asia, North America, Europe, and other regions, and our supply chain extends to the entire world. Supply chain disruptions in individual countries or regions could impede procurement of parts and materials as well as sales, which could have an impact on the Group's business performance and financial status.	◎	Working to strengthen communication between the headquarters and individual sites, optimize production systems, and building optimal supply systems.
Information security	The Group holds important and confidential information, including technical, management, and sales information in its business activities. An information leak due to improper handling of information devices or information leaks or tampering resulting from external cyber-attacks could lead to a suspension of business activities, which could have an impact on the business performance and financial status.	◎	In addition to preventing malware infection of endpoints, we are strengthening systems that can promptly detect and respond in preparation for the occurrence of such an event. In addition, we prevent unauthorized access through continuous monitoring of communications and the use of an unauthorized connection detection system. We take measures to raise the information security levels of employees including awareness-raising and educational programs to ensure compliance by employees with internal rules. We also conduct surveys on the status of security measures by overseas Group companies based on domestic standards and provide guidance to address vulnerabilities.
COVID-19 pandemic	The COVID-19 pandemic was downgraded to Category 5 under the Infectious Diseases Act in May 2023; and with the lifting of restrictions on activities, it is expected that social and economic activity will normalize. If there is a resurgence of COVID-19, however, there could be an impact on the Group's business performance.	○	Taking action to reduce the risk of infection by encouraging employees to perform disinfection using alcohol, using web conferencing systems, and taking other measures.

Messages from Outside Directors

Need for management decisions with a multilateral perspective and sense of speed as we enter a new management stage

Ikuo Otani
Outside Director



Hoping for the discontinuous growth depicted in Vision 2035

Various discussions took place in the formulation of our long-term vision "Vision 2035," which was announced in April 2023. Among them, I insisted that we must not lag in reforms by overreliance on the lead-acid battery business. My opinion was that while continuity from the current situation is important too, it is also necessary to have an orientation toward discontinuous growth. As a result, in Vision 2035 we portrayed a growth story centered on "mobility" and "public infrastructure" and were able to depict a future that was not just an extension of the present. While it is important for us to be sure to yield sustained profits by improving efficiency in the lead-acid battery business, we also need to secure a certain position in the lithium-ion battery business in order to establish our status in the field of next-generation batteries, including all-solid-state batteries, which have the potential to be a game changer in the future.

Our partnership with Honda Motor Co., Ltd. and establishment of a concrete roadmap toward the development and production of lithium-ion batteries for battery electric vehicles (BEVs) was a promising move. At the same time, going forward it is necessary for us to raise our stage of management a level higher by, among other things, conducting advance investment, strengthening our human capital capable of promoting business, and developing products that surpass those of overseas manufacturers. We need to have even more diverse viewpoints and greater speed than before. I myself intend to thoroughly fulfill my role in surveillance and supervision.

The strengthening of coordination among administrative divisions is an issue in organizational management

Since fiscal 2022 the three outside directors have been holding semiannual meetings. In addition to matters requiring improvement based on the evaluation of the Board of Directors' effectiveness, we share issues on the management execution side, and we also exchange opinions with the president the following month. Every year improvements can be seen in matters raised by the outside directors. On the organizational management side, though, we have suggested anew the need to further strengthen coordination among administrative divisions and to tackle reforms with a Group-wide perspective.

In terms of Group governance, the monitoring of subsidiaries continues to be an important topic. There is a huge difference in profitability at our overseas sites. While further expanding highly profitable sites in Southeast Asia and elsewhere, at the same time we need to give due consideration to business structure and so on. In fiscal 2022 report briefings with overseas sites were held in-person for the first time in three years, and they functioned extremely effectively. I myself have inspected sites in Turkey and Tianjin in China in the past. Going forward, as far as possible I want to help the monitoring function by visiting sites and holding interviews with subsidiary management teams.

Strengthening discussions relating to sustainability and promoting the succession plan debate

Regarding our sustainability-related initiatives, we have requested that discussions should be bolstered with greater involvement by the Board of Directors and that overall reports should be increased. In addition, studies are going ahead on the reflection of materiality-related efforts and their evaluation in director remuneration as well.

In the Nomination and Compensation Committee, debate on the succession plan is taking place. At present we are considering candidates using information gleaned from gatherings with the executives of business companies, report briefings by overseas sites, site inspections, and so on. Since the strengthening of human capital is an extremely important topic, this debate, including the discussion of training plans, will continue.

Response to new risks in promotion of Vision 2035

Takayoshi Matsunaga
Outside Director



Clarification of route to building new pillars of business toward 2035

As I have said in previous outside director messages, the Company needs second and third pillars to follow the lead-acid batteries business, which is our mainstay business at present. Recently, in addition to the fact that the automotive lithium-ion batteries business at last has begun to yield revenue, a route has been shown in the recently announced Vision 2035 for promoting the lithium-ion batteries business for BEVs. I highly appreciate the fact that these second and third pillars, which we have been looking forward to so much, have come into view. I think we have managed to depict the future image of the Company, including the way forward to spectacular growth in the future. What is important now is to properly convey the growth story and attractions so as to gain empathy from stakeholders.

There are matters of concern as well, though. The outlook is for the annual production capacity of lithium-ion batteries for BEVs to expand to more than 20 GWh in 2035, but this will require a huge investment surpassing our experience so far. The response to this situation involves a mountain of issues, including fund procurement, the securing of sales channels to automakers and raw materials, and production efficiency. Naturally, the challenge of new businesses harbors risks. As the Company promotes its plans going forward, I intend to keep a close watch from the perspectives of how to reduce the risks and how to enhance business viability.

Emphasis on fiscal-year plans and PDCA to increase the effectiveness of the Mid-Term Management Plan

The Sixth Mid-Term Management Plan started in the current fiscal year. The Mid-Term Management Plan is a promise to shareholders, investors, and other stakeholders, so the degree of effectiveness of the plan is going to be questioned. To achieve the results that are our targets for the three-year period, we need to press on the accelerator and promote the plan from the first fiscal year. To do so, it is important to continue rotating the plan-do-check-act (PDCA) cycle. While clarifying the positioning of fiscal-year execution plans against the Mid-Term Management Plan, annual targets, and important matters to be implemented for their achievement, it is also necessary to share them as an organization. I think that outside directors also will be able to further deepen our understanding of not only numerical management figures but the progress of important initiatives as well and that our checking function will work even better. I myself will be watching closely to make sure the PDCA cycle is properly rotating.

Promoting mindset change among employees and speeding up business operations

Improvements have been made year by year in the speeding up of decision making and delegation of authority, two issues that I have been pointing out. As a consequence of changes in the social environment and the expansion of our business partners and business domains, however, an unprecedented speeding up of business operations and decision making is required if we are to realize our ideal vision depicted in Vision 2035. No doubt various reforms will be necessary. Not only top management but employees responsible for business execution will need a change of mindset too. I look forward to a further upleveling toward the realization of Vision 2035.

Messages from Outside Directors

Speedy business operations while balancing short-term results and a long-term perspective

Yoshiko Nonogaki
Outside Director



Aiming for business growth through the solution of social issues

In response to the emergence of global environmental problems, geopolitical risks, and other factors, moves toward the achievement of carbon neutrality are accelerating at an unexpectedly fast pace. Amid this situation, the Company has announced Vision 2035 and set a direction of tackling the development and manufacture of lithium-ion batteries for battery electric vehicles (BEVs) in a full-fledged manner. The plan also is to deploy the know-how relating to BEV lithium-ion batteries to the storage use of renewable energy. For the Company, I understand this initiative to be both an effort to solve a social issue and at the same time a major business chance. Going forward, what is necessary for the realization of Vision 2035 is the creation of a culture of “going the whole way with a sense of speed.” At a time when society is changing in a dizzying way, I hope that the Company will constantly engage in business operations with a sense of speed while balancing short-term results and long-term discussions.

Furthermore, the transmission of information is also important to make stakeholders both inside and outside the company properly understand and accept our growth strategy and scenario. My feeling is that, to a certain extent, the market has given a positive evaluation for Vision 2035. Going forward, however, I want to see the Company grasp needs through dialogue with stakeholders and steadily transmit information.

Strengthening of human capital in accordance with business portfolio reform

In Vision 2035, the Company presents an image of business portfolio reform from current businesses to the fields of mobility and public infrastructure. My feeling is that this image has been quite clearly set out. Amid a gradual decline in the lead-acid batteries business, which has been our mainstream business so far, Vision 2035 also outlines a strategy for improving earnings capability through the selection and concentration of business development areas. In the implementation of these strategies, the strengthening of human capital is an important management theme. First, top management and each business division are engaging in repeated discussions on the issues of human capital to match management strategy, the clarification of means of diversity, and ways to acquire and bolster insufficient human resources. I do feel that diversity and inclusion, such as proactive career recruitments and encouragement of women’s participation, are being promoted with a sense of determination, but I hope that the Company will further boost diversity, including nationality and experience, in its core human resources.

In addition, in the promotion of Vision 2035, discussions are taking place to enable initiatives for materiality and their evaluation to be reflected in the remuneration system for directors, the meaning being to show that top management is making a firm commitment here. Some trial and error can be seen in the efforts of companies, including the Company, to include and operate ESG assessment in the remuneration of directors. But I propose that the Company should continue this stance, because it is an important area for the future of the company.

Continued scrutiny and proposals toward the visualization of overseas operation risks

Regarding overseas operation risks, which I also proposed last year, I think that improvements require a further step up the ladder. Because decisions about impairment losses at Chinese sites took an unexpectedly long time, discussions are being conducted to enable the constant forecast of risks and a swift response. In addition, I participate once a year in briefings by overseas sites, and I make efforts to offer appropriate suggestions about sites of concern. If sites can be managed with a sense of speed, I think we can achieve even better operations.

Expectations of Vision 2035 in balancing the solution of social challenges and corporate growth

Akira Tsujiuchi
Outside Corporate Auditor



Accelerating business structure reform toward realization of the desired image depicted in Vision 2035

In the process of compiling the long-term vision “Vision 2035,” in addition to discussions in the Board of Directors, the latest situation was constantly shared with outside directors through meetings with the president and other forums. Going forward, as indicated by the course outlined in Vision 2035, the Company must accelerate business structure reform toward the realization of our desired image for the future. For that purpose, there will most likely be times when we have to take risks and go on the offensive. To gain the understanding and empathy of stakeholders for such decisions, I think it will be necessary for us to continue giving careful explanations of market forecasts and profitability in the lead-acid battery business, conditions in the development of lithium-ion batteries for battery electric vehicles (BEVs), strategy in such regular fields as renewable energy, and so on. Since discussions relating to capital procurement with a view to large-scale investment will be unavoidable, I intend to keep a close watch on such discussions.

I also have great expectations of the future perspective, outlined in Vision 2035, aiming for a balance between the solution of social challenges and corporate growth, and I hope that stakeholders will share them too.

Properly displaying auditing functions to ensure sound management

We receive explanations from the accounting auditor, which changed in 2020, at appropriate times throughout the fiscal year, so communication is adequate. Within the Company as well, necessary information is properly shared with outside corporate auditors through principal meetings and databases. Also, reports on the state of implementation of internal audits are given at monthly meetings with the internal audit divisions. In the results of internal audits, no serious matters have been pointed out, and it seems that minor matters indicated are being steadily improved day by day. My view of the present situation is that internal audits taking due consideration of risk assessment are being implemented. In the future, if any sites deemed to have serious problems emerge, I think it will be necessary for us to visit them and directly check the situation.

Aiming for an even higher level of governance

As an evaluation of the Company’s governance as a whole, I think that although in general we have cleared the criteria required for the Prime Market, we must aim for an even higher level of governance. From the perspective of the diversity of the Board of Directors, at present there is only one female director, an outside director. Going forward, I want to see the Company take steps toward the appointment of female internal directors by further promoting the activities of women. In addition, regarding the issue of Group governance, including overseas subsidiaries, which I alluded to last year, outside corporate auditors have become able to participate in overseas site report meetings since fiscal 2022, making it easier for us to understand the situation.

For the GS Yuasa Group to achieve sustainable growth into the future, it is necessary for us to aim for an even higher level of governance. I will continue watching closely to see how issues are grasped and improvements tackled in a planned manner.

Directors and Auditors (As of June 29, 2023)



Directors

President and Representative Director Osamu Murao

- Apr. 1982 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2010 General Manager, Industrial Battery Production Division, Industrial Batteries & Power Supplies Business Unit, GS Yuasa International Ltd.
- Jun. 2011 Officer of GS Yuasa International Ltd.
- Jun. 2012 Director of the Company
- Jun. 2017 General Manager, Human Resources Division, GS Yuasa International Ltd. (current position)
- Jun. 2015 President of the Company (current position) Chief Executive Officer (CEO) of the Company (current position)
- Apr. 2019 Senior Officer, GS Yuasa International Ltd. (current position)
- Apr. 2020 Director, GS Yuasa International Ltd. (current position)
- Jun. 2020 Director of the Company (current position)
- Jun. 2023 External Audit and Supervisory Board Member, Mitsubishi Logisnext Co., Ltd. (current position)

Vice President and Representative Director Masahiro Shibutani

- Apr. 1984 Joined Yuasa Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Jan. 2006 General Manager, Finance and Accounting Division of the Company
- Apr. 2007 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2010 President and Director of Yuasa (Tianjin) Technology Ltd.
- Apr. 2012 General Manager, Corporate Office of the Company
- Apr. 2012 General Manager, Internal Control Office of the Company
- Jun. 2014 Officer, GS Yuasa International Ltd. Corporate Auditor, GS Yuasa Battery Ltd.
- Jun. 2016 Corporate Officer, GS Yuasa International Ltd. President, GS Yuasa Battery Ltd.
- Jun. 2019 Senior Officer, GS Yuasa International Ltd.
- Apr. 2020 Director, GS Yuasa International Ltd.
- Apr. 2021 Managing Director, GS Yuasa International Ltd.
- Jun. 2021 Managing Director of the Company
- Jun. 2022 Senior Managing Director of the Company Senior Managing Director, GS Yuasa International Ltd.
- Jun. 2023 Vice President of the Company (current position) Vice President, GS Yuasa International Ltd. (current position)

Director Kazuhiro Fukuoka

- Apr. 1982 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2004 General Manager, Corporate Strategy Management Division (Information Systems) of the Company
- Oct. 2005 Director, GS Yuasa Business Support Ltd. (currently GS Yuasa International Ltd.)
- Aug. 2008 Executive Vice President and Representative Director, Siam GS Battery Co., Ltd.
- Jun. 2015 Officer, GS Yuasa International Ltd.
- Jun. 2017 General Manager, Human Resources Division, GS Yuasa International Ltd. (current position)
- Jun. 2019 Senior Officer, GS Yuasa International Ltd.
- Apr. 2020 Director, GS Yuasa International Ltd. (current position)
- Jun. 2020 Director of the Company (current position)
- Jun. 2023 External Audit and Supervisory Board Member, Mitsubishi Logisnext Co., Ltd. (current position)

Director Hiroaki Matsushima

- Apr. 1989 Joined Yuasa Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2015 General Manager, Corporate Office of the Company
- Jun. 2016 General Manager, Finance and Accounting Division, GS Yuasa International Ltd. (current position)
- Apr. 2012 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2012 Corporate Auditor, GS Yuasa Fieldings Ltd.
- Jun. 2017 Officer, GS Yuasa International Ltd.
- Jun. 2018 President, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)
- Apr. 2020 Head of Corporate Office of the Company (current position)
- Apr. 2021 Director, GS Yuasa International Ltd. (current position)
- Jun. 2022 Director of the Company (current position) Chief Financial Officer (CFO) of the Company (current position)

Outside Director Ikuo Otani

- Mar. 1976 Joined Wacoal Corp. (currently Wacoal Holdings Corp.)
- Jun. 2004 Corporate Officer and Manager of Business Management Division, Wacoal Corp.
- Jun. 2006 Director, Corporate Officer and Supervisor of

- Apr. 2008 Business Management of Wacoal Corp. Director, Corporate Officer and General Manager of General Planning Department, Wacoal Corp.
- Apr. 2010 Director, Corporate Officer and Supervisor of Accounting, Wacoal Corp. General Manager of Management Planning Department of Wacoal Holdings Corp.
- Jun. 2010 Director, Supervisor of Group Business Management and General Manager of Management Planning Department, Wacoal Holdings Corp.
- Jun. 2011 Managing Director, Wacoal Holdings Corp.
- Jun. 2012 Senior Managing Director, Wacoal Holdings Corp.
- Jun. 2017 Outside Director of the Company (current position)

Outside Director Takayoshi Matsunaga

- Apr. 1975 Joined Sekisui Chemical Co., Ltd.
- Jun. 2002 Director and Senior Vice President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Apr. 2004 Director, person in charge of IT-Related Business Unit of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Jun. 2004 Managing Director, person in charge of IT Business Unit of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Apr. 2005 Executive Managing Director and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Apr. 2008 Executive Managing Director, Senior Managing Executive Officer and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Jun. 2008 Director, Senior Managing Executive Officer and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.
- Mar. 2014 Director and CEO's Special mission, Sekisui Chemical Co., Ltd.
- Jun. 2014 Audit & Supervisory Board Member, Sekisui Chemical Co., Ltd. Outside Audit & Supervisory Board Member, Sekisui Jushi Corporation
- Jun. 2018 Outside Director of the Company (current position)

Outside Director Yoshiko Nonogaki

- Apr. 1980 Joined Sony Corporation (currently Sony Group Corporation)
- Sep. 1992 President and Representative Director, Sony Poland
- Jul. 1994 General Manager of Sales and Marketing Department, Recording Media and Energy Company, Sony Corporation
- Apr. 1999 General Manager of Planning and Marketing Department, Personal IT Network Company, Sony Corporation
- Apr. 2006 General Manager of Business Planning Department, Business and Professional Solution Group, Sony Corporation
- Apr. 2009 Senior General Manager of Planning and Marketing Division, Business and Professional Solution Group, Sony Corporation
- Apr. 2013 Director of Global Diversity, Personnel HQ, Sony Corporation
- Jun. 2015 Outside Director, Jolly-Pasta Co., Ltd.
- Jun. 2019 Outside Director, Nifco Inc. (current position)
- Jun. 2020 Outside Director of the Company (current position)
- Jun. 2021 Outside Director, SATO Holdings Corporation (current position)

Corporate Auditors

Corporate Auditor (Full-time) Akio Furukawa

- Apr. 1981 Joined Yuasa Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Aug. 2003 General Manager, International Sales Department, Company Sales Unit, Power Supply System Sales Division, Yuasa Corporation (currently GS Yuasa International Ltd.)
- Apr. 2010 General Manager, Industrial Battery Business Promotion Division, International Business Unit, GS Yuasa International Ltd.
- Jun. 2011 Officer, GS Yuasa International Ltd.
- Apr. 2012 Deputy General Manager, International Business Unit, GS Yuasa International Ltd.
- Jun. 2014 Corporate Officer, GS Yuasa International Ltd.
- Jun. 2017 Executive Officer of the Company
- Jun. 2018 Director of the Company
- Jun. 2018 Director, GS Yuasa International Ltd.
- Jun. 2021 Full-time Corporate Auditor of the Company

Takayoshi Matsunaga



Kazuhiro Fukuoka

- Jun. 2023 Corporate Auditor, GS Yuasa Technology Ltd. (current position)
- Corporate Auditor, GS Yuasa Battery Ltd. (current position)
- Corporate Auditor, GS Yuasa Energy Co., Ltd. (current position)

Corporate Auditor (Full-time) Masaya Nakagawa

- Apr. 1987 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
- Jul. 2008 President of GS Battery Vietnam Co., Ltd.
- Apr. 2015 Deputy Division Manager of Planning Division, International Business Unit of GS Yuasa International Ltd. General Manager of Technical Strategic Planning Office, Global Technical Headquarters, GS Yuasa International Ltd.
- Aug. 2015 Division Manager of Planning Division, International Business Unit, GS Yuasa International Ltd. General Manager of Strategy Planning Department, Planning Division, International Business Unit, GS Yuasa International Ltd. Officer, GS Yuasa International Ltd. General Manager of Quality Management Department, Business Development Division, International Business Unit, GS Yuasa International Ltd.
- Apr. 2017 Division Manager of Planning Division, Automotive Battery Business Unit, GS Yuasa International Ltd. General Manager of Strategy Planning Department, Planning Division, Automotive Battery Business Unit, GS Yuasa International Ltd.
- Apr. 2018 General Manager of Technical Strategic Planning Office, Global Technical Center, GS Yuasa International Ltd.
- Jun. 2019 Director, GS Yuasa International Ltd. Deputy Business Unit Manager of Automotive Battery Business Unit, GS Yuasa International Ltd.
- Jun. 2023 Full-time Corporate Auditor of the Company

Yoshiko Nonogaki



Ikuo Otani

- Jun. 2023 Corporate Auditor, GS Yuasa Technology Ltd. (current position)
- Corporate Auditor, GS Yuasa Battery Ltd. (current position)
- Corporate Auditor, GS Yuasa Energy Co., Ltd. (current position)

Outside Corporate Auditor (Part-time) Tsukasa Fujii

- Apr. 1986 Registered as an attorney at law; Joined Keiichi Uehara Law Office
- Apr. 1991 Established Tatsuno, Ozaki & Fujii Law Office, Partner Attorney of the office (current position)
- Apr. 2007 Part-time lecturer of Kwansai Gakuin University Law School
- Sep. 2014 Chairman of Hirakata City Building Examination Committee (current position)
- Jan. 2017 Member of Committee of Experts of Osaka District Court (related to non-contentious landlord-tenant matters; current position)
- Jun. 2017 Corporate Auditor of the Company (current position)
- Apr. 2020 Director, Osaka Bar Association
- Jun. 2022 Outside Corporate Auditor, Teijin Frontier Co., Ltd. (current position)

Outside Corporate Auditor (Part-time) Akira Tsujiuchi

- Feb. 1978 Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)
- Mar. 1982 Registered as a certified public accountant
- Jun. 1998 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
- Jun. 2019 Outside Director (Audit & Supervisory Committee Member), Estic Corporation
- Jul. 2019 Head of Tsujiuchi Accounting Office (current position)
- Jan. 2020 Outside Director, Gakujo Co., Ltd. (current position)
- Jun. 2020 Outside Corporate Auditor, Sekisui Jushi Corporation (current position)
- Jun. 2021 Corporate Auditor of the Company (current position)
- Jun. 2022 Director, The Japanese Institute of Certified Public Accountants Kinki Chapter (current position)