



**GS Yuasa Concludes Sustainability-Linked Loan Agreement
Will Donate Interest Benefits at Target Achievement to Kyoto Citizens' Environment
Fund, a First in Japan**

GS Yuasa Corporation (Tokyo Stock Exchange: 6674, "GS Yuasa") today announced that it has concluded a sustainability-linked loan (SLL) agreement with the following four banks: MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Bank of Kyoto, Ltd.; and Shiga Bank, Ltd.

SLLs are a financing method that links the borrower's achievement of ambitious sustainability performance targets (SPTs) to loan conditions such as interest rates. The goal is to promote environmentally and socially sustainable economic activities and growth by incentivizing the advancement of sustainability-focused management.

[Overview of the SLL]

Date of execution	July 19, 2021
Term	Five years
Total amount borrowed	7.0 billion yen
Use of funds	Business capital
Lenders	MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Bank of Kyoto, Ltd.; and Shiga Bank, Ltd. (Bilateral loans with each bank*1)
KPI	Reduction of CO ₂ emissions
SPTs	Reduction of CO ₂ emissions (total volume basis, Scope 1 and 2*2) by 15% from the fiscal 2018 level by fiscal 2025 as a milestone toward reducing emissions by at least 30% from the fiscal 2018 level by fiscal 2030.

*1 Bilateral loans are based on bank lending agreements entered into bilaterally by an individual lender (financial institution) and a borrower (company, etc.).

*2 "Scope 1" refers to direct emissions of greenhouse gasses by the business itself (through fuel combustion, industrial processes).

"Scope 2" refers to indirect emissions from use of electricity and heat/steam supplied from other companies.

Recognizing that climate change caused by global warming is a crucially important societal issue, GS Yuasa is working to reduce the volume of greenhouse gases it emits in the course of its business activities. To fulfill its corporate responsibility in relation to the transition to a decarbonized society, GS Yuasa set the "GY 2030 Long-Term Greenhouse Gas Target" as announced*3 on May 12, 2021, and is aiming for a reduction in the volume of greenhouse gases emitted in the course of its business activities by at least 30% compared with the fiscal 2018 level by fiscal 2030.

With this SLL agreement, GS Yuasa set the key performance indicator (KPI) to be “reduction of CO₂ emissions” in accordance with the “GY 2030 Long-Term Greenhouse Gas Target”, and the SPTs related to this KPI to be “reduction of CO₂ emissions (total volume basis, Scope 1 and 2) by 15% from the fiscal 2018 level by fiscal 2025 as a milestone toward reducing emissions by at least 30% from the fiscal 2018 level by fiscal 2030”.

By donating to the Kyoto Citizen’s Environment Fund the interest benefits gained by meeting the target, GS Yuasa aims to go beyond enhancing corporate value through ESG-related efforts and contribute to the sound and sustainable development of the local community through donations.

The GS Yuasa Group will continue to promote efforts to achieve carbon neutrality across the entire supply chain and work to contribute to the realization of a sustainable society.

*3 Click/tap on the link below to see the May 12, 2021 news release:

GS Yuasa Announces “GY 2030 Long-Term Greenhouse Gas Target”

https://www.gs-yuasa.com/en/newsrelease/article.php?ucode=gs210509461526_1003

A third-party opinion concerning the SLL agreement was obtained from Japan Credit Rating Agency, Ltd.

Click/tap on the link below to see the third-party opinion:

https://www.gs-yuasa.com/en/nr_pdf/nr20210719_e.pdf