

# Governance — Corporate Governance

## Basic Approach

To drive sustainable growth and enhance corporate value over the medium to long term, 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 dynamism in the execution of business.

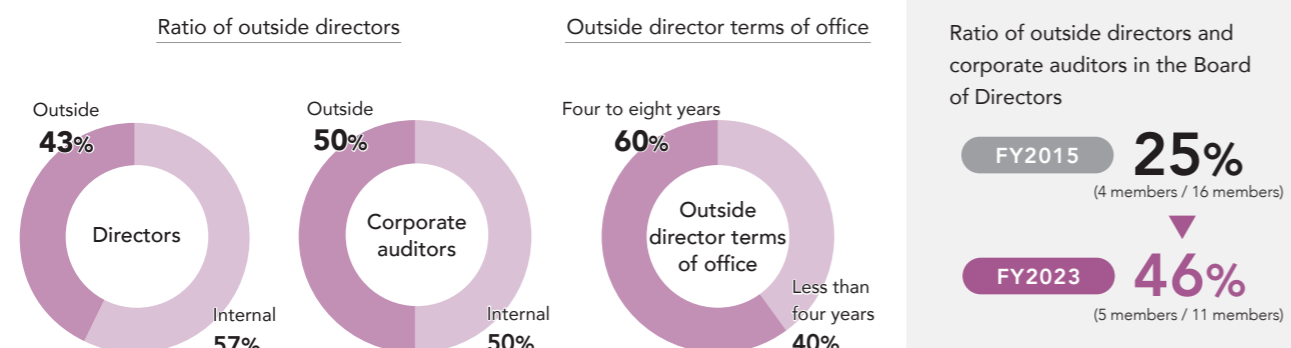
In this manner, functions are divided between GS Yuasa Corporation and GS Yuasa International to enhance and reinforce management structures while establishing governance structures that can increase the transparency and efficiency of management.

## Changes Made to Strengthen Corporate Governance

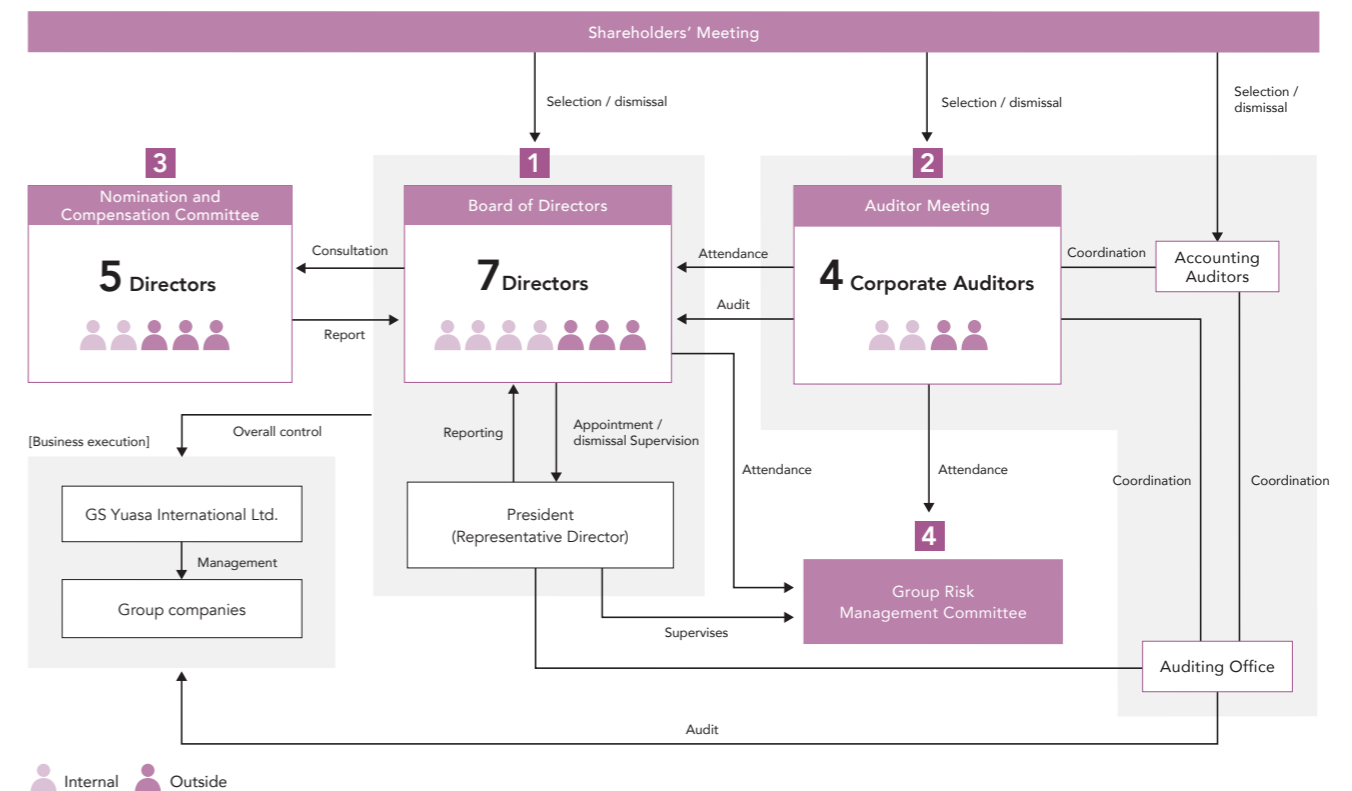
After our corporate merger, the Company has worked continuously to strengthen our corporate governance effectively. In particular, our corporate governance has evolved greatly from 2018, after setting up the Nomination and Compensation Committee, bringing in more outside directors, and formulating a skill matrix.

(year)	2000	2010	2020
Clarification of management responsibility		<p><b>2013</b></p> <ul style="list-style-type: none"> <li>Term of directors shortened to one year</li> </ul>	<p><b>2017 to 2019</b></p> <ul style="list-style-type: none"> <li>Introduction of performance-linked remuneration stocks</li> <li>Establishment of Nomination and Compensation Committee</li> </ul>
Increasing diversity and objectivity in management decisions		<p><b>2015 to 2017</b></p> <ul style="list-style-type: none"> <li>First outside director hired (one director)</li> <li>Start of evaluating the effectiveness of the Board of Directors (once a year)</li> <li>Number of outside directors increased to two</li> </ul>	<p><b>2020</b></p> <ul style="list-style-type: none"> <li>Number of outside directors increased to three</li> <li>Appointment of female director</li> </ul> <p><b>2021</b></p> <ul style="list-style-type: none"> <li>Formulation of a skill matrix</li> </ul>
Strengthening internal control	<p><b>2005</b></p> <ul style="list-style-type: none"> <li>Establishment of the Hotline and Reporting Desk</li> </ul>	<p><b>2009</b></p> <ul style="list-style-type: none"> <li>Start of employee compliance questionnaire by the president (once a year)</li> </ul>	<p><b>2020</b></p> <ul style="list-style-type: none"> <li>A new accounting auditor was appointed, as the previous auditor had been in the post for many years</li> </ul> <p><b>2022</b></p> <ul style="list-style-type: none"> <li>Increased the number of direct reports regarding internal audits to the Board of Directors by the Auditing Office</li> </ul>

## Corporate governance structure (FY2023)



## Corporate Governance System (As of June 2024)



### 1 Board of Directors No. of meetings in FY2023: 17

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. The board meets once a month\*1 in principle.

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

### 2 Auditor Meeting No. of meetings in FY2023: 14

Corporate auditors conduct appropriate auditing and fulfill a management monitoring function by, among other activities, hearing reports on the business outlook, 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. The corporate auditors meet once a month in principle.

### 3 Nomination and Compensation Committee No. of meetings in FY2023: 9

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.

### 4 Group Risk Management Committee No. of meetings in FY2023: 2

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. The committee meets twice a year in principle.

# Governance — Corporate Governance

## Board of Directors Structure and Their Skill Matrix

Name	Position or Responsibility	Knowledge and Experience Expected by GS Yuasa Corporation								Nomination and Compensation Committee	Attendance at the Board of Directors' Meetings in FY2023	Attendance at the Auditor Meetings in FY2023
		Corporate / Business Management	Financial Accounting	Legal Affairs Risk Management	IT Digitalization	Global	Manufacturing Development	Marketing Sales	ESG			
Osamu Muraio	Chairman	●		●			●		●		17 / 17 times	-
Takashi Abe	President Chief Executive Officer (CEO)	●				●		●	●	■	-	-
Masahiro Shibutani	Vice President	●	●			●		●		■	17 / 17 times	-
Hiroaki Matsushima	Director Chief Financial Officer (CFO)	●	●		●				●		17 / 17 times	-
Takayoshi Matsunaga	Director Outside Independent	●				●	●		●	■	17 / 17 times	-
Yoshiko Nonogaki	Director Outside Independent	●				●		●	●	■	17 / 17 times	-
Koji Nitto	Director Outside Independent	●	●		●	●				■	-	-
Masaya Nakagawa	Corporate Auditor (Full-time)	●				●		●			-	10 / 10 times
Yoshiyuki Sanada	Corporate Auditor (Full-time)	●	●						●		-	-
Tsukasa Fujii	Corporate Auditor Outside Independent		●	●					●		14 / 17 times	11 / 14 times
Akira Tsujiuchi	Corporate Auditor Outside Independent		●	●					●		17 / 17 times	13 / 14 times

Notes: 1. Each person is only listed with a maximum of four items that the Company expects of them. The above table is not an exhaustive list of the knowledge and experience of each person.  
2. The auditor Masaya Nakagawa was nominated during the annual Shareholders' Meeting held on June 29, 2023. He has attended all ten of the Auditor Meetings that have taken place since his nomination.

### 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 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.

For reasons of selection and activities taken by each of the outside directors, please see the “Corporate Governance” section of our investor relations website.  
▶ <https://ir.gs-yuasa.com/en/ir/management/esg/governance/governance.html>

### 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.

#### Main Outside Director Events in FY2023

Main Content	Number of times implemented
Periodic liaison meetings with outside directors, outside corporate auditors, and representative directors	16 times / year
Periodic liaison meetings with business divisions and management divisions	10 times / year
Periodic liaison meetings between outside directors and corporate auditors	4 times / year
Periodic liaison meetings between the president and corporate auditors	4 times / year
Meetings for outside directors to report to the president	2 times / year
Overseas affiliates results briefings	1 time / year

## Main Matters Discussed in Meetings of the Board of Directors

The following describes the main themes and reports discussed during the Board of Directors' meetings held in FY2023. It includes many deliberations and reports regarding business strategies for China and the BEV business as key themes for this fiscal year.

### Main discussion points in FY2023

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

## Main Matters Discussed in the Auditor Meeting

Main matters discussed	<ul style="list-style-type: none"> <li>● Formulation of audit policies and audit plans</li> <li>● Preparation of audit reports</li> <li>● Evaluation of the accounting auditors and agreement on compensation</li> </ul>
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## 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. For issues identified in the effectiveness evaluation, we consider and implement improvement measures, and verify the effectiveness during the following year's evaluation. The Company will continue to evaluate the effectiveness of the Board and strive to make further improvements in the future.

### Analysis and evaluation process



### FY2023 effectiveness evaluation results (Evaluation Period: January to December 2023)

Overall Evaluation	Main Opinions	There were opinions calling for further improvements in the deliberation system for important matters and the development of the next generation of human resources.
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.	Our Response	We have decided to review the deliberation schedule of key meetings, including the Board of Directors, and to enhance the effectiveness of next-generation talent development by having HR officers from core subsidiaries attend the Nomination and Compensation Committee as needed, ensuring appropriate information sharing and progress monitoring of measures.

## Governance — Messages from Outside Directors

### Expecting faster reform for the future

Outside Director	Takayoshi Matsunaga
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#### Steady progress through reform

In FY2023, the first year of the Sixth Mid-Term Management Plan, the Company achieved record highs in all profit stages, starting from revenue. Operating profit hovered around 20 billion yen until FY2021, but it rose to 31.5 billion yen in FY2022 and 41.6 billion yen in FY2023, showing steady growth at higher stages.

While the goals of the Second to Fourth Mid-Term Management Plans were not achieved, the Fifth Mid-Term Management Plan was completed amidst the chaos of the pandemic. The Sixth Mid-Term Management Plan's FY2025 goals were achieved early, in FY2023. I take this as a significant leap in the Company's earning power. During this period, business structure reforms or reform of internal systems such as restructuring of unprofitable businesses and the sale of business in China, led to improving management awareness.

In addition to establishing the research and development joint venture Honda-GS Yuasa EV Battery R&D Co., Ltd. with Honda, the Company decided with Honda and Blue Energy to build a new factory for lithium-ion batteries for BEVs in Moriyama City, Shiga Prefecture; these have been major successes among the preparations for the future.

#### For sustainable improvement in corporate value

It is essential to further enhance the earning power of existing businesses to secure cash flow for proactive investments during the Sixth and Seventh Mid-Term Management Plan periods. The strong results in FY2023 were not by chance but reflect real capabilities, and I hope the Company will raise its sights and aim for higher goals from this elevated profit stage.

I encourage the Company to further enhance business operations focused on return on invested capital (ROIC), alongside improving business competitiveness in QCDS and strengthening comprehensive risk management, to actively drive corporate value improvement.

Strengthening overseas governance and human resources development, which I have been advocating for some time, remain ongoing challenges. Overseas businesses account for half of the Company's sales, but many are joint ventures, making management control difficult. To minimize risks and aim for further business expansion, it is necessary to establish and strengthen monitoring systems.

It is also essential to enhance the training, development, and promotion of local employees, as well as upgrade the skills of overseas executives. Management is about people, and human resources development is a pillar of management. It is important to build an integrated personnel system to develop and evaluate employees and executives, select human resources appropriately, rotate jobs including overseas assignments, and strategically nurture broad-minded individuals.

#### Expecting further acceleration of transformation

Under former President Murao, the Company steadily progressed in its transformation. I expect President Abe, who has taken over the leadership, to accelerate management processes to keep up with partners and competitors in this rapidly changing business environment and to further promote transformation to resolve management issues. I am committed to fully supporting these efforts.

### Balancing existing businesses and growth businesses to achieve Vision 2035

Outside Director	Yoshiko Nonogaki
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#### Driving both existing and growth businesses together

Addressing challenges like carbon neutrality and the creation of a sustainable society is the core mission of GS Yuasa's battery business. It is crucial to generate reliable profits from the automotive lithium-ion battery business, such as hybrid and plug-in hybrid batteries, and to carefully explain the growth story outlined in Vision 2035 in a way that to shareholders can understand, while steadily advancing the development and production of lithium-ion batteries for BEVs.

The high-capacity, high-output BEV batteries, which are part of the collaboration with Honda aiming to achieve results, are also planned for expansion into ESS for renewable energy, presenting significant business opportunities. While there is great potential, this is also a large investment for the Company, requiring careful and meticulous progress. We have already spent considerable time discussing this at Board of Directors' meetings before making decisions, and we will continue to monitor progress and provide recommendations as needed. To advance investments in this area steadily, ROIC-based management to enhance the overall efficiency of the business portfolio is crucial.

The Company has a long history and solid foundation in automotive and industrial lead-acid batteries, and these areas maintain high capital efficiency. On the other hand, new businesses such as lithium-ion batteries for BEVs require large investments, and strategies focused on ROIC are necessary. In the future, setting the most appropriate indicators for management will be key, and ensuring that both existing and growth businesses are managed with suitable methods to drive sustainable corporate value is essential.

#### Expecting faster business operations

The Board of Directors' operations are highly effective, which I give praise to. A key feature is that the president attends post-survey hearings and listens sincerely to difficult topics, working every year to improve the effectiveness of these evaluations.

However, as I mentioned last year, we need to further accelerate business activities in the face of trends like carbon neutrality, accelerated technological innovation, and rapidly changing competitive environments. President Abe, who has recently taken office, is aware of this issue, but the entire leadership team, not just the president, needs to embrace this transformation in mindset and integrate it into the company culture. I expect specific initiatives to be implemented on the ground to achieve faster business operations and strengthen earning power.

#### Supporting the promotion of human capital management

Human capital is an area attracting considerable attention from shareholders and internal and external stakeholders. The Company's corporate culture, shaped by the nature of battery products, emphasizes quality assurance, giving an impression of practicality and honesty, but I also sense strong passion from employees to grow the business. Business challenges in new areas, including digital transformation (DX), are progressing. To further enhance their motivation and unleash their potential, we must foster a diverse next generation of talent that aligns with the management strategy.

Embracing diversity and incorporating different perspectives and experiences into management strengthens a company. The Company is gradually promoting the participation of women, with an increasing number of women in roles of General Managers, Managers, and Assistant Managers. I feel a personal responsibility to lead as a communicator, encouraging the development of women aiming for executive roles. I will continue to support efforts to improve corporate value including strengthening human capital.

# Governance — Messages from Outside Directors

## Supporting advanced management

Outside Director	Koji Nitto	Newly appointed
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### My mission as an outside director

In my previous career at OMRON Corporation, I held roles such as Senior General Manager of Global Strategy HQ and CFO. I believe the role of an outside director is to discuss matters with the executive side to provide insights and guide the Company in the right direction to maximize corporate value. By applying the knowledge I have gained, I hope to contribute to maximizing corporate value by analyzing the Company from various perspectives and offering recommendations.

I see the Company as having a long history and a high market share in areas like lead-acid batteries, creating a very serious and steady corporate culture. This culture is a strength, given the nature of storage batteries, which demand safety and reliability, and the Company's close ties to high-demand industries such as the automotive industry. However, I would like to ensure that the Company does not fall into the common pitfall of optimizing parts at the expense of overall cohesion.

### Toward maximizing corporate value

Profitability and growth expectations are key factors for evaluation by the stock market. In terms of profitability, the Company's ROE exceeds the listed company average of 9.7%, meeting market expectations in a numerical sense.

On the other hand, a PER of around 10x indicates that the market has not yet fully trusted the Company's growth potential, which is why the PBR remains around 1x. It is difficult to expect new investment as a value stock, so the focus will be on how to raise expectations as a growth stock, and whether the Company can become a leader as the industrial structure changes. Specifically, it is essential to clearly outline a scenario for transitioning from the lead-acid battery business to a lithium-ion battery business-centered structure, and to execute strategies steadily. The lithium-ion battery business, particularly for BEVs, faces considerable competition and requires significant investment. Therefore, to make the scenario convincing, managing the portfolio and operations to generate the necessary investment capital is crucial.

First, I intend to carefully observe the Company's business and financial situation, and apply my ROIC management experience to support advanced management.

### Unlocking the great potential

The Company has great potential for expanding profitability and growth, given its refined battery technology, talented personnel, and its strong lead-acid battery business, which generates stable cash. By pursuing overall optimization through lateral collaboration across the Company and optimizing the entire supply chain, I am looking forward to the Company strengthening its unity and maximizing its strengths.

I will provide my knowledge and cooperate to help realize the direction outlined in Vision 2035 and the Sixth Mid-Term Management Plan.

# Governance — Corporate Governance

## 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

The decision on a specific amount of remuneration for directors is delegated to the president by the Board of Directors and the president, upon receiving this delegation, decides the basic remuneration and bonus amounts for each director based on the recommendations of the Nomination and Compensation Committee and within the remuneration limit approved by the Shareholders' Meeting.

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

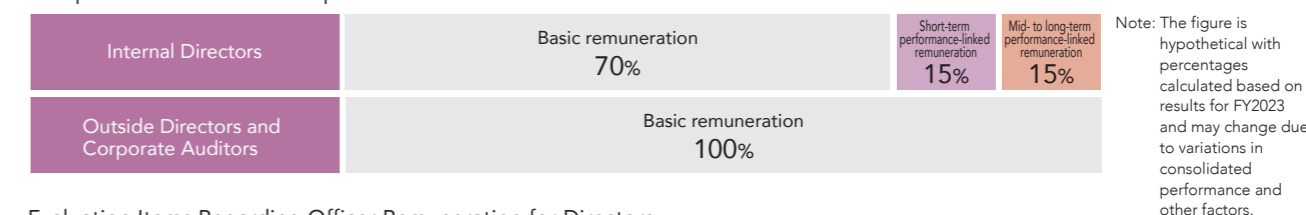
### (1) Directors

Remuneration consists of fixed basic remuneration, a short-term incentive in the form of a performance-linked annual bonus, and a medium- to long-term incentive in the form of performance-linked share remuneration. Basic remuneration is determined according to the director's position, considering the standards of other listed companies of similar business scale to the Company. Performance-linked remuneration consists of annual bonuses (short-term performance-linked remuneration) and share remuneration (mid- to long-term performance-linked remuneration). Share remuneration is provided through a performance-linked share remuneration plan, under which shares are granted based on the number of points accumulated upon the director's retirement.

### (2) Corporate auditors

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.

### Composition of GS Yuasa Corporation's Director Remuneration



### Evaluation Items Regarding Officer Remuneration for Directors

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

\* The granting of fixed points was discontinued in July 2023.

### Total Remuneration Amounts and Directors

Category	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				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)	207	160	29	16	16	4
Corporate auditors (excluding outside corporate auditors)	49	49	—	—	—	3 (including 1 retiree)
Outside directors	43	43	—	—	—	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.

# Governance — Corporate Governance

## Cross-Shareholdings

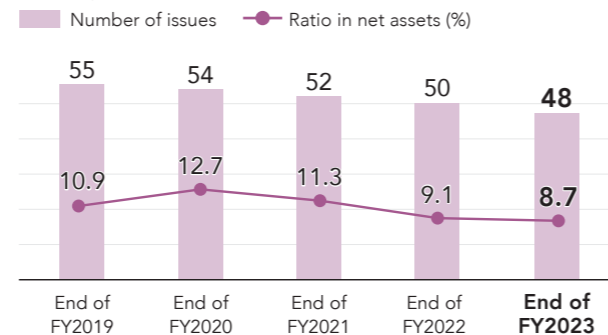
The Group believes that holding shares other than pure investments, which are expected to maintain medium- to long-term relationships with investees, expand transactions, and generate synergies, will contribute to the Company's sustainable growth through the smooth promotion of business activities and expansion of transactions, as well as contribute to the development of the local economy by maintaining and deepening good relationships with the local community. Therefore, the Group's policy is to hold in principle those shares for which the overall rationality of the holding, including economic rationality, can be confirmed, in addition to the

significance of such holdings. The Board of Directors of GS Yuasa Corporation annually verifies the rationality of each individual issue of specified investment shares held, focusing on the following points. In FY2023, the Company sold a portion of its cross-shareholdings in accordance with these policies.

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.

Qualitative Information	<ul style="list-style-type: none"> <li>● Status of business relationship</li> <li>● Significance of holding other than business relationship</li> <li>● Possibility of future transactions and alliances</li> <li>● Risks of disposing of shares</li> </ul>
Quantitative Information	<ul style="list-style-type: none"> <li>● Most recent transaction volume and profit</li> <li>● Annual amount of dividends received, gains, or losses on valuation of shares</li> </ul>

Number of Cross-Shareholdings (Number of Different Stocks) and the Ratio in Net Assets (Excluding deemed held stocks)



## 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.

## Working on Officer Training

Since FY2020, we have continuously conducted officer training sessions for all directors and corporate auditors, including outside directors and auditors, as well as all officers of GS Yuasa, the core business company, selecting beneficial themes to help them fulfill their expected roles and responsibilities



appropriately, while also deepening their understanding of the Company's issues and external environment.

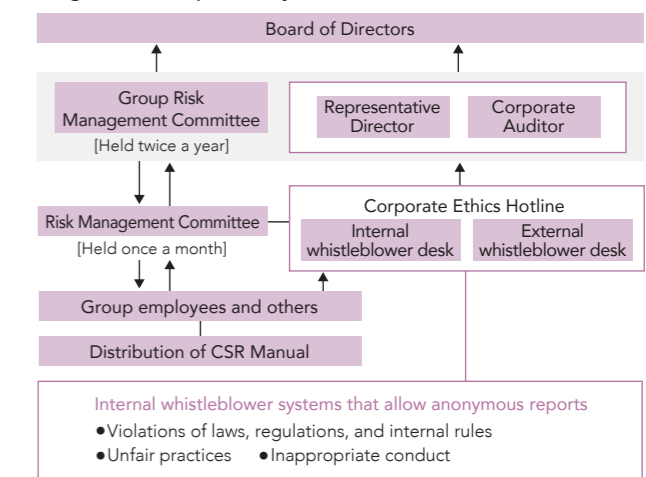
Fiscal Year	Officer Training Topics
FY2024	<ul style="list-style-type: none"> <li>■ Roles and responsibilities of management in information security</li> <li>■ Action to implement management that is conscious of cost of capital and stock price</li> </ul>
FY2023	Trends concerning carbon neutrality and the storage battery business
FY2022	Purpose-driven management and implementation of sustainable management

## Compliance

### Basic approach and promotion system

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

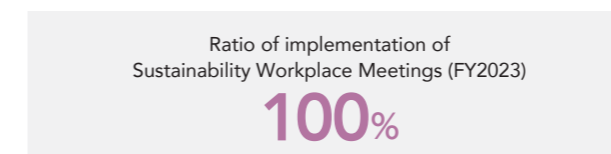


### Permeation of compliance awareness

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.

### Sustainability workplace meetings

Workplace meetings on compliance were initiated in FY2012 as a means of allowing compliance awareness to permeate to each and every employee, and have been held for 12 consecutive years through FY2023. Since FY2018, the meetings were rebranded as "CSR Workplace Meetings," with topics related to CSR policies, and in FY2022, the name was changed to "Sustainability Workplace Meetings." In FY2023, the meetings were expanded to include all workplaces of GS Yuasa (378 worksites) as well as 21 domestic Group companies. The educational materials used in the meetings are prepared by the division in charge of each topic and include content tailored to the circumstances of the Group. We intend to continue holding these meetings while constantly upgrading the content.



Scope 378 GS Yuasa worksites and 21 domestic Group companies

#### Sustainability Workplace Meeting Themes (FY2023)

##### Required Themes (Implemented in all departments)

- Contributing to the SDGs through the realization of GS Yuasa Group's Vision
- Climate-related and biodiversity issues and responsibilities surrounding corporations
- Diversity (and the diversity in opinions)

##### Selection of Themes (Choose at Least One)

- Preventing intentional wrongdoing
- Handling confidential information
- Learning the Subcontracting Act
- Personal information protection
- Security trade controls
- Harassment
- Management of working hours
- Safety and hygiene
- The manufacturing process and product safety
- Promotion of supply-chain CSR activities

# Governance — Corporate Governance

## Compliance

### 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 is managed rigorously and that whistleblowers are protected so that they are not subject to disadvantageous treatment as a result of making a report. To promote awareness of the Corporate Ethics Hotline system among employees of the Company and domestic Group companies, we display posters at key locations in all offices and domestic Group companies.



Corporate Ethics Hotlines poster internal bulletin

### 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.

## 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.

## Risk Management ● Risk Information P.98-99

### 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.

- 1: Risk avoidance** (predicting and understanding risks and adopting appropriate preliminary measures, preventing the escalation of risks (outbreak of crises))
  - 2: Risk reduction** (taking effective measures beforehand so that even if a crisis does occur, losses and other damage are kept to a minimum)
- Based on this approach, the Group has formulated risk management rules that stipulate the responsibilities of employees and our risk management promotion setup.

### 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.

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.

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.

#### Outline of risk management activities

<b>Step 1</b>	Identification of risks by departments and employees
<b>Step 2</b>	Determination of risks that need to be intensively managed through risk management activities and determination of preventive measures
<b>Step 3</b>	Monthly confirmation by each department of the status of implementation of related measures

### 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 of the Company, to minimize corporate losses, and an effective response will be implemented swiftly and with appropriate care.

#### Structure and Functions of Risk Management



## 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 FY2021, the Group launched a BCP project led by the Environmental Management, Occupational Health & Safety Division with personnel from other divisions and set up a BCP system in FY2023. (BCP manual preparation, business impact analysis, and the creation of an employee safety confirmation system)

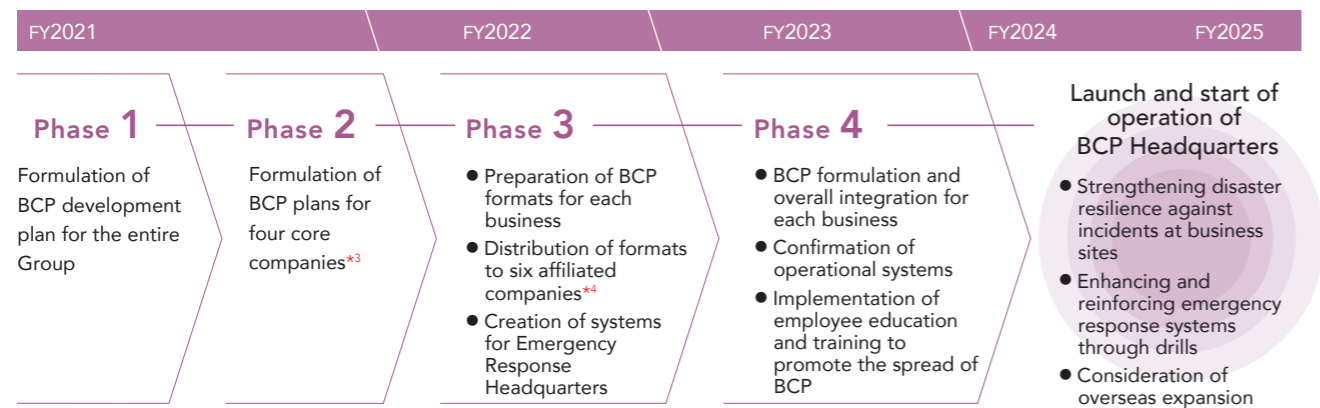
In April 2024, we established a Business Continuity Policy, and to ensure more effective activities, we launched quarterly BCP Promotion Meetings (with Group-wide participation). In June of the same year, we distributed Survival Cards (emergency response guidelines during disasters), summarizing safety and disaster response information to all employees to promote BCP awareness internally. In November, we plan to conduct an Emergency Response Headquarters drill to prepare for quick response in emergencies. Going forward, we plan to implement full-scale BCP operations through the BCP Promotion Meetings and conduct internal education and training for deeper BCP integration, advancing the BCP system across the entire Group.

See here for more details on our Business Continuity Policy [https://www.gs-yuasa.com/en/company/pdf/business\\_continuity\\_policy\\_en.pdf](https://www.gs-yuasa.com/en/company/pdf/business_continuity_policy_en.pdf)

# Governance — Corporate Governance

## BCP Initiatives

BCP project activity roadmap (conceptual)



\*3 GS Yuasa International Ltd. / Blue Energy Co., Ltd. / Lithium Energy Japan / GS Yuasa Technology Ltd.

\*4 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.

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 (FY2023)

	Details	Number of times implemented
Education and training	e-learning	1 time
	Targeted attack email training (implemented only in some divisions)	1 time
Awareness-raising activities	Distribution of columns on information security in internal reports	4 times
	Distribution of awareness-raising information in email newsletters	12 times

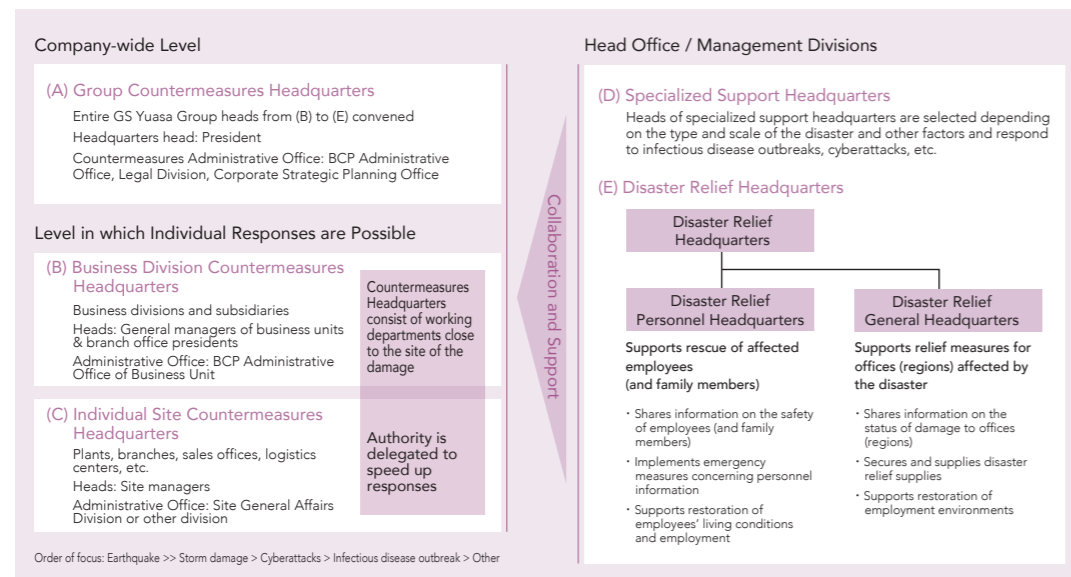
## Communication with Stakeholders

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

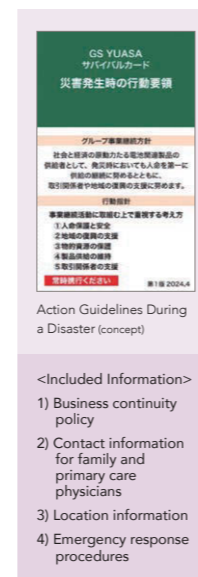
As investor relations activities, in addition to quarterly financial results briefings for institutional investors and analysts, we regularly participate in conferences sponsored by securities companies, individual meetings, briefings for individual investors, and other events. We also actively hold events such as study meetings, briefings, 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. Opinions gathered through IR activities are regularly shared with the management team, reported to the Board of Directors biannually, and reported at the Executive Briefing quarterly, with efforts made to reflect these in management and business activities.

As a means of disseminating information internally, we provide video presentations of financial results by the director responsible for investor relations to managers on a half-year basis, distribute financial results in internal reports, regularly publish an investor relations column on the PR portal site, and implement in-house training programs to disseminate investor relations information.

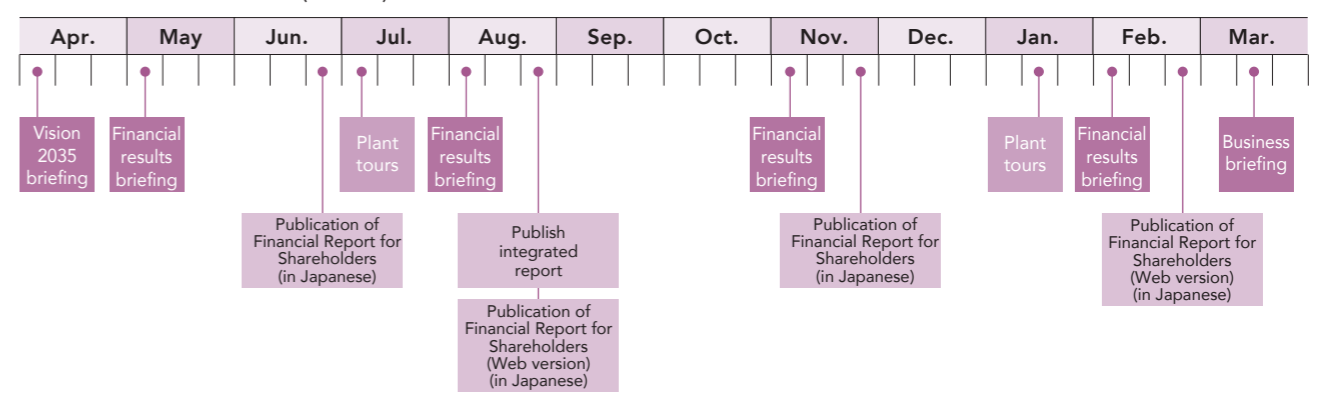
Diagram of Emergency Response Headquarters Systems in the Event of an Emergency



Survival Cards



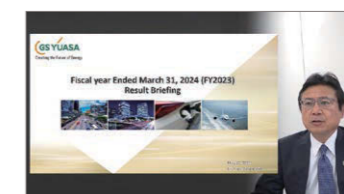
Record of Main IR activities (FY2023)



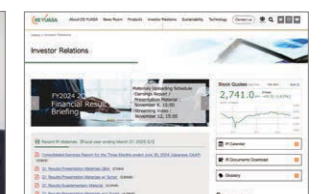
	Activity content	Frequency
Individual meetings	Japan	200
	Overseas	57
	Total	257
Overseas roadshows		31 (conducted online)
Conferences		2 times
Small meetings		4 times
Plant tours		2 times
Long-term vision and Mid-Term Management Plan briefing		1 time
Business briefing		1 time



At a plant tour for individual investors and analysts



Video of financial results briefing



Investor relations website

## 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 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,

# Governance — Directors and Auditors (As of June 29, 2024)



## Directors

### 01 Osamu Murao Chairman

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, GS Yuasa International Ltd.  
 Jun. 2012 Director of the Company  
 Director, GS Yuasa International Ltd.  
 Director, GS Yuasa Technology Ltd.  
 Jun. 2015 President of the Company  
 Chief Executive Officer (CEO) of the Company  
 President, GS Yuasa International Ltd.  
 Jun. 2024 Chairman of the Company (current position)  
 Chairman, GS Yuasa International Ltd. (current position)

### 02 Takashi Abe President and Representative Director

Apr. 1989 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)  
 Mar. 2003 President, GS Battery U.S.A. Inc.  
 Apr. 2010 General Manager, Corporate Strategic Planning Office, GS Yuasa International Ltd.  
 Jun. 2016 Corporate Officer, GS Yuasa International Ltd.  
 Oct. 2016 Director and Vice President, GS Yuasa Energy Co., Ltd.  
 Apr. 2018 Deputy Business Unit Manager of Industrial Batteries and Power Supplies Unit, GS Yuasa International Ltd.  
 Division Manager of Overseas Sales Division, Industrial Batteries and Power Supplies Unit, GS Yuasa International Ltd.  
 Apr. 2022 Director of GS Yuasa International Ltd.  
 Division Manager of Power Supply System Sales Division, Industrial Batteries and Power Supplies Unit, GS Yuasa International Ltd.  
 Apr. 2023 Business Unit Manager of Automotive Batteries Business Unit, GS Yuasa International Ltd.  
 Jun. 2024 President of the Company (current position)  
 Chief Executive Officer (CEO) of the Company (current position)  
 President, GS Yuasa International Ltd. (current position)

### 03 Masahiro Shibutani Vice President and Representative Director

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, Yuasa Business (Tianjin) Co. Ltd.  
 Apr. 2012 General Manager, Corporate Office of the Company  
 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.  
 Deputy Business Unit Manager of Automotive Battery Business Unit, GS Yuasa International Ltd.  
 President, GS Yuasa Battery Ltd.  
 Jun. 2019 Senior Officer, GS Yuasa International Ltd.  
 Division Manager of Planning Division, Automotive Battery Business Unit, GS Yuasa International Ltd.  
 Apr. 2020 Director, GS Yuasa International Ltd.  
 Business Unit Manager of Automotive Battery Business Unit, 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)

### 04 Hiroaki Matsushima Director and CFO

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)  
 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)  
 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)  
 Apr. 2021 Director of the Company (current position)  
 Jun. 2022 Chief Financial Officer (CFO) of the Company (current position)

### 05 Takayoshi Matsunaga Outside Director

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 responsible for IT-Related Business Unit, High Performance Plastics Company, Sekisui Chemical Co., Ltd.  
 Jun. 2004 Managing Director responsible for IT Business Unit, High Performance Plastics Company, Sekisui Chemical Co., Ltd.  
 Apr. 2005 Senior Managing Director and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.  
 Apr. 2008 Senior Managing Director, Senior Managing Officer, and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.  
 Jun. 2008 Director, Senior Managing Officer and President of High Performance Plastics Company, Sekisui Chemical Co., Ltd.  
 Mar. 2014 Director responsible for matters designated by the president, Sekisui Chemical Co., Ltd.  
 Jun. 2014 Audit & Supervisory Board Member, Sekisui Chemical Co., Ltd.  
 Jun. 2018 Outside Audit & Supervisory Board Member, Sekisui Jushi Corporation  
 Jun. 2018 Outside Director of the Company (current position)

### 06 Yoshiko Nonogaki Outside Director

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 (currently Sony Group 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)

### 07 Koji Nitto Outside Director

Apr. 1983 Joined OMRON TATEISI ELECTRONICS CO. (currently OMRON Corporation)  
 Mar. 2011 Senior General Manager of Global Resource Management HQ of OMRON Corporation  
 Jun. 2011 Executive Officer, OMRON Corporation  
 Mar. 2013 Senior General Manager of Global SCM and IT Innovation HQ, OMRON Corporation  
 Apr. 2013 Managing Executive Officer, OMRON Corporation  
 Mar. 2014 Senior General Manager of Global Strategy HQ, OMRON Corporation  
 Apr. 2014 Senior Managing Executive Officer, OMRON Corporation  
 Jun. 2014 Director and Senior Managing Executive Officer, OMRON Corporation  
 Apr. 2017 Director, Senior Managing Executive Officer and Chief Financial Officer (CFO), OMRON Corporation  
 Jun. 2023 Outside Director, Wacoal Holdings Corporation (current position)  
 Jun. 2024 Outside Director, T&D Holdings Inc. (current position)  
 Outside Director of the Company (current position)

## Corporate Auditors

### 08 Masaya Nakagawa Corporate Auditor (Full-time)

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.  
 Jun. 2016 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 (current position)  
 Full-time Corporate Auditor, GS Yuasa International Ltd. (current position)  
 Corporate Auditor, Lithium Energy Japan (current position)  
 Corporate Auditor, Blue Energy Co., Ltd. (current position)  
 Corporate Auditor, GS Yuasa Fieldings Ltd. (current position)  
 Corporate Auditor, Honda · GS Yuasa EV Battery R&D Co., Ltd. (current position)

### 09 Yoshiyuki Sanada Corporate Auditor (Full-time)

Apr. 1985 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)  
 Jun. 2004 Director, GS Yuasa Accounting Service Ltd. (currently GS Yuasa International Ltd.)  
 Oct. 2005 Director, GS Yuasa Business Support Ltd. (currently GS Yuasa International Ltd.)  
 Jun. 2006 General Manager, Finance and Accounting Division of the Company  
 Oct. 2008 General Manager, Internal Control Office of the Company  
 Apr. 2010 General Manager of Corporate Office of the Company  
 Mar. 2011 Director of Lithium Energy Japan  
 Apr. 2012 General Manager of Business Planning Department, Automotive Battery Business Unit of GS Yuasa International Ltd.  
 General Manager of Technical Strategic Planning Office, Global Technical Headquarters of GS Yuasa International Ltd.  
 Jul. 2014 General Manager of Corporate Office of the Company  
 General Manager of Corporate Strategic Planning Office of GS Yuasa International Ltd.  
 Jun. 2016 Officer of the Company  
 Apr. 2020 Manager of the Secretarial Office of the Company  
 Jun. 2024 Full-time Corporate Auditor of the Company (current position)  
 Full-time Corporate Auditor, GS Yuasa International Ltd. (current position)  
 General Manager of Quality Management Department, Business Development Division, International Business Unit, GS Yuasa International Ltd. (current position)  
 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)

### 10 Tsukasa Fujii Outside Corporate Auditor (Part-time)

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 Kansai 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.

### 11 Akira Tsujiuchi Outside Corporate Auditor (Part-time)

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)