



August 1, 2017

GS Yuasa Corporation  
President: Osamu Murao  
(TSE code: 6674)  
Inquiries: Toshiyuki Nakagawa,  
Managing Director, General Manager, Corporate Office  
Tel: +81-75-312-1211

## Notice Regarding Details of Performance-Based Stock Compensation Plan and Disposition of Treasury Shares by Third-Party Allotment

On 9 May 2017, GS Yuasa Corporation (Tokyo Stock Exchange: 6674; “the Company”) announced it would adopt a performance-based stock compensation plan that will use a trust (the “Plan”). At a Board of Directors meeting held today, the Company finalized details of the Plan’s adoption, including that the Company’s shares to be acquired by the Plan’s trust will be acquired through a disposition of treasury shares by third-party allotment (“the Disposition of Treasury Shares”), as explained below.

### 1. Details of the Performance-based Stock Compensation Plan

#### (1) Overview of Performance-based Stock Compensation Plan to be Adopted by the Company Using a Trust

(1) Name	Officer Stock Grant Trust
(2) Trustor	GS Yuasa Corporation
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (sub-trustee: Japan Trustee Services Bank, Ltd.)
(4) Beneficiaries	Eligible directors (excluding outside directors; likewise below) of the Company
(5) Trust caretaker	Aoyama Sogo Accounting Firm Co., Ltd.
(6) Type of trust	Pecuniary trust other than money trust (third-party benefit trust)
(7) Trust agreement date	22 August 2017 (tentative)
(8) Trust funding date	22 August 2017 (tentative)
(9) Trust termination date	31 August 2019 (tentative)

Note: The trust caretaker has no special interest in the Company and vice versa.

#### (2) Details of the Trust’s Acquisition of the Company’s Shares

(1) Class of shares to be acquired	Common stock
(2) Funds to be entrusted to acquire shares	119,830,000 yen
(3) Number of shares to be acquired	230,000 shares
(4) Acquisition method	Acquisition by disposition of treasury shares (third-party allotment)
(5) Shares’ acquisition date	22 August 2017 (tentative)

## 2. Disposition of Treasury Shares by Third-party Allotment

### (1) Overview of Disposition

(1) Disposition date	22 August 2017 (tentative)
(2) Number of shares to be disposed of	230,000 shares of the Company's common stock
(3) Disposition price	521 yen per share
(4) Total disposition value	119,830,000 yen
(5) Party acquiring shares through disposition	Sumitomo Mitsui Trust Bank, Limited (trust account) (sub-trustee: Japan Trustee Services Bank, 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 9 May 2017 Board of Directors meeting, the Company resolved to adopt the Plan for its directors (excluding outside directors; likewise below) in the aim of elevating their consciousness in terms of improving the Company's medium/long-term operating performance and enhancing its corporate value 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's shareholders approved the Plan's adoption at the Company's 13th Ordinary General Meeting of Shareholders on 29 June 2017.

For an overview of the Plan, see the Company's 9 May 2017 "Notice Regarding Adoption of Performance-Based Stock Compensation Plan."

The Disposition of Treasury Shares will involve a transfer of the shares to Sumitomo Mitsui Trust Bank (trust account) (sub-trustee: Japan Trustee Services Bank (trust account)), the trustee of a trust ("the Trust") to be 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 adoption.

The Company's subsidiary GS Yuasa International Ltd. ("GSYI") also is adopting a performance-based stock compensation plan similar to the Plan. GS Yuasa International Ltd. plans to operate its plan using the Trust. The Disposition of Treasury Shares will accordingly include enough shares for GS Yuasa International Ltd.'s plan also. The number of shares involved in the Disposition of Treasury Shares will be the number expected to be granted to directors of the Company and GS Yuasa International Ltd. (collectively "the Directors and Other Grantees") during the Trust's term in accord with the Company and GS Yuasa International Ltd.'s stock grant regulations set to take effect upon adoption of the Plan. The resultant dilution will be minor, equivalent to 0.06% of the Company's 413,574,714 total shares outstanding at 31 March 2017 (and 0.06% of said shares' 411,455 voting rights at 31 March, 2017; rounded off to two decimal places in both cases).

### Overview of the Trust Agreement

Trustor	GS Yuasa Corporation
Trustee	Sumitomo Mitsui Trust Bank, Limited On 22 August 2017 (tentative date), Sumitomo Mitsui Trust Bank, Limited and Japan Trustee Services Bank, Ltd., will enter into a comprehensive trust agreement specific to the Trust, whereupon Japan Trustee Services Bank, Ltd. will become the Trust's sub-trustee.
Beneficiaries	The Company's eligible directors and other grantees
Trust caretaker	Aoyama Sogo Accounting Firm Co., Ltd.
Type of trust	Pecuniary trust other than money trust (third-party benefit trust)
Trust agreement date	22 August 2017 (tentative)
Trust term	From 22 August 2017 (tentative) to 31 August 2019 (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 521 yen per share, the closing price of the Company's stock on the Tokyo Stock Exchange on 31 July 2017, the trading day immediately preceding the Board of Directors' resolution regarding the Disposition of Treasury Shares. It did so to ensure the price would be reflective of recent share price performance and free from arbitrariness. The 521 yen price constitutes a 3.58% premium to the stock's average closing price on the Tokyo Stock Exchange of 503 yen over the preceding one month (3 July through 31 July 2017), a 3.58% premium to the stock's average closing price of 503 yen over the preceding three months (1 May through 31 July 2017) and a 3.17% premium to the stock's average closing price of 505 yen over the preceding six months (1 February through 31 July 2017) (all three average prices were rounded down to the nearest whole yen; all three premia were rounded off to two decimal places). The 521 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.

### (4) Matters Pertaining to Corporate Code of Conduct Compliance

The third-party allotment 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 securities exchanges.