



July 25, 2023

GS Yuasa Corporation
President: Osamu Murao
(TSE code: 6674, Prime Market)
Inquiries: Hiroaki Matsushima,
General Manager, Corporate Office
Tel: +81-75-312-1211

Notice Regarding a Partial Share Transfer of a Consolidated Subsidiary (Chinese Subsidiary)

GS Yuasa Corporation (Tokyo Stock Exchange: 6674 "the Company") has resolved at the meeting of its Board of Directors held on July 25, 2023 that its consolidated subsidiary company GS Yuasa International Ltd. (Headquarters: Minami-ku, Kyoto, Japan; President: Mr. Osamu Murao; "GS Yuasa") would transfer 70% of the shares of GS Yuasa's consolidated subsidiaries Tianjin GS Battery Co., Ltd. (Headquarters: Tianjing, People's Republic of China ("China"); "TJGS") and Yuasa Battery (Shunde) Co., Ltd. (Headquarters: Foshan, Guangdong Province, China; "YBSD") respectively to Leoch International Technology Limited (Headquarters: Cayman Islands; listed on Hong Kong Stock Exchange; "Leoch International")'s wholly-owned subsidiary Leoch Battery Company Limited ("Leoch Battery") in China, establish a joint venture company, and has signed an equity transfer agreement and a joint venture agreement with Leoch Battery. The Company announces details as follows

I. Reason for share transfer

Since TJGS started operations in 1993 and YBSD in 2003, the Company has invested GS Yuasa's technological development capabilities and established a certain position in the market as a manufacturer of high-quality automotive lead-acid batteries.

On the other hand, the environment surrounding the automotive lead-acid battery business in China is changing at an ever-increasing speed year by year, and in recent years in particular, the Company has been facing major changes such as the tightening of environmental regulations, the zero-corona policy and its lifting. Under these circumstances, as a result of our careful consideration of the business growth strategy in China, while continuing technical support from the Company, transferring the management right to Leoch Battery in under the umbrella of Leoch International, which has been successful in the same business in china, will best contribute to the growth of TJGS and YBSD. By cooperating with Leoch International Group, the market share of GS Yuasa Group together with Leoch International Group in China will be the 3rd place, close to the 2nd place according to our research, and synergies are expected in terms of sales and logistics.

II. Outline of the subsidiary to be transferred

1. Tianjin GS Battery Co., Ltd.(TJGS)

(1)	Company Name	Tianjin GS Battery Co., Ltd.(TJGS)
(2)	Address	No. 36 GangDa Road, NanGang Industrial Zone, Bin Hai New Area, Tian Jin, P. R. China
(3)	Name and title of representative	Chairman Yoshiaki Yamaguchi
(4)	Main business	Manufacture and sale of lead-acid batteries for automobiles
(5)	Capital Stock	RMB 673 Mil (JPY 13,125 Mil As of end of 2023/3)
(6)	Date of establishment	1991/11/11

(7)	Major shareholders and shareholding ratio	GS Yuasa 92.5% Yuasa Battery (Guangdong) Co., Ltd. 7.5% (wholly-owned by GS Yuasa)					
(8)	Relationship between the listed company and the relevant company	Capital relationship	GS Yuasa holds a 100% stake(both directly and indirectly)				
		Personnel relationship	Officers and employees of GS Yuasa are appointed as directors				
		Business relationship	GS Yuasa has concluded a technical license agreement and a trademark license agreement				
(9)	Operating results and the financial situation of the relevant company for the last three years						
	Fiscal year	FY 2021/3		FY 2022/3		FY 2023/3	
	Currency/ Unit	RMB Mil	Yen conversion/ JPY Mil	RMB Mil	Yen conversion/ JPY Mil	RMB Mil	Yen conversion/ JPY Mil
	Net assets	536	10,459	95	1,850	197	3,839
	Total assets	1,083	21,124	703	13,711	592	11,543
	Net sales	1,080	21,066	895	17,456	766	14,941
	Operating income	12	242	-48	-933	-19	-379
	Ordinary income	1	23	-66	-1,296	-48	-944
	Net income	-40	-773	-441	-8,608	-46	-893

2. Yuasa Battery (Shunde) Co., Ltd. (YBSD)

(1)	Company Name	Yuasa Battery (Shunde) Co., Ltd. (YBSD)					
(2)	Address	Fu An Industrial District, Leliu, Shunde, Foshan, Guangdong, P. R. China					
(3)	Name and title of representative	Chairman Yoshiaki Yamaguchi					
(4)	Main business	Manufacture and sale of lead-acid batteries for automobiles and sale of lead-acid batteries for motorcycles					
(5)	Capital Stock	RMB 214 Mil (JPY 4,173 Mil As of end of 2023/3)					
(6)	Date of establishment	2002/2/1					
(7)	Major shareholders and shareholding ratio	GS Yuasa 100%					
(8)		Capital relationship	GS Yuasa holds a 100% stake				
		Personnel relationship	Officers and employees of GS Yuasa are appointed as directors				
		Business relationship	GS Yuasa has concluded a technical license agreement and a trademark license agreement				
(9)	Operating results and the financial situation of the relevant company for the last three years						
	Fiscal year	FY 2021/3		FY 2022/3		FY 2023/3	
	Currency/ Unit	RMB Mil	Yen conversion/ JPY Mil	RMB Mil	Yen conversion/ JPY Mil	RMB Mil	Yen conversion/ JPY Mil
	Net assets	258	5,035	255	4,971	220	4,298
	Total assets	335	6,536	311	6,074	274	5,335
	Net sales	641	12,495	565	11,008	498	9,719
	Operating income	32	619	0	1	-14	-281
	Ordinary income	32	621	0	7	-16	-305
	Net income	20	394	-3	-65	-16	-307

III. Outline of the transferee of the shares

(1)	Company name	Leoch Battery Company Limited		
(2)	Address	Unit C, 33/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, N.T. Hong Kong		
(3)	Name of representative	YIN Haiyan	HONG Yu	CHOW Kam Keung Albert
	Title of representative	Director	Director	Director
(4)	Main business	Investment management and sales of batteries		
(5)	Capital Stock	HKD 1 Mil (JPY 16 Mil)		
(6)	Date of establishment	2007/4/25		
(7)	Net assets	HKD 142 Mil (JPY 2,265 Mil As of 2022/12/31)		
(8)	Total assets	HKD 4,746 Mil (JPY 75,939 Mil As of 2022/12/31)		
(9)	Major shareholders and shareholding ratio	Leoch International Investments Limited / 100% (Direct)		
(10)	Relationship between the listed company and the relevant company	No capital, personnel, or business relationships to report		

(Reference) Outline of the negotiation partner of the share transfer

(1)	Company name	Leoch International Technology Limited		
(2)	Address	Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-111 Cayman Islands		
(3)	Name of representative	Dr. Dong Li	Mr. Chow, Kam Keung Albert	
	Title of representative	Chairman	Company Secretary	
(4)	Main business	Overall control of subsidiaries related to manufacture, sales and service of battery power sources		
(5)	Capital Stock	RMB 116 Mil (JPY 2,267 Mil)		
(6)	Date of establishment	2010/4/27		
(7)	Net assets	RMB 1,221 Mil (JPY 23,818 Mil As of 2022/12/31)		
(8)	Total assets	RMB 1,499 Mil (JPY 29,224 Mil As of 2022/12/31)		
(9)	Major shareholders and shareholding ratio	Master Alliance Investment Limited (100% owned by Dr. Dong Li) / 74.49%		
(10)	Relationship between the listed company and the relevant company	<ul style="list-style-type: none"> No capital or personnel relationships to report GS Yuasa, a consolidated subsidiary of the Company, procures some products from a subsidiary of this company 		

IV. Number of shares to be transferred and transfer price, number of shares held before and after the transfer

1. TJGS

		Owned by GS Yuasa (direct)	Owned by Yuasa Battery (Guangdong) Co., Ltd.	Owned by GS Yuasa (direct and indirect)
(1)	Percentage of shares held before the transfer	92.50%	7.50%	100.00%
(2)	Percentage of shares to be transferred	70.00%	0.00%	70.00%
(3)	Percentage of shares held after the transfer	22.50%	7.50%	30.00%
(4)	Transfer price (Approx)	RMB 49 Mil (JPY 949 Mil)	RMB 0 Mil (JPY 0 Mil)	RMB 49 Mil (JPY 949 Mil)
		The above transfer price is approximate amount and subject to adjustment by adding the change of the net asset value of the company until 2023/9/28, that is the scheduled day of the completion of the transfer.		

2.YBSD

(1)	Percentage of shares held before the transfer	100.00%
(2)	Percentage of shares to be transferred	70.00%
(3)	Percentage of shares held after the transfer	30.00%
(4)	Transfer price (Approx)	RMB 158 Mil (JPY 3,076 Mil) The above transfer price is approximate amount and subject to adjustment by adding the change of the net asset value of the company until 2023/9/28, that is the scheduled day of the completion of the transfer.

V. Schedule

Resolution of the Board of directors: 2023/7/25

Equity transfer agreement conclusion date: 2023/7/25

Joint venture agreement conclusion date: 2023/7/25

Transfer complete, new management system start date: 2023/9 (Schedule)

(This transfer is premised on the clearance by the governmental authorities of each country and various registration changes.)

VI. Future outlook

Due to this transfer, TJGS and YBSD will be changed from the consolidated subsidiaries to the equity method affiliates of GS Yuasa. The impact on the consolidated results of the Company for FY 2024/3 is under analysis. Any impact on the currently announced consolidated earnings forecast for FY 2024/3 will be announced promptly.