



October 29, 2015

To whom it may concern,

Company Name	GS Yuasa Corporation
Representative Name	Osamu Murao, President and Director (Code No. 6674 1st Section of Tokyo SX)
Contact	Hiroharu Nakano, General Manager, Corporate Office (TEL.+81-75-312-1214)

**Announcement Re: Execution of Basic Agreement with Panasonic Corporation on Transfer of Lead-Acid Battery Business**

GS Yuasa International Ltd. (President: Osamu Murao, Principal Office: Minami-ku, Kyoto; hereinafter referred to as "GS Yuasa"), which is a subsidiary of GS Yuasa Corporation, entered into a basic agreement with Panasonic Corporation (President: Kazuhiro Tsuga, Principal Office: Kadoma-shi, Osaka; hereinafter referred to as "Panasonic") on GS Yuasa's acceptance of Panasonic's transfer of its lead-acid battery business to GS Yuasa. This transfer is scheduled to occur by GS Yuasa's acquisition of stocks of Panasonic's subsidiaries, etc. and we will continue to negotiate with Panasonic hereafter to come to a final agreement.

This deal is one of our important steps to implement our growth scenario which is "to ensure the expansion of earnings of existing businesses and to cultivate new businesses." By integrating the technological R&D, production know-hows and quality control skills which the lead-acid battery business units of Panasonic and GS Yuasa cultivated respectively, we will make an innovative change in our business structure such as (i) promotion of streamlining of production by spreading the production know-hows through our global horizontal business network and (ii) enhancement of development speed in order to respond to the diversification of product development demands. Moreover, we will aim to expand our global market share in lead-acid battery business.

In the Japanese automotive-type lead-acid battery market in which a large market expansion cannot be expected, the demands for high-value added products such as VRLA battery<sup>※1</sup> and ISS car battery<sup>※2</sup> for eco-friendly cars are rising. There is also expectation of expansion of market for batteries for eco-friendly cars in Asia, which continues to have steady growth, and in emerging countries, in which dramatic demand growth is expected.

In order to adopt these new technologies and to meet these demands, GS Yuasa Group will steadily implement its growth scenario by spreading the high-level technological R&D skills and production know-hows and outstanding quality control skills, which have been cultivated by the lead-acid battery business unit of Panasonic, in GS Yuasa Group's global networks.

- ※1 VRLA (valve-regulated lead-acid battery) battery is a maintenance-free lead-acid battery which does not require any refill of battery fluid due to its special construction in which battery fluid is not consumed. It is also used as an auxiliary battery for hybrid cars.
- ※2 ISS car battery is a lead-acid battery for ISS (idling stop system) cars. It is a high-performance battery which has excellent toughness and rechargeability to withstand the rigorous usage characteristic of ISS cars.

#### Statement Details

##### 1. Purpose of Acceptance of Transfer of Business

- (1) Implementation of growth scenario which is “to ensure the expansion of earnings of existing businesses and to cultivate new businesses”
- (2) Innovative change in the business structure by integrating the technological R&D, production know-hows and quality control skills of Panasonic and GS Yuasa
- (3) Expansion of global market share in lead-acid battery business

##### 2. Overview of Basic Agreement

- (1) Execution Date of Basic Agreement: October 29, 2015
- (2) Parties: Panasonic Corporation (Seller) and GS Yuasa International Ltd. (Purchaser)
- (3) Assets to be Transferred: Lead-acid battery business of Panasonic Corporation
  - ① Stocks of Panasonic Storage Battery Co., Ltd.
  - ② Equity interests in Panasonic Storage Battery (Shenyang) Co., Ltd.
  - ③ Stocks of Panasonic Minda Storage Batteries India Private Ltd.
  - ④ Lead-acid battery business of Panasonic Energy (Thailand) Co., Ltd.

##### 3. Overview of Panasonic's Lead-Acid Battery Business

Company Name	Panasonic Storage Battery Co., Ltd.	Panasonic Storage Battery (Shenyang) Co., Ltd.	Panasonic Minda Storage Batteries India Private Ltd.	Panasonic Energy (Thailand) Co., Ltd.
Location	Kosai-shi, Shizuoka, Japan	Shenyang, Liaoning, People's Republic of China	New Delhi, Republic of India	Samutprakarn, Kingdom of Thailand
Establishment Date	October 2004	October 1994	December 2014	December 1996
Main Products	Lead-acid batteries for vehicles and electric vehicles (EV)	Small industrial VRLA batteries	Lead-acid batteries for vehicles and industrial lead-acid batteries	Batteries (manganese and alkaline) and lead-acid batteries for vehicles

##### 4. Future Schedule

Scheduled Execution Date of Share Transfer Agreement, etc.: January 2016

Scheduled Closing Date: Within first quarter of 2016

This Announcement is made to announce the above facts and is not made to solicit any investments or engage in any other similar acts in or outside of Japan.

End of Statement

**GS Yuasa Corporation**

1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520, Japan