



November 26, 2024

GS Yuasa Corporation
 President and CEO: Takashi Abe
 (TSE code: 6674, Prime Market)
 Inquiries: Hiroaki Matsushima,
 Director and CFO
 Tel: +81-75-312-1211

Notice Regarding Disposition of Treasury Shares by Third-Party Allotment in Connection with Continuation of Performance-Based Stock Compensation Plan

For the performance-based stock compensation plan that will use a trust that was introduced on August 22, 2017 (the “Plan”; and the trust that has already been established for the Plan is referred to as the “Trust”), at the Board of Directors meeting held today, GS Yuasa Corporation (Tokyo Stock Exchange: 6674; the “Company”) resolved that the Company will additionally place money in trust to enable the trustee to acquire additional shares of the Company’s stock. The resolution includes the method of acquiring the Company’s stock to be acquired by the Trust under the Plan through a disposition of treasury shares by third-party allotment (the “Disposition of Treasury Shares”), and the Company hereby collectively announces as explained below. For an overview of the Plan, see the Company’s May 9, 2017 “Notice Regarding Adoption of Performance-Based Stock Compensation Plan.”

1. Summary of Matters Regarding the Trust and the Acquisition of the Company’s stock by the Trustee of the Trust

(1) Overview of the Trust

(1) Name	Officer Stock Grant Trust
(2) Trustor	GS Yuasa Corporation
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Sub-trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiaries	Eligible directors (excluding outside directors, likewise below) of the Company and its subsidiary GS Yuasa International Ltd.
(5) Trust caretaker	Third party independent of the Company and its officers
(6) Type of trust	Pecuniary trust other than money trust (third-party benefit trust)
(7) Trust agreement date	22 August 2017
(8) Additional trust funding date	12 December 2024
(9) Trust termination date (after continuation)	31 August 2026 (tentative)

(2) Summary of Matters Regarding the Acquisition of the Company’s stock by the Trustee of the Trust

(1) Class of shares to be acquired	Common stock
(2) Total acquisition cost of shares	266,902,500 yen
(3) Number of shares to be acquired	95,000 shares
(4) Acquisition method	Acquisition through a disposition of treasury shares
(5) Shares’ acquisition date	12 December 2024

2. The Disposition of Treasury Shares

(1) Summary of Disposition

(1) Disposition date	12 December 2024
(2) Number of shares to be disposed of	95,000 shares of the Company's common stock
(3) Disposition price	2,809.5 yen per share
(4) Total disposition value	266,902,500 yen
(5) Party acquiring shares through disposition	Sumitomo Mitsui Trust Bank, Limited (trust account) (Sub-trustee: Custody Bank of Japan, Ltd. (trust account))
(6) Other	Disposition of the treasury shares will be contingent on the requisite notification taking effect pursuant to the Japan's Financial Instruments and Exchange Act.

(2) Purpose of and Rationale behind the Disposition

At a May 9, 2017, Board of Directors meeting, the Company resolved to adopt the Plan for its directors in the aim of raising their awareness of the need to improve the Company's medium- to long-term operating performance and enhance its corporate value. It will do this by linking their compensation more explicitly with the Company's operating performance and share price so they not only benefit from share price gains but also bear the risk of share price losses together with the Company's shareholders. The Company has continued the Plan to the present.

The Disposition of Treasury Shares will involve a transfer of the shares to Sumitomo Mitsui Trust Bank (trust account) (sub-trustee: Custody Bank of Japan, Ltd. (trust account)), the trustee of the Trust established by the Company pursuant to a trust agreement between itself and Sumitomo Mitsui Trust Bank (the "Trust Agreement") in conjunction with the Plan's continuation.

The Company's subsidiary GS Yuasa International Ltd. ("GS Yuasa") also is adopting a performance-based stock compensation plan similar to the Plan. GS Yuasa continues to operate its plan using the Trust. The Disposition of Treasury Shares will accordingly include enough shares for GS Yuasa's plan also. The number of shares (95,000 shares, 950 voting rights) involved in the Disposition of Treasury Shares will be the number expected to be granted to directors of the Company and GS Yuasa (collectively the "Directors and Other Grantees"), taking into consideration the positions of the Directors and Other Grantees, changes in composition, and performance trends, etc. during the Trust's term in accordance with the Company and GS Yuasa's stock granting regulations set to take effect upon adoption of the Plan. The resultant dilution will be minor, equivalent to 0.09% of the Company's 100,446,442 total shares outstanding as of September 30, 2024 (and 0.09% of said shares' 1,001,963 voting rights as of September 30, 2024; rounded off to two decimal places in both cases).

Overview of the Trust Agreement

Trustor	GS Yuasa Corporation
Trustee	Sumitomo Mitsui Trust Bank, Limited (Sub-trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	The eligible Directors and Other Grantees
Trust caretaker	Third party independent of the Company and its officers
Type of trust	Pecuniary trust other than money trust (third-party benefit trust)
Trust agreement date	22 August 2017
Trust term	From 22 August 2017 to 31 August 2026 (tentative)
Purpose of trust	To grant shares of the Company's stock in accord with stock grant regulations

Note: The trust caretaker will instruct the trustee to not exercise the voting rights associated with the shares of the Company's stock held in the Trust. The trustee shall refrain from exercising said voting rights throughout the trust term in compliance with the trust caretaker's instructions.

3. Basis and Specifics of Pricing of the Disposition of Treasury Shares

The Company has priced the Disposition of Treasury Shares at 2,809.5 yen per share, the closing price of the Company's stock on the Tokyo Stock Exchange on November 25, 2024, the trading day immediately preceding the Board of Directors' resolution regarding the Disposition of Treasury Shares. It did so to ensure the disposition price would be reflective of the recent share price performance and be free from arbitrariness. The closing price on the trading day immediately preceding the date of the Board of Directors' resolution was used because it is the market value immediately prior to the Board of Directors' resolution and was judged to be highly objective and reasonable as a basis for pricing.

The 2,809.5 yen price constitutes a 2.87% premium to the stock's average closing price of 2,731 yen over the recent preceding one month of the trading day immediately preceding the date of the Board of Directors' resolution (October 28 through November 25, 2024), a 0.23% premium to the stock's average closing price of 2,803 yen over the preceding three months (August 26 through November 25, 2024) or a -2.04% premium to the stock's average closing price of 2,868 yen over the preceding six months (May 27 through November 25, 2024) (all three average prices were rounded down to the nearest whole yen; all three premia were rounded off to two decimal places). The 2,809.5 yen price is in compliance with the Japan Securities Dealers Association's Rules Concerning Handling of Allotment of New Shares to Third Party. As such, it is not a particularly advantageous disposition price in the Company's judgment.

All four Corporate Auditors (including two Outside Corporate Auditors) who attended the Board of Directors meeting held today discussed the above disposal price. They expressed the opinion that it is not particularly favorable to the allottee and is legal, considering that the purpose of the Disposition of Treasury Shares is to continue the Plan and that the disposal price is the closing price on the trading day preceding the date of the Board of Directors' resolution.

4. Matters Pertaining to Corporate Code of Conduct Compliance

The Disposition of Treasury Shares will (1) result in less than 25% dilution and (2) not result in a change in controlling shareholder. As such, it does not require the Company to obtain an independent third-party's opinion or shareholder approval pursuant to Article 432 of the Securities Listing Regulations instituted by the Tokyo Stock Exchange.