



May 9, 2017

GS Yuasa Corporation
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Notice Regarding Governance Structure Reforms and Representative Director Replacement

With Japan instituting a Corporate Governance Code and amending its Companies Act in recent years, Japanese companies are under an imperative to increase their management transparency and efficiency while upgrading their management structures amid growing interest in and discussion of corporate governance best practices.

The GS Yuasa Group (the “Group”) has been endeavoring to upgrade its corporate governance through such means as revising its decision-making processes in April 2015 and subsequently continuing to study how to optimize its corporate governance.

As part of this process, the Group evaluated the effectiveness of its Board of Directors. In light of this evaluation’s results, the Group resolved at a May 9, 2017, Board of Directors meeting to reform its governance structure as explained below in pursuit of swifter, more robust and more effective group management, appropriate oversight, sustained group-wide growth and further enhancement of its medium/long-term corporate value.

At the same May 9 meeting, the Group’s Board of Directors resolved to replace existing directors, including representative directors, and approve a new Board of Directors for subsidiary GS Yuasa International Ltd. (“GS Yuasa International”) as explained below.

1. Purpose of Reforms

- (1) To promote separation of management oversight and executive functions
- (2) To promote swifter, more robust and more effective decision-making
- (3) To strengthen monitoring functions

2. Substance of Reforms

(1) Separation of Management Oversight and Executive Functions

To improve Group businesses’ executional agility, GS Yuasa Corporation (Tokyo Stock Exchange: 6674; “the Company”), a pure holding company, will focus solely on formulating management strategies for the Group as a whole, integrating the Group’s overall operations and overseeing the Group’s operational execution.

To do so, the Company aims to delegate greater executional authority to GS Yuasa International, the Group’s core operating subsidiary, make GS Yuasa International the Group’s primary decision-making entity in terms of operational execution, consolidate executive functions in GS Yuasa International, strengthen those functions and ensure swift operational decision-making.

In conjunction with these measures, the Company will disband its Management Committee and newly establish a Management Committee at GS Yuasa International.

(2) Swifter, More Robust and More Effective Decision Making

In conjunction with the above measures, the Company’s Board of Directors has decided to restructure its Board of Directors to promote broader Board deliberations and swifter, more effective decision-making by narrowing the Board’s focus to oversight functions and strategic decision-making with respect to management policy. The

Company has decided not to reappoint six of its 11 current internal directors when their terms expire at the conclusion of the Company's 13th ordinary general meeting of shareholders scheduled on June 29, 2017.

Currently, all of the Company's internal directors are directors of GS Yuasa International also. Of the Company's six directors that will not be reappointed, four will remain directors of GS Yuasa International, where they will focus solely on operational execution in the aim of leading GS Yuasa International in its role as the Group's nucleus.

(3) Strengthened Monitoring Functions

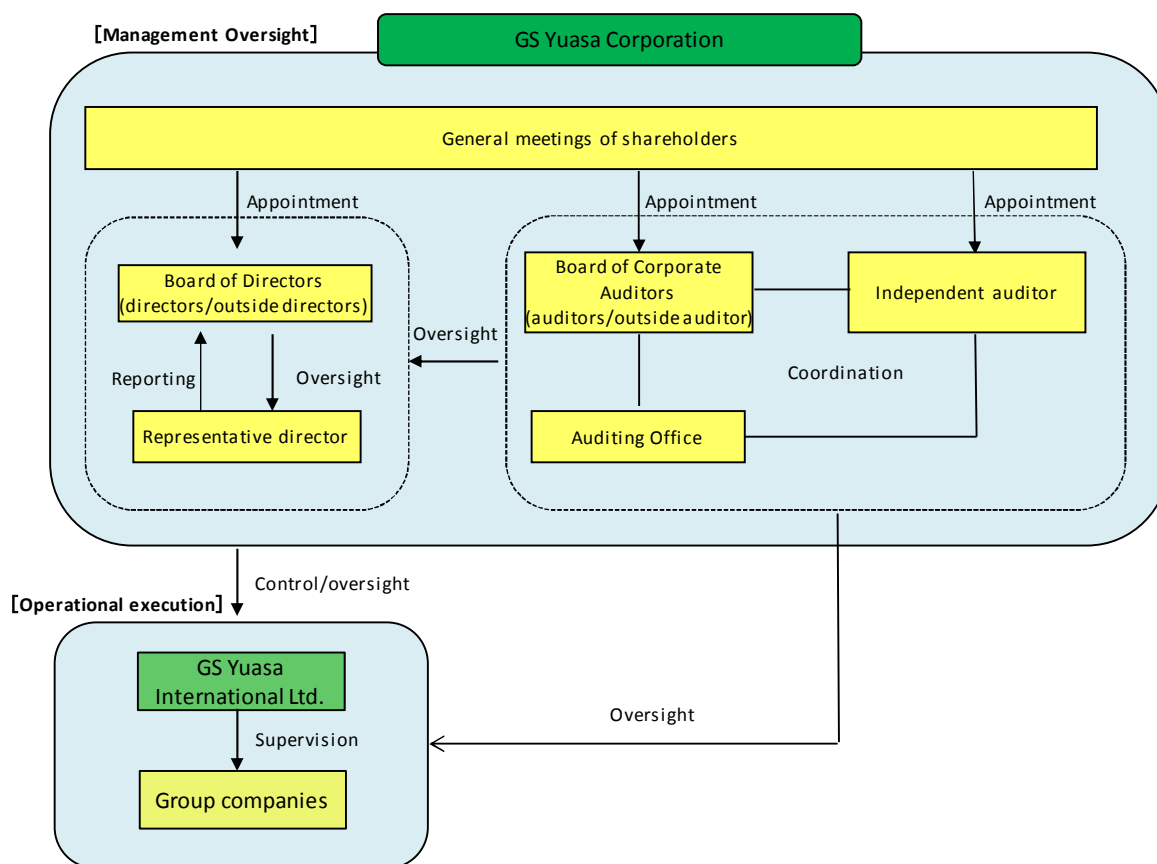
The Company has decided to appoint one more outside director to fulfill appropriate monitoring functions in addition to broadening Board deliberations and realizing swift, effective decision-making.

As a result of the new outside director's appointment, the Company's Board will consist of seven directors: two outside directors and five internal directors.

Both outside directors meet the Tokyo Stock Exchange's independence standards.

3. Governance Structure after Reforms

The diagram below presents an overview of the Group's governance structure after being reformed.



4. Representative Director Change

(1) Reason for Change

Retirement as director upon expiration of term

(2) Details of Change (Representative Director Slated to Step Down)

Name	Current title
Shinji Tatsumi	Senior Managing Director

(3) Scheduled Date of Change

June 29, 2017

5. Elimination of Managing Directors and Composition of Restructured Board of Directors

(1) Elimination of Managing Directors

With the Company's Board of Directors set to focus primarily on oversight functions, the Company decided not to appoint any managing directors or senior managing directors in the belief that all directors should fulfill their responsibilities with equal stature as Board members.

(2) Composition of Restructured Board of Directors

Name	Title
Osamu Murao	President*
Kei Nishida	Director*
Toshiyuki Nakagawa	Director
Toru Bomoto	Director
Masahide Kuragaki	Director
Hirofumi Onishi	Director
Ikuo Otani	Director

Notes:

1. Asterisks denote representative directors.
2. Hirofumi Onishi and Ikuo Otani are outside directors.
3. Ikuo Otani will be a newly appointed director.
4. Of the Company's current directors, Makoto Yoda, Shinji Tatsumi, Masaru Sawada, Ryoichi Okuyama, Masayuki Murakami and Hiroaki Yoshida plan to step down as directors at the conclusion of the Company's 13th ordinary general meeting of shareholders scheduled on June 26, 2017. Masaru Sawada, Ryoichi Okuyama, Masayuki Murakami and Hiroaki Yoshida plan to subsequently continue to serve as directors of GS Yuasa International.
5. Makoto Yoda plans to serve as a Senior Adviser after stepping down as a director.

(3) Scheduled Date of Change

June 29, 2017

6. Composition of GS Yuasa International's New Board of Directors

Name	Title
Osamu Murao	President*
Kei Nishida	Senior Managing Director*
Toshiyuki Nakagawa	Managing Director
Toru Bomoto	Managing Director
Masahide Kuragaki	Managing Director
Masaru Sawada	Director
Ryoichi Okuyama	Director
Masayuki Murakami	Director
Hiroaki Yoshida	Director
Yoshiaki Yamaguchi	Director

Notes:

1. Asterisks denote representative directors.
2. Yoshiaki Yamaguchi will be a newly appointed director.
3. Of GS Yuasa International's current directors, Makoto Yoda, Shinji Tatsumi and Masahiko Ichimaru plan to step down as directors at the conclusion of the June 2017 ordinary general meeting of shareholders.