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(English translation of the original Japanese document)

## **GS Yuasa Corporation**

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Securities code: 6674

<https://www.gs-yuasa.com/en/>

The status of corporate governance at GS Yuasa Group is as follows.

### ***I. Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information***

#### **1. Basic Approach**

In order to facilitate GS Yuasa Group's sustainable growth and increase its corporate value over the medium to long term, the Group's basic policy is to develop an organization and structure that can respond swiftly and efficiently to changes in the business environment, while at the same time working diligently to ensure and strengthen compliance management and improve the soundness and transparency of management.

Based on this approach, the Group continuously striving to further strengthen and enhance corporate governance in accordance with the following basic policies.

- (1) The Group will respect the rights of shareholders and strive to ensure shareholder equality.
- (2) The Group will consider the interests of stakeholders, including shareholders, employees, business partners, and local communities, and strive to collaborate with them in an appropriate manner.
- (3) The Group will disclose corporate information in a timely and appropriate manner and strive to ensure management transparency.
- (4) The Group will strive to appropriately execute the roles and responsibilities of the Board of Directors and the Board of Auditors in order to ensure that decisions are made in a transparent, fair and timely manner.
- (5) The Group will strive to engage in constructive dialogue with shareholders and investors so as to contribute to sustainable growth and improvement of corporate value over the medium to long term.

## **[Reasons for Non-compliance with Principles of the Corporate Governance Code]**

The Company implements all the principles established in the Corporate Governance Code.

## **[Disclosure in Accordance with Principles of the Corporate Governance Code]**

### **[Principle 1.4: Cross-shareholdings (strategic shareholdings)]**

#### **1. Policy on cross-shareholdings**

Shares held by the Company for purposes other than pure investment are those of business partners, etc., with which the Company expects to maintain medium- to long-term relationships, expand transactions, and generate synergies and which the Company believes will enhance corporate value and benefit shareholders and investors.

For this reason, the Board of Directors verifies the rationality of holding each individual stock every year. As a result of this verification, the Company attempts to reduce the number of shares held when it judges that there is no rationality in holding such shares.

#### **2. Criteria for ensuring the proper exercise of voting rights in relation to cross-shareholdings**

The Company exercises its voting rights in relation to cross-shareholdings after comprehensively evaluating the rationality of the proposals of investee companies from the perspective of improving corporate value over the medium to long term.

### **[Principle 1.7: Related party transactions]**

The rules of the Board of Directors stipulate that the Board of Directors must authorize competitive transactions and transactions with conflicts of interest. The Company also periodically investigates whether or not there are any transactions between directors and auditors and their close relatives, and reports any such transactions to the Board of Directors.

Disclosure is carried out in accordance with laws and regulations by recording the information in the notes on non-consolidated financial statements and in the annual securities report, and those notes on non-consolidated financial statements are posted on the Company's website within the convocation notices for Ordinary General Shareholders Meetings (URL: <https://www.gs-yuasa.com/jp/ir/meeting.php>).

### **[Supplementary Principle 2.4.1: Ensuring diversity in the appointment etc. of core**

personnel.

The Company and its core subsidiaries provide equal training opportunities to personnel regardless of gender or nationality, and regardless of whether they were hired as university graduates or were mid-career hires. A framework is in place to ensure that the right people are assigned to the right positions based on their abilities, aptitudes, and personal aspirations, and to ensure that any employee can be fairly and equitably promoted to management positions.

We are not aware of any particular discrepancies, resulting from these efforts, in the recruitment of mid-career hires or foreign nationals due to nationality or the timing of their recruitment. The Company has therefore not set targets for the appointment of such personnel to management positions because the setting of such targets would not be in line with the purport of the abovementioned framework.

The Company recognizes, however, that the proportion of women in managerial positions is an issue that needs to be addressed, and has therefore set targets and is implementing a wide range of measures to support the career planning of female personnel.

- Percentage of management staff who are female:  
Currently: 3.4% (as of April 2021); target: 4% by the end of 2024
- Percentage of management staff who are foreign nationals:  
Currently: 0.6% (as of April 2021)
- Percentage of management staff who were mid-career hires:  
Currently: 25.6% (as of April 2021)

The Company also respects diversity, strives to maintain pleasant work environments and enhance these, and works on human resources development with an emphasis on the requirements of workplaces.

Information about human resources diversity, working environment enhancement, medium- to long-term human resources development, appropriate personnel evaluation, etc. is disclosed in the Sustainability section of the Company's website ([https://www.gs-yuasa.com/jp/csr/working\\_env.php](https://www.gs-yuasa.com/jp/csr/working_env.php)). Information about the Company's efforts to promote diversity is disclosed in the special Diversity & Inclusion section of the Company's website (<https://www.gs-yuasa.com/jp/diversity/>).

#### [Principle 2.6: Fulfilling its function as a corporate pension plan asset owner]

The management of GS Yuasa Group's corporate pension fund is conducted by the GS Yuasa Corporate Pension Fund. Based on the basic policy on asset management stipulated by the fund's governing board at the beginning of each fiscal year, the Fund entrusts the actual management and exercise of voting rights to multiple investment institutions in order to achieve a proper asset allocation.

The Fund's secretariat is staffed with appropriately qualified human resources, and knowledge is supplemented through various training programs conducted by the Federation of Corporate Pension Funds. In addition to persons with experience in finance and human resources, the Company has a board of delegates composed of labor union leaders who represent the beneficiaries.

The secretariat, the governing board, and the board of delegates assess and monitor the status of investment based on quarterly reports from each investment institution.

### [Principle 3.1: Enhancement of information disclosure]

#### 1. Management philosophy, business strategy, business plan

For more information on the Group's corporate philosophy, vision, and medium-term management plan, please refer to the Company's website (<https://www.gs-yuasa.com/jp/company/>).

#### 2. Basic approach and policies for corporate governance based on each principle

Please refer to this report's "I. 1. Basic Approach" for details.

In addition to the above content, please also refer to the GS Yuasa Report, which is published with enhanced non-financial information such as information on CSR (URL: <https://www.gs-yuasa.com/jp/ir/annualreport.php>).

#### 3. Policies and procedures for determining the remuneration of senior management and directors

##### (1) Policies

Please refer to "II. 1. [Directors' Compensation]" in this report for details.

##### (2) Procedures

The amount of individual remuneration for basic remuneration and annual bonus is determined by the President, who is delegated by the Board of Directors, based on the criteria stipulated by the Company and based on the report of the non-statutory Nomination and Compensation Committee, which is an advisory body to the Board of Directors, within the scope of the maximum amount of total remuneration determined by resolution of the Shareholders Meeting.

Furthermore, the total amount of basic remuneration was approved by the shareholders at the 1st Ordinary General Meeting of Shareholders held on June 29, 2005, and the total amount of annual bonus was approved by shareholders at Shareholders Meetings for each payment.

Also, with respect to performance-linked stock-based compensation, the Company will deliver such compensation in accordance with the stock issuance regulations established by the Company to the extent approved at the 13th Ordinary General Meeting of Shareholders held on June 29, 2017.

#### 4. Policies and procedures for the appointment and dismissal of senior management and nomination of director and auditor candidates

##### (1) Appointment and dismissal policies

The Company nominates, in a balanced manner, director candidates who possess the knowledge, experience, etc. necessary to cover the businesses and functions of the entire Group in order to supervise the Group as a holding company, as well as the aptitude and ability necessary to make prompt decisions.

Moreover, for candidates who remain in their current positions, the Company considers their performance during their term of office, length of their tenure, and other factors in addition to the above policy, and makes a judgment based on a comprehensive evaluation. In addition, the Company selects management team members based on their contribution and qualifications, including their performance and performance assessment.

Auditor candidates are nominated from among those individuals who possess the knowledge, experience, suitability, etc. necessary for conducting audits.

Outside director and outside corporate auditor candidates are nominated after a comprehensive examination from the perspectives of the requirements for outside directors and outside corporate auditors as stipulated in the Companies Act, such as possessing independence, extensive experience at other companies, and a high level of insight.

Furthermore, in the event that there is any irregularity in the execution of duties by directors, auditors, or senior management, or any serious violation of laws, regulations, or the Articles of Incorporation, or any other reason that makes it difficult for them to properly execute their duties, the Company will initiate deliberations on whether or not to dismiss them.

##### (2) Appointment and dismissal procedures

Regarding director candidates, the president makes recommendations to the Nomination and Compensation Committee, and based on reports of the Nomination and Compensation Committee, and after the Board of Directors deliberates and decides on the candidates, the candidates are submitted for consideration at an Ordinary General Meeting of Shareholders. The Board of Directors decides on the candidates for senior management with consideration given to reports of the Nomination and Compensation Committee. With respect to auditor candidates, the president recommends candidates to the Board of Directors with the consent of the Board of Corporate Auditors, and after the Board of Directors deliberates on and determines the candidates, the candidates are submitted for consideration at an Ordinary General Meeting of Shareholders. With respect to the dismissal of directors, the decision shall be made by the Board of Directors based on the report of the Nomination and Compensation Committee, and then submitted to the Ordinary General Meeting of Shareholders. The dismissal of senior management shall be decided by the Board of Directors based on the report of the Nomination and Compensation Committee. The

dismissal of auditors shall be decided by the Board of Directors and submitted for consideration at an Ordinary General Meeting of Shareholders.

#### 5. Explanations with respect to individual appointments, dismissals, and nominations of senior management, directors, and auditors

The reasons for the individual appointment of directors and auditors are provided in the reference documents for each Ordinary General Meeting of Shareholders.

Furthermore, convocation notices for each Ordinary General Meeting of Shareholders, including the Ordinary General Meeting of Shareholders reference documents, is posted on the Company's website (URL: <https://www.gs-yuasa.com/jp/ir/meeting.php>).

Should the Company make proposals for the dismissal of directors, auditors, or senior management, the reasons for such proposals will be disclosed on the Company's website, and through other methods.

#### [Supplementary Principle 3.1.3: Sustainability-related initiatives, etc.]

The Company publishes information about sustainability-related initiatives in its integrated report (the "GS Yuasa Report"), which is available on the Company's website (<https://www.gsyuasa.com/jp/ir/annualreport.php>).

#### [Supplementary Principle 4.1.1: Scope and content of matters delegated to the management]

To further improve the agility of the GS Yuasa Group's business execution and enhance its supervisory function, the Group reviewed its decision-making process in February of this year, established the GS Yuasa Group Decision-Making Regulations, which unify the Group's decision-making authority, and revised the Board of Directors Rules and other related rules. In addition, the Group revised the Board of Directors Regulations and other related regulations.

In addition to delegating authority over business execution, the Board of Directors specializes in deliberating on important business execution matters such as management policies, budgets, and large-scale investments, as well as matters to be decided exclusively by the Board of Directors in accordance with laws and regulations.

Furthermore, the items for resolution and the standards for resolution at the Board of Directors are stipulated in the regulations of the Board of Directors, and the extent of delegation to the management team is stipulated in the GS Yuasa Group rules on decision-making, the rules on administrative authorities, etc.

#### [Principle 4.9: Independent outside director independence standards and qualities]

In selecting outside director candidates, in addition to their meeting the requirements for externality as stipulated in the Companies Act, the Company strives to determine whether they have the experience and insight to make objective and neutral judgments about the legality and appropriateness of the execution of the Company's business from the standpoint of shareholders, without being subject to restrictions imposed by the executive management.

Further, the Company believes that it is desirable to have human resources who are considered independent from the perspective of those outside the Company also, and for this reason, the Company uses the independence standards, etc. set forth by the Tokyo Stock Exchange, as a reference.

#### [Supplementary Principle 4.10.1: Ensuring appropriate involvement of, and recommendations from, independent outside directors through establishment of an independent Nomination and Compensation Committee.

This is as set forth in the “Supplementary Explanation” under “Existence of a Non-Statutory Committee Equivalent to a Nomination Committee or Remuneration Committee” in the section “1. Matters Relating to Organizational Structure and Operation”, under “II Status of Business Management Organization and Other Corporate Governance Systems Relating to Business Decision-Making, Execution, and Supervision”.

#### [Supplementary Principle: 4.11.1: Policy on the Size and Composition of the Board of Directors]

Through the appointment of internal directors with different areas of expertise and external directors with the knowledge and experience that it requires, the Company strives to ensure the diversity and appropriate size of the Board of Directors, and to ensure that the Board of Directors as a whole has a well-balanced composition of knowledge, experience, and abilities. Information about this framework is presented in chart form in the Company's integrated report (the “GS Yuasa Report”), which is available on the Company's website (<https://www.gs-yuasa.com/jp/ir/annualreport.php>).

Currently, there are seven directors, including three outside directors, and the Group believe that this is an appropriate size for the Board of Directors to oversee and supervise the Group's business.

To facilitate the selection of directors, the Company newly established the Nomination and Compensation Committee in February 2019 to provide transparency and objectivity in the selection of directors. The president recommends the nominated candidates to the Nomination and Compensation

Committee, and based on reports of the Nomination and Compensation Committee, the Board of Directors deliberates on and determines the candidates, and then obtains the approval of shareholders at each Ordinary General Meeting of Shareholders.

[Supplementary Principle 4.11.2: Status of concurrent positions held by officers at other listed companies]

Regarding important concurrent positions held by directors and auditors, the Company's Board of Directors decides on such positions, taking into consideration the nature and workload of the concurrent positions, to ensure that directors and auditors are able to allocate sufficient time and effort to appropriately fulfill their responsibilities at the Company.

The important concurrent positions held by directors and auditors, including outside directors and outside corporate auditors, are disclosed in the business report and reference documents for each Ordinary General Meeting of Shareholders. The business report, together with the reference documents for each Ordinary General Meeting of Shareholders, is posted on the Company's website within the convocation notices for each Ordinary General Meeting of Shareholders. Please refer to the following webpage (URL: <https://www.gs-yuasa.com/jp/ir/meeting.php>).

[Supplementary Principle 4.11.3: Assessment of the effectiveness of the Board of Directors]

The Company conducted an assessment of the effectiveness of the Board of Directors from January to February 2021 in order to identify issues and areas for improvement, consider improvement measures, and further improve the performance of the Board of Directors.

(1) Assessment method

Questionnaires were distributed to all directors and auditors, and individual interviews were conducted based on the responses received.

(2) Assessment items

The Company conducted an assessment of the composition of the Board of Directors, the administration of the Board of Directors, the agenda of the Board of Directors meetings, and the responsibilities of the Board of Directors.

(3) Assessment results

As each item was assessed positively, the Company judged that the effectiveness of the Board of Directors has been secured.

However, there were opinions related to internal controls and the risk management structure, the way the Nomination and Compensation Committee is involved in succession planning, and the strengthening of the structure for providing information to outside directors. As a result of these responses, the Board of

Directors considered improving the monitoring structure, such as periodic provision of information concerning overseas offices, enhancing the sharing of information on executives at the Nomination and Compensation Committee, and reviewing the structure for providing information to outside directors. The Company will continue to evaluate the effectiveness of the Board of Directors and strive for further improvements.

#### [Supplementary Principle 4.14.2: Training of directors and auditors]

The Company explains the duties and responsibilities of directors and corporate auditors from a legal perspective when they take office. Even after assuming office, the Company implements training (as a general rule once a year), for the purpose of compliance and improvement of corporate value, based on the requirements of the directors and auditors. They are also provided with opportunities to update their knowledge by introducing them to seminars held by external organizations as appropriate.

Also, for outside directors and outside corporate auditors in particular, in order to enhance deliberations at meetings of the Board of Directors, the Company provides opportunities for dialogue with senior management, etc., as appropriate, such as by explaining materials for meetings of the Board of Directors in advance.

#### [Supplementary Principle 5.1: Policy on constructive dialogue with shareholders]

Through active dialogue with shareholders and investors, the Company aims to provide them with an understanding of business strategies and management policies, and to improve corporate value over the medium to long term by applying the knowledge gained through such dialogue to management of the Group.

For this reason, in response to requests for dialogue from shareholders and investors, the Company will assign an appropriate person to respond to such requests within a reasonable scope, taking into consideration such factors as investment policy, number of shares held, and affiliations.

The Company's policy on the arrangement of structures and initiatives to promote constructive dialogue with shareholders and investors is as follows:

- (1) The General Manager of the Corporate Office is responsible for overseeing dialogue with shareholders and investors, and is actively involved in responding to IR interviews from shareholders and investors and holding various briefings.
- (2) The Corporate Office plays a central role in facilitating dialogue with shareholders and investors, and provides support for the promotion of constructive dialogue in cooperation with related departments as appropriate.
- (3) The Company proactively accepts IR-related interviews from shareholders and investors, and

conducts on an ongoing basis IR activities such as holding financial results briefings four times a year, conferences and meetings, and individual visits.

Furthermore, materials for the financial results briefings and videos of the financial results briefings are published on the Company's website.

(4) The opinions and other information of shareholders and investors obtained through dialogue are reported to the management as appropriate, and are also periodically reported to the Board of Directors.

(5) The Company has established a silent period to limit dialogue prior to the announcement of financial results, and also limits the number of persons to whom information can be sent during dialogue with shareholders and investors to prevent the leakage of insider information.

## 2. Capital Structure

Foreign Shareholding Ratio	Over 10%, less than 20%
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### [Status of Major Shareholders]

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,610,900	11.91
Custody Bank of Japan, Ltd. (Trust Account)	5,490,800	6.81
Meiji Yasuda Life Insurance Company	2,800,000	3.47
Toyota Motor Corporation	2,236,080	2.77
MUFG Bank, Ltd.	1,865,467	2.31
Nippon Life Insurance Company	1,789,133	2.22
BBH FOR GLOBAL X LITHIUM AND BATTERY TECH ETF (Standing proxy: MUFG Bank, Ltd.)	1,604,498	1.99
The Bank of Kyoto, Ltd.	1,548,069	1.92
Sumitomo Mitsui Trust Bank, Limited	1,470,800	1.82
Sumitomo Mitsui Banking Corporation	1,421,703	1.76

Controlling Shareholder (Except for Parent Company)	—
Existence of Parent Company	None

### Supplementary Explanation

The Company has received a large shareholding report (change report) as outlined below, but since the Company is unable to confirm the actual number of shares held as of March 31, 2021, the above list of

major shareholders is based on the shareholder register.

The main details of the large shareholding report (change report) are as follows:

Shareholders: Nomura Securities Co., Ltd. and one other party

Date of reporting obligation: October 30, 2020

Number of shares held: 6,385,355 shares

Holding ratio of share certificates, etc.: 7.72%

### 3. Corporate Attributes

Stock Exchange Listings and Market Classification	First Section, Tokyo Stock Exchange
Annual Closing of Accounts	March 31
Industry	Electrical equipment
Number of Employees at End of Previous Fiscal Year (Consolidated)	1,000 or more
Sales in Previous Fiscal Year (Consolidated)	More than 100 billion yen, less than 1 trillion yen
Number of Consolidated Subsidiaries at Previous Fiscal Year End (Consolidated)	More than 50, less than 100

### 4. Guidelines for Policy to Protect Minority Shareholders When Conducting Transactions with a Controlling Shareholder

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### 5. Other Special Circumstances that May Have a Material Impact on Corporate Governance

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## *II Status of Business Management Organization and Other Corporate Governance Systems Relating to Business Decision-Making, Execution, and Supervision*

### 1. Matters Relating to Organizational Structure and Operation

Form of Organization	Company with auditors
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#### [Matters Relating to Directors]

Number of Directors Stipulated in Articles of Incorporation	16
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Current Number of Directors	7
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Outside Directors Designated as Independent Officers	3

#### Relationship with the Company (1)

Name	Affiliation	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Ikuo Otani	From another company												
Takayoshi Matsunaga	From another company												
Yoshiko Nonogaki	From another company												

\*Symbols indicating relationship with the Company

○ Applicable to the director now or recently

**△ Applicable to the director in the past**

**● Applicable to a close relative of the director now or recently**

**▲ Applicable to a close relative of the director in the past**

- a. A person who executes business of the listed company or a subsidiary of the listed company
- b. A person who executes business of, or is a non-executive director of, the parent company of the listed company
- c. A person who executes business of a fellow subsidiary of the listed company
- d. A person for whom the listed company is a major business partner or a person who executes business for such a person
- e. A major business partner of the listed company or a person who executes business for such a business partner
- f. A consultant, accounting professional, or legal professional who receives large amounts of monetary compensation or other assets from the listed company other than remuneration as a corporate officer
- g. A major shareholder of the listed company (in cases where the major shareholder is a corporation, a person who executes business of such a corporation)
- h. A person (said individual only) who executes business of a business partner of the listed company (persons to whom items d, e, or f above do not apply)
- i. A person (said individual only) who executes business of an entity holding cross-directorships or cross-auditorships with the listed company
- j. A person (said individual only) who executes business of an entity to whom the listed company makes donations
- k. Other

Relationship with the Company (2)

Name	Independent Officer Status	Supplementary Explanation of Applicable Items	Reason for Appointment (including reasons for designating the relevant external corporate auditor as an independent auditor, if any)
Ikuo Otani	○	—	Mr. Otani has a broad knowledge of overall group management based on his experience in corporate planning and group

			<p>management at Wacoal Holdings Corp. and his experience as a director of said company. He has been selected as an outside director, based on the judgment that he will be able to exercise a supervisory function over the Company's business execution as a member of the Board of Directors thanks to his experience and insight as well as his neutral and objective perspective. He has been designated as an independent director as he meets the requirements for independence in terms of appearance and there is no risk of conflict of interest with general shareholders in terms of objectivity and substance.</p>
<p>Takayoshi Matsunaga</p>	○	—	<p>Mr. Matsunaga has gained the broad insight required to supervise overall management through his experience as a corporate auditor of Sekisui Chemical Co., Ltd. and Sekisui Jushi Corporation, in addition to management experience as a director of Sekisui Chemical Co., Ltd. He was selected as an Outside Director because it was judged that his experience and insight, as well as his neutral and objective perspective, would help the Board of Directors of the Company to strengthen its</p>

			<p>supervisory function over business execution. He has been designated as an independent director as he meets the requirements for independence in terms of appearance and there is no risk of conflict of interest with general shareholders in terms of objectivity and substance.</p>
<p>Yoshiko Nonogaki</p>	○	—	<p>Ms. Nonogaki has gained the broad insight required to supervise overall management based on her experience as an outside director of Jolly-Pasta Co., Ltd. and Nifco Inc. in addition to her business experience in the business divisions of Sony Corporation and management experience at overseas subsidiaries. She has been designated as an independent director as she meets the requirements for independence in terms of appearance and there is no risk of conflict of interest with general shareholders in terms of objectivity and substance.</p>

<p>Existence of a Non-Statutory Committee Equivalent to a Nomination Committee or Remuneration Committee</p>	<p>Established</p>
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Status of Establishment of Non-Statutory Committee, Composition of Members, Affiliations of Head of Committee (Committee Chair)

	Name of committee	All members	Full-time members	Internal directors	Outside directors	Outside experts	Others	Committee Chair (Chairperson)
Non-Statutory committee equivalent to a Nomination Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Outside director
Non-Statutory committee equivalent to a Remuneration Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Outside director

### Supplementary Explanation

The Company established the Nomination and Compensation Committee to serve as an advisory body to the Board of Directors. The goal of the committee is to strengthen the independence, objectivity and accountability of Board of Directors functions such as the nomination and compensation of senior management and directors. The Nomination and Compensation Committee is chaired by an independent outside director, and the majority of its members are independent outside directors to enhance the independence and objectivity of the process related to nomination and compensation decisions.

### [Matters Relating to Auditors]

Existence of Board of Auditors	Established
Number of Members of the Board of Auditors Stipulated in Articles of Incorporation	6
Current Number of Auditors	4

### Cooperation between Auditors, Accounting Auditor, and Internal Auditing Department

Auditors receive explanations from the accounting auditor pertaining to the audit system and audit plan at the beginning of the fiscal year, and explanations pertaining to the audit implementation status and audit details at the time of closing of accounts. In addition, auditors accompany the accounting auditors on their visits to Group companies or monitor them remotely to confirm audit methods, audit status, etc.

The Auditing Office is in charge of internal audits. The Auditing Office provides the corporate auditors with audit plans and explanations at the beginning of each fiscal year, and submits audit reports when audits are conducted.

Auditors, accounting auditors, and the Auditing Office hold periodic liaison meetings each fiscal year to share information and establish a system for conducting routine and closely coordinated internal audits.

Appointment of Outside Auditors	Yes
Number of Outside Auditors	2
Number of Outside Auditors Designated as Independent Officers	2

### Relationship with the Company (1)

Name	Affiliation	Relationship with the Company*													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Tsukasa Fujii	Attorney														
Akira Tsujiuchi	Certified public accountant											△			

\*Symbols indicating relationship with the Company

○ Applicable to the auditor now or recently

△ Applicable to the auditor in the past

● Applicable to a close relative of the auditor now or recently

▲ Applicable to a close relative of the auditor in the past

a. A person who executes business of the listed company or a subsidiary of the listed company

b. A person who is a non-executive director or accounting advisor of the listed company or a subsidiary of the listed company

c. A person who executes business or who is a non-executive director of the parent company of the listed company

d. An auditor of a parent company of the listed company

e. A person who executes business of a fellow subsidiary of the listed company

f. A person for whom the listed company is a major business partner or a person who executes business for such a person

g. A major business partner of the listed company or a person who executes business for such a business partner

h. A consultant, accounting professional, or legal professional who receives large amounts of monetary compensation or other assets from the listed company other than remuneration as a corporate officer

i. A major shareholder of the listed company (in cases where the major shareholder is a

corporation, a person who executes business of such a corporation)

j. A person (said individual only) who executes business of a business partner of the listed company (persons to whom items f, g, or h above do not apply)

k. A person (said individual only) who executes business of an entity holding cross-directorships or cross-auditorships with the listed company

l. A person (said individual only) who executes business of an entity to whom the listed company makes donations

m. Other

## Relationship with the Company (2)

Name	Independent Officer Status	Supplementary Explanation of Applicable Items	Reason for Appointment (including reasons for designation as an independent officer, if so designated)
Tsukasa Fujii	○	—	<p>Mr. Fujii is an attorney at Tatsuno, Ozaki &amp; Fujii Law Office and there is no business relationship between this office and the Company. He was selected as an outside corporate auditor based on the judgment that he can be expected to enhance the auditing function of the Company by conducting audits from a neutral and objective standpoint thanks to his wide ranging experience and insight cultivated as a lawyer.</p> <p>The Company has designated him as an independent director because, in addition to the reasons stated above, he satisfies the requirements for independence in terms of appearance, and there is no risk of conflict of interest with general shareholders in terms of objectivity and substance.</p>
Akira Tsujiuchi	○	Mr. Tsujiuchi was, until resigning in June 2019, a partner of Deloitte Touche Tohmatsu LLC, which was the Company's accounting auditor, until June 2020. The Company	Mr. Tsujiuchi is an accountant at Tsujiuchi Certified Public Accountant Office, and there is no business relationship between this office and the Company. He was selected as an outside corporate auditor because he has wide-ranging experience as a certified public

		had requested auditing services based on the Financial Instruments and Exchange Law, in addition to auditing services based on the Companies Act, from this auditing firm, but the amount of such transactions involved less than 0.03% of the consolidated net sales of both companies, and therefore there are no restrictions on the performance of his duties as an auditor.	accountant and broad insight into finance and accounting. Based on this experience and insight, he is expected to further enhance the auditing function of the Company by conducting audits from a neutral and objective standpoint. The Company has designated him as an independent director because, in addition to the reasons stated above, he satisfies the requirements for independence in terms of appearance, and there is no risk of conflict of interest with general shareholders in terms of objectivity and substance.
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[\[Matters Relating to Independent Officers\]](#)

Current Number of Independent Officers	5
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Other Matters Relating to Independent Officers

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[\[Matters Relating to Incentives\]](#)

Status of Implementation of Measures Concerning the Granting of Incentives to Directors	Introduction of performance-linked stock-based compensation system
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Supplementary Explanation of Applicable Items

The Company introduced this system, which received approval at the 13th Ordinary General Meeting of Shareholders held on June 29, 2017, in order to clarify the correlation between the Company's business performance and stock value and directors' remuneration, and to raise awareness of the need for directors to contribute to improving the Company's business performance and increasing corporate value over the medium to long term by sharing the benefits and risks of stock price fluctuations with shareholders, so that they not only enjoy the benefits of stock price increases but also bear the risks of stock price declines. For an overview of this system, please refer to [Matters Relating to Directors' Compensation] below.

Persons Eligible for Stock Options	-
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#### Supplementary Explanation of Applicable Items

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#### [Matters Relating to Directors' Compensation]

Status of Disclosure (of Individual Directors' Compensation)	Individual compensation not disclosed
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#### Supplementary Explanation of Applicable Items

Compensation to directors and auditors of the Company for the fiscal year ended March 31, 2021 is as follows.

Compensation paid to nine directors: 120 million yen

(Of which, basic compensation: 90 million yen, bonuses: 18 million yen, stock-based compensation: 11 million yen)

Compensation paid to four auditors: 45 million yen

Compensation paid to five outside directors: 46 million yen

In addition to the above, a total of 117 million yen (including 89 million yen in basic compensation, 12 million yen in bonuses, and 15 million yen in stock-based compensation) was paid to six directors and 36 million yen in basic compensation (including 12 million yen for one external auditor) was paid to three auditors at consolidated subsidiaries where they concurrently serve.

The aforementioned information is disclosed in the business report and the annual securities report, and the business report is posted on the Company's website within the convocation notices for Ordinary General Shareholders Meetings (URL: <https://www.gs-yuasa.com/jp/ir/meeting.php>).

Policy for Determining Amount or Calculation Method of Compensation	Established
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#### Disclosed Details of Policy for Determining Amount or Calculation Method of Compensation

##### 1. Basic policy on director compensation

The Company's basic policy is to set director remuneration standards and systems giving consideration to the securing and retaining of outstanding human resources and motivating them to enhance business performance in order to continuously increase corporate value and strengthen corporate

competitiveness.

## 2. Policy for determining the details of individual directors' compensation, etc.

Directors' remuneration consists of basic remuneration, annual bonuses, and stock-based remuneration.

### (1) Policy for determining the amount of basic compensation (monetary compensation)

The amount of basic compensation is determined by taking into consideration the standard amount according to the position of each Director, the consolidated performance of the Company, the performance evaluation of each department and individual, and the standards of listed companies that are of a similar scale to that of the Company.

### (2) Details of performance-linked compensation, etc., and the policy for determining the amount and calculation method of the number

To function as an incentive to improve short-term performance, annual bonuses are determined based on the degree of improvement in consolidated performance (net income attributable to shareholders of the parent company) from the previous fiscal year and the degree to which targets have been attained, and are distributed in July after obtaining the approval of shareholders at each Ordinary General Meeting of Shareholders.

Stock-based remuneration is medium- to long-term performance-linked compensation, in which fixed points are granted monthly depending on the recipient's position and other factors, and predetermined performance-linked points are granted on the day of the Ordinary General Meeting of Shareholders based on the degree of achievement of medium-term management plan targets, and shares corresponding to the number of points are then delivered when directors leave their position. The performance-based points are evaluated based on consolidated net sales, operating income ratio before amortization of goodwill, and ROIC.

However, from the perspective of ensuring independence, annual bonuses and stock-based compensation are not provided to outside directors.

## 3. Policy for determining the ratio of the amount of basic compensation and the amount of performance-linked compensation, etc. to the amount of compensation, etc. for each individual director

As for the ratio of compensation per type of director, the weight of performance-linked compensation increases for the higher positions, while taking into account the compensation levels at companies that are of a similar scale to that of the Company as a benchmark.

## 4. Items related to the determination of the details of individual compensation, etc. for each director

As for the amount of individual compensation, the amount of basic compensation for each director and bonus amounts are determined based on the degree of achievement of each director's targets, after the president is delegated the authority to determine the specific details by the Board of Directors. The Board of Directors consults the Nomination and Compensation Committee on the fairness and appropriateness of the draft proposals prepared by the president to ensure that the president exercises his authority appropriately within the limit of the amount of remuneration approved by the General Meeting of Shareholders, and receives a report on the results of the consultation.

## 5. Auditors' compensation

Due to the nature of the auditing function, compensation for Auditors is not linked to business performance, and only a fixed amount is paid.

### [Support System for Outside Directors (Outside Auditors)]

With respect to the main activities of outside directors and outside corporate auditors, the secretariats for each committee and the secretarial office play a central role in providing support. In addition to distributing the materials for Board of Directors meetings in advance, when necessary, the relevant departments individually provide advance explanations of important matters.

## 2. Matters Relating to Business Execution, Auditing/Oversight, Nomination, and Remuneration Decision-Making Functions (Overview of Current Corporate Governance Structure)

The Company has chosen the “Company with a Board of Corporate Auditors” corporate governance system. In addition to this, the Company has established a corporate governance system that includes an internal audit system and other systems appropriate to the Group’s structure. In addition, functions are shared between the Company (GS Yuasa Corporation, a pure holding company) and GS Yuasa International Ltd. (the core operating subsidiary). While GS Yuasa International Ltd. has been made the main decision-making body for business execution in the Group to improve agility, the Company focuses on the formulation of management strategies for the entire Group’s business, and control of the entire Group’s business, and supervision of the execution of the Group’s business, thereby enhancing and strengthening the management system and improving the transparency and efficiency of management. An outline of this is as follows.

(1) The Board of Directors consists of seven directors (including one female director), including three outside directors who are independent from management. The president serves as the chair of Board of Directors meetings which are held once a month, in principle, with extraordinary meetings held as necessary, or resolutions or reports are made in writing. To ensure that outside directors can fully exercise their monitoring functions at meetings of the Board of Directors, in addition to the support provided by the Board of Directors secretariat and secretarial office, etc., relevant divisions provide advance explanations on important matters on an individual basis as necessary. As the Company is a pure holding company, the Board of Directors of the Company makes decisions on medium- and long-term strategies for the Group in an integrated manner, thereby speeding up the decision-making process.

(2) The Board of Auditors consists of four auditors (of which none are female), including two outside corporate auditors who are independent from management. A full-time corporate auditor serves as the chair of Board of Auditors meetings, which are held once a month in principle. In addition to attending meetings of the Board of Directors, the Group Risk Management Committee, and other important meetings, the auditors offer their opinions and recommendations. The Board of Auditors conducts appropriate audits by interviewing directors and employees about the execution of their duties, etc., inspecting important approval documents and resolution documents, etc., examining the status of assets, and receiving reports from directors and employees, etc. at important meetings on the status of business and risk management, etc., to fulfill their management monitoring functions. In addition, the Company have appointed three persons to assist the auditors in the execution of their duties and provide necessary assistance as required.

(3) The Company has established the Nomination and Compensation Committee as a non-statutory advisory body to the Board of Directors for the purpose of strengthening the independence, objectivity and accountability of the Board of Directors' functions related to the nomination and compensation of directors. The Nomination and Compensation Committee is comprised of five directors, including three outside directors who are independent of management. The committee is chaired by an outside director, and discusses matters referred to it by the Board of Directors, and reports the results of these discussions to the Board of Directors.

(4) To manage and promote various risks related to the Group's management and to share necessary information, Group Risk Management Committee meetings are held twice a year in principle. Group Risk Management Committee meetings are attended by the president, directors, and auditors of the Company, as well as the presidents of major subsidiaries, general managers of business units, and division heads. The meetings are chaired by the president, who is an internal director.

(5) Internal audits are conducted by 10 members of the Auditing Office in accordance with the Internal Audit Regulations. The Auditing Office prepares an audit plan for each fiscal year, conducts operational audits, accounting audits, and special mission audits, provides guidance for improvement, and promptly reports the results to the president as well as relevant persons and departments.

The Company also works closely with the auditors and the accounting auditor to strengthen their respective management functions. The Company changed its accounting auditor at the 16th Ordinary General Meeting of Shareholders held on June 26, 2020, appointing KPMG AZSA LLC as its new accounting auditor, and has concluded an audit contract for audits under the Companies Act and audits under the Financial Instruments and Exchange Act. The audits are conducted in accordance with generally accepted auditing standards. In addition to the certified public accountants listed below, there were 24 certified public accountants, eight individuals who had passed the accountant examination, and

17 other individuals who assisted in the audit of the Company.

Designated limited liability partner, engagement partner: Motohiro Tanaka

Designated limited liability partner, engagement partner: Hiroshi Miura

Designated limited liability partner, engagement partner: Tetsuo Yamada

The Company has entered into agreements with outside directors and outside corporate auditors (excluding full-time officers) to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of said act. The maximum amount of liability for damages under this contract is the higher of either 10 million yen for both outside directors and outside corporate auditors or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

### 3. Reason for Selection of the Current Corporate Governance Structure

The Company has established the system described in the preceding paragraph in order to realize its basic approach to corporate governance. The Company is also striving to strengthen corporate governance through ongoing efforts.

The following is a list of specific initiatives taken in recent years.

(1) To strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to the nomination and compensation of senior management and directors, the Nomination and Compensation Committee has been established as a non-statutory advisory body to the Board of Directors. The Nomination and Compensation Committee deliberates on matters submitted to it by the Board of Directors, and reports the results of its deliberations to the Board of Directors.

(2) The Company, as a holding company, and its operating subsidiaries fulfil different functions. Business execution functions are consolidated under the operating subsidiaries to enhance business execution agility, while the Company focuses on the control and supervision of the entire Group's business to enhance and strengthen the management system and has put in place a governance system to improve the transparency and efficiency of management.

(3) To further strengthen the supervisory functions of the Board of Directors as well as to further increase the transparency and fairness of management, the Company has appointed several outside directors who are independent of management.

In addition to the current system, the Company has adopted this system because it believes that the corporate governance of the Company will function sufficiently through continuous efforts to strengthen corporate governance.

### III. Status of Implementation of Measures Relating to Shareholders and Other Stakeholders

#### 1. Status of Measures to Invigorate Shareholders Meetings and Facilitate the Exercise of Voting Rights

	Supplementary Explanation
Early Distribution of Shareholder Meeting Convocation Notices	Sent three weeks prior to the date of Shareholders Meetings.
Exercise of Voting Rights by Electronic Means	Since the 12th Ordinary General Meeting of Shareholders held in June 2016, the Company has adopted the exercise of voting rights by electronic means (such as via the Internet). In addition, from the 17th Ordinary General Meeting of Shareholders held in June 2021, the Company has adopted “Smart Voting”, which enables shareholders to log in to an electronic exercise of voting rights website by scanning a QR code.
Participation in a Platform for Electronic Exercise of Voting Rights and Other Measures to Improve the Environment for the Exercise of Voting Rights by Institutional Investors	Since the 12th Ordinary General Meeting of Shareholders held in June 2016, the Company has adopted the electronic voting platform operated by ICJ, Inc. As a result, the Company has facilitated the examination of agenda items from the date of dispatch of convocation notices, allowing sufficient time to make decisions for or against.
Provision of English-Language Summaries of Convocation Notices	Since the 14th Ordinary General Meeting of Shareholders held in June 2018, portions of convocation notices (as well as reference documents for each Ordinary General Meeting of Shareholders) have been translated into English and posted at the Tokyo Stock Exchange, the electronic voting platform, and the Company's website.
Other	In addition to posting convocation notices on TD-NET and the Company's website prior to the dispatch of convocation notices for shareholders meetings, the Company is working to invigorate shareholders meetings by providing more visual content using computers and projectors. In addition, starting this year, we are planning to post video recordings of shareholders meetings online, following the conclusion of each meeting.

#### 2. Status of Investor Relations Activities

	Supplementary Explanation	Explanation by Company Representatives
Disclosure policy creation and publication	Posted on the Investor Relations section of the Group's website. (Japanese) <a href="https://www.gs-yuasa.com/jp/ir/disclosure_policy.php">https://www.gs-yuasa.com/jp/ir/disclosure_policy.php</a> (English) <a href="https://www.gs-yuasa.com/en/ir/disclosure_policy.php">https://www.gs-yuasa.com/en/ir/disclosure_policy.php</a>	
Holding of Regular Briefings for Individual Investors	The Company participates in briefings hosted by securities companies. In addition, the Company disseminates information through its website.	Not available
Holding of Regular Briefings for Analysts and Institutional Investors	The Company holds quarterly financial results briefings (1st quarter and 3rd quarter are telephone briefings) and posts videos of the financial results briefings (excluding telephone briefings) in the Investor Relations section of the Company's website. In addition, the Company receives regular individual visits, office visits, and conference calls by and with domestic investors.	Available
Holding of Regular Briefings for Overseas Investors	Videos (in English) of financial results briefings held in Japan are posted in the Investor Relations section of the Company's website. In addition, the Company receives periodic individual visits, office visits, and conference calls by and with overseas investors, and participates in conferences for overseas investors held in Japan and overseas by securities companies.	Available
Posting of Investor Relations Materials on the Website	Financial results, timely disclosure materials, financial results presentation materials, shareholders meeting convocation notices, securities reports and quarterly reports, reports for shareholders, GS Yuasa Report, etc. are posted on the Company's website.	
Establishment of Investor Relations-Related Department (Contact Person)	The Corporate Office is in charge of Investor Relations.	

### 3. Status of Measures Relating to Respect for the Positions of Stakeholders

	Supplementary Explanation
Rules on Respect for Stakeholder Positions in Internal Regulations, etc.	The Company has stipulated this by clarifying the code of conduct based on the values and ethics demanded by society in its CSR Code of Conduct.

<p>Implementation of Environmental Conservation Activities, CSR Activities, etc.</p>	<p>The Company works with suppliers to promote "Green Procurement" in order to ensure environment-friendly procurement of raw materials and parts.</p> <p>In addition, to further bolster CSR activities, the Company has clarified priority issues to be addressed and is conducting CSR activities focused on these issues. These efforts are published in the GS Yuasa Report and on the Company's website.</p> <p>The Company's website:  <a href="https://www.gs-yuasa.com/jp/ir/annualreport.php">https://www.gs-yuasa.com/jp/ir/annualreport.php</a></p>
<p>Formulation of Policies, etc., Related to the Provision of Information to Stakeholders</p>	<p>The Company discloses information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and the rules on timely disclosure, etc. of financial instruments exchanges.</p>
<p>Other</p>	<p>(Status of women's participation in the workplace)</p> <p>In every aspect of the Company's activities, including recruitment, placement, promotion, and education and training, the Company strives to respond to the needs of employees according to their abilities and achievements without distinction based on gender.</p> <p>The Company is also proactive in promoting female employees to higher positions.</p>

## ***IV. Matters Relating to the Internal Control System***

### 1. Basic Approach to the Internal Control System and Implementation Status

The Company has formulated a basic approach regarding the establishment of internal control systems, and in particular is working to improve the Group's compliance with laws and regulations and the Articles of Incorporation, as well as its risk management system and operational efficiency.

The status of the system is as follows.

- (1) System for compliance with laws and regulations and the Articles of Incorporation of the Group
  - a. Establishment of CSR Policy and CSR Code of Conduct as guidelines and codes of conduct to be observed by directors and employees in the execution of their duties.
  - b. Establishment of the CSR Committee to identify important issues related to CSR and promote various measures in a systematic manner.
  - c. Establishment of the Group Risk Management Committee to carry out systematic initiatives for the Group
  - d. Methodical implementation of education within the Group
  - e. Establishment of an internal Group whistleblower reporting channel and an external whistleblower reporting channel
  - f. Establishment of internal or Group rules in compliance with laws and regulations and the Articles of Incorporation
- (2) Risk management system

The Group has established risk management rules and regulations to prevent the occurrence of crises that may have a significant impact on the Group's management, as well as a system to minimize the impact of actual crises and promptly return to normalcy.
- (3) Streamlining of business
  - a. The Company ensures that decision-making is carried out efficiently in the Group by thoroughly implementing rules governing administrative authority, the management rules on affiliated companies, and the Group approval system.
  - b. The Company is working to streamline and digitalize operations.
- (4) Systems to support the duties of auditors
  - a. Granting to auditors of the right to express human resources-related opinions on employees assigned as assistants
  - b. Establishment of a system in which auditors have the right to direct and order the work of those assigned to assist them in their duties.
  - c. Establishment of a system for reporting to auditors and prohibition of disadvantageous treatment of those making such reports

- d. Budgeting of expenses, etc. for audits by corporate auditors
- e. Implementation of regular meetings for exchange of opinions with directors
- f. Implementation of regular meetings for exchange of opinions with internal audit department

(5) Other

To ensure the appropriateness of the Group's operations, the Auditing Office (the internal audit department) conducts internal audits of the Company and key Group companies.

Also, in order to appropriately ensure internal control of financial reporting, the Group has formulated internal control rules on financial reporting and has established an internal control office to deliberate on and promote systems and frameworks for internal control over financial reporting in the Group.

## 2. Basic Approach to Exclusion of Anti-social Forces and Implementation Status

To prevent interference by anti-social forces in management activities and to prevent damage caused by such forces, in its basic internal control policy to ensure that the execution of duties by directors and employees complies with laws and regulations and the articles of incorporation, the Company specifies that it will take a resolute stance against unreasonable demands by anti-social forces that threaten social order and safety, and will develop a system that entirely precludes any business or other relationships with anti-social forces. In its CSR Code of Conduct, the Company has clarified its policy of (1) prohibiting the provision of benefits related to the exercise of shareholder rights, (2) prohibiting transactions with anti-social forces, and (3) blocking relationships with anti-social forces. This policy has been made known to all employees in accordance with the CSR Code of Conduct.

## V. Establishment of Takeover Defense Measures

### 1. Establishment of Takeover Defense Measures

Establishment of Takeover Defense Measures	None established
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#### Supplementary Explanation of Applicable Items

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### 2. Other Matters Relating to the Corporate Governance Structure

#### (Outline of the Timely Disclosure System)

##### 1. Basic stance on timely disclosure

In its CSR Code of Conduct, the Group stipulates that it will disclose in a timely and appropriate manner information required to be disclosed by the laws and regulations of the countries and regions in which it operates, as well as information necessary to maintain good communication with other stakeholders and wider society. This is thoroughly communicated to all employees.

##### 2. Status of the Company's internal system for timely disclosure

The General Manager of the Corporate Office is responsible for information management, and the timely disclosure-related duties are handled by the Corporate Office.

##### (1) Information gathering and timely disclosure

The Corporate Office is in charge of gathering information from the Company and Group companies according to their respective responsibilities. The information gathered is analyzed by each department, and the necessity of disclosure and the content and method of disclosures are reviewed in advance in light of the timely disclosure rules of the financial instruments exchanges.

##### (2) External disclosure

Timely disclosure of information is conducted immediately by the person in charge of information handling following a resolution by the Board of Directors.

<Schematic Diagram>

(Omitted)