



May 9, 2017

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GS Yuasa to Terminate Takeover Defense Measures

GS Yuasa Corporation (Tokyo Stock Exchange: 6674; “GS Yuasa”) renewed its “Countermeasures Against Large-Scale Acquisitions of GS Yuasa Corporation Shares (Takeover Defense Measures)” (the “Takeover Defenses”) with the approval of its shareholders at its June 26, 2015, ordinary general meeting of shareholders.

The Takeover Defenses are scheduled to expire at the conclusion of the Company’s June 29, 2017, ordinary general meeting of shareholders (the “2017 Ordinary General Meeting of Shareholders”). At a meeting of its Board of Directors held today, the Company resolved to discontinue the Takeover Defenses at the conclusion of the 2017 Ordinary General Meeting of Shareholders as explained below.

The Company believes that its shareholders must be provided with sufficient information about any large-scale acquisition of its shares, including information from not only the party pursuing the acquisition (the “Prospective Acquirer”) but also its own Board of Directors, which has direct knowledge of the actual state of the Company’s operations. Additionally, if a large-scale acquisition would be an abusive acquisition in pursuit of short-term profits or would otherwise impair the Company’s corporate value, the Company believes it must protect its corporate value and shareholders’ common interests by devising necessary and appropriate countermeasures. The Company adopted the Takeover Defenses as one means of such protection.

With the Takeover Defenses’ expiration approaching, the Company recently carefully reassessed the Takeover Defenses’ necessity in light of Japan’s Corporate Governance Code and the opinions of its shareholders, particularly domestic and foreign institutional investors.

As a result of this reassessment, the Company found that the external environment surrounding acquisitions has changed since it adopted the Takeover Defenses. One such change is that a consensus against abusive acquisitions has taken root. Another change is that large-scale acquisitions have become much more pervasively regulated under Japan’s Financial Instruments and Exchange Act. Given such changes, the Company concluded that the Takeover Defenses’ necessity has diminished in relative terms. The Company has accordingly decided to discontinue the Takeover Defenses at the conclusion of the 2017 Ordinary General Meeting of Shareholders.

If a Prospective Acquirer emerges after the Takeover Defenses have been terminated, the Company will endeavor to (1) demand that the Prospective Acquirer provides information sufficient and necessary to adequately assess the large-scale acquisition’s pros and cons, (2) disclose in a fair and timely manner the large-scale acquisition’s specifics, its opinion thereof and perhaps an alternative proposal and (3) ensure that its shareholders have sufficient time to make an adequately informed decision, all in accord with the Financial Instruments and Exchange Act, Companies Act and other relevant laws.