

GS Yuasa Conducts Capital Increase through Public Offering and Third-Party Allotment—No Immediate Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on GS Yuasa Corporation (security code: 6674)'s announcement that it plans to conduct a capital increase through public offering and third-party allotment.

- (1) On November 20, GS Yuasa Corporation (the "Company") announced that it plans to conduct a capital increase through a public offering and a third-party allotment to Honda Motor Co. Ltd. The maximum amount to be raised by these transactions is expected to be 47.1 billion yen. The Company plans to use 30 billion yen out of the proceeds from the capital increase for capital investment in a new plant for lithium-ion batteries for BEVs and ESS, 10 billion yen for R&D, and the remainder for increased production of lithium-ion batteries for HEVs.
- (2) JCR has been thinking to date that it is possible for the Company to maintain a sound financial position against the backdrop of solid business performance despite the heavy financial burden for the battery business for BEVs. The capital increase will increase the Company's equity capital by approximately 20% from 243.8 billion yen as of the end of the second quarter of the fiscal year ending March 31, 2024, thereby increasing the Company's financial durability. However, these transactions are strongly intended to support for the financial burden of future high-level investments, and JCR does not believe that they will significantly boost the Company's creditworthiness in the short term.

Akio Kamimura, Akihiro Kondo

<Reference>

Issuer: GS Yuasa Corporation

Long-term Issuer Rating: A Outlook: Stable

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