26-D-0664
September 3, 2026

Japan Credit Rating Agency, Ltd. (JCR) announces the following Green Finance Framework Evaluation Results.

GS Yuasa Corporation

Green Finance Framework

Assignment

Overall Evaluation	Greenness Evaluation (Use of Proceeds)	Management, Operation and Transparency Evaluation
Green 1(F)	g1(F)	m1(F)

Issuer/Borrower	GS Yuasa Corporation (security code: 6674)
Subject	Green Finance Framework

Evaluation Overview

1. Overview of GS Yuasa Corporation

GS Yuasa Corporation is a holding company established in 2004 through a joint share transfer by the former Japan Storage Battery Co., Ltd. and the former Yuasa Corporation following the business integration of the two companies. The business integration was undertaken in light of intensifying global competition, the challenging outlook for the domestic market, and the emergence of the next-generation battery market. In recent years, the Company has expanded its business foundation. In May 2021, the Company acquired the social systems business of Sanken Electric Co., Ltd. in order to enhance the competitiveness of its industrial battery and power supply business.

The GS Yuasa Group comprises GS Yuasa Corporation, 49 subsidiaries, and 19 affiliates. Among these, GS Yuasa International Ltd. (GS Yuasa) serves as the Group's core operating subsidiary, consolidating and strengthening the Group's business execution functions and enhancing agility in business operations. The Group's current business segments comprise "Mobility: Automotive

Batteries (Japan/Overseas) and Lithium-ion Batteries," "Public Infrastructure: Industrial Batteries and Power Supplies and Aerospace and Defense," and Other Businesses. In terms of market share for the Group's products, it ranks second globally in the automotive lead-acid storage battery market and holds the leading position in both Japan and ASEAN. In the motorcycle battery market, it holds the leading global market share.

2. GS Yuasa Corporation's sustainability management

In recent years, stakeholders' interests and demands regarding environmental issues have expanded and diversified beyond climate change to include resource circulation, biodiversity, and other environmental considerations. Against this backdrop, the GS Yuasa Group positions the realization of a decarbonized society and contribution to a circular society as important management issues and promotes initiatives aimed at reducing environmental impacts.

To respond to the global movement toward carbon neutrality, the GS Yuasa Group has formulated its long-term vision toward 2035, "Vision 2035". Vision 2035 presents the Group's ideal vision for 2035 and seeks to realize its corporate philosophy of "Innovation and Growth" by leveraging the strengths and competitive advantages cultivated in the two fields of "Mobility" and "Public Infrastructure" under the "Four-Re's Formula": "Reborn," "Renewable," "Reliable," and "Respect".

The policies relating to "Mobility" and "Public Infrastructure" are set out in the 7th Mid-Term Management Plan (fiscal years 2026-2028). Taking into account changes in the business environment since the 6th Mid-Term Management Plan, including the slower expansion of BEVs and the increase in data centers for AI applications, the Group has identified key measures to achieve the ideal state envisioned in "Vision 2035". Key measures for Public Infrastructure include investment in storage battery manufacturing facilities, which constitute the use of proceeds under this framework. Through implementation of these key measures, each business segment is expected to achieve growth.

In addition, as part of its sustainability promotion framework, the GS Yuasa Group has established the Sustainability Committee, chaired by the Representative Director, and, under it, the Sustainability Promotion Committee, whose members consist of sustainability personnel from each Group company. Through this structure, the Group has established a framework under appropriate commitment from management to advance initiatives that contribute to addressing environmental and social issues.

3. About the Green Finance Framework

The subject of the present evaluation is the Green Finance Framework (the "Framework"), established by GS Yuasa Corporation to limit the use of proceeds raised through green bonds or green loans (green bonds and green loans being collectively referred to as "Green Finance") to uses that generate environmental improvement effects. JCR evaluates whether this Framework aligns with the Green Bond Principles[1], the Green Loan Principles[2], the Green Bond

[1] International Capital Market Association (ICMA), *Green Bond Principles*, 2025.
https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/

[2] Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA), *Green Loan Principles*, 2025.
https://www.lsta.org/content/green-loan-principles/

Guidelines[3] and the Green Loan Guidelines[4]. These principles and guidelines are voluntarily published by the International Capital Market Association (ICMA), Loan Market Association (LMA) etc., and the Ministry of Environment, respectively, and are not legally regulated based on evidences. JCR however refers to these principles and guidelines as they are referred to as unified standards domestically and globally.

GS Yuasa Corporation has designated expenditures related to its storage battery business (including the development of storage battery manufacturing facilities), costs for the installation of solar power generation facilities, and costs for the purchase of renewable energy-derived electricity as the use of proceeds under this Framework for projects contributing to renewable energy. The entities responsible for implementing the projects are expected to be GS Yuasa, a subsidiary of GS Yuasa Corporation, and affiliated companies. In addition, when implementing eligible projects, consideration is required to be given to potential negative impacts on the environment and society, and appropriate measures are to be taken. Based on the above, JCR evaluates that the use of proceeds under this Framework is expected to generate environmental improvement effects.

The project selection process is carried out subject to the final approval of the Board of Directors of GS Yuasa, the core operating subsidiary. A management system has been established at GS Yuasa to ensure that the procured funds are allocated to green projects. The items to be disclosed through reporting are expected to quantitatively demonstrate environmental improvement effects.

Based on the above, JCR evaluated that the management and operation system of GS Yuasa Corporation has been appropriately established.

As a result, based on JCR's Green Finance Evaluation Methodology, JCR assigned "g1(F)" for "Greenness Evaluation (Use of Proceeds)," "m1(F)" for "Management, Operation and Transparency Evaluation," and "Green 1(F)" for the overall "JCR Green Finance Framework Evaluation." In addition, JCR has evaluated that the Framework meets the standards for the items required in the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines, and the Green Loan Guidelines.

[3] Ministry of the Environment, *Green Bond Guidelines*, 2026. (Japanese only)
https://www.env.go.jp/content/000421231.pdf

[4] Ministry of the Environment, *Green Loan Guidelines*, 2026. (Japanese only)
https://www.env.go.jp/content/000421231.pdf

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Evaluation Phase 1: Greenness Evaluation g1(F)

I. The Use of Proceeds

JCR's Key Consideration on This Factor

In this section, JCR first confirms whether the proceeds set out in the Framework is used for green projects that have clear environmental improvement effects. Then, in cases where the use of proceeds is expected to have a negative impact on the environment and society, JCR confirms whether the impact is fully examined by an internal specialist department or an external third party and whether necessary measures have been taken for its workaround and mitigation. Finally, JCR confirms the consistency with the Sustainable Development Goals (SDGs).

▶▶▶ Current Status of Evaluation Targets and JCR's Evaluation

The renewable energy-related projects designated by GS Yuasa Corporation as the use of proceeds under this Framework are all important initiatives contributing to materiality and are expected to generate environmental improvement effects.

The Framework for Use of Proceeds

2.1. Use of Proceeds

An amount equal to the total proceeds of the Green Finance that the Company executes will be allocated to finance new investments or refinance existing investments in eligible projects of GS Yuasa International Ltd.[*1] ("GS Yuasa") and its affiliated companies[*2]. For existing investments, the use of proceeds is restricted to refinance projects that commenced, or whose environmental performance was affirmed, within three years prior to the execution of the Green Finance.

*1 GS Yuasa is the core operating company of the Company. The Green Finance will be raised by the Company, which serves as the pure holding company of GS Yuasa, while the selection, allocation, and management of eligible projects will be conducted by GS Yuasa.
*2 Only 100%-owned subsidiaries of GS Yuasa shall be covered.

Eligible Projects

GBP (Green Bond Principles) Category	Eligible projects/criteria	Example of eligible project
Renewable energy	■ Expenditures related to the storage battery business	➢ Capital expenditures to expand energy storage battery production capacity ➢ Investment in the installation, refurbishment, and replacement of energy storage battery manufacturing equipment
	■ Expenditures related to the Installation of renewable energy facilities (solar power)	➢ Installation of solar power generation facilities at our own factories
	■ Expenditures related to the purchase of renewable electricity	➢ Utilization of electricity derived from renewable energy at business sites

JCR's Evaluation for the Framework

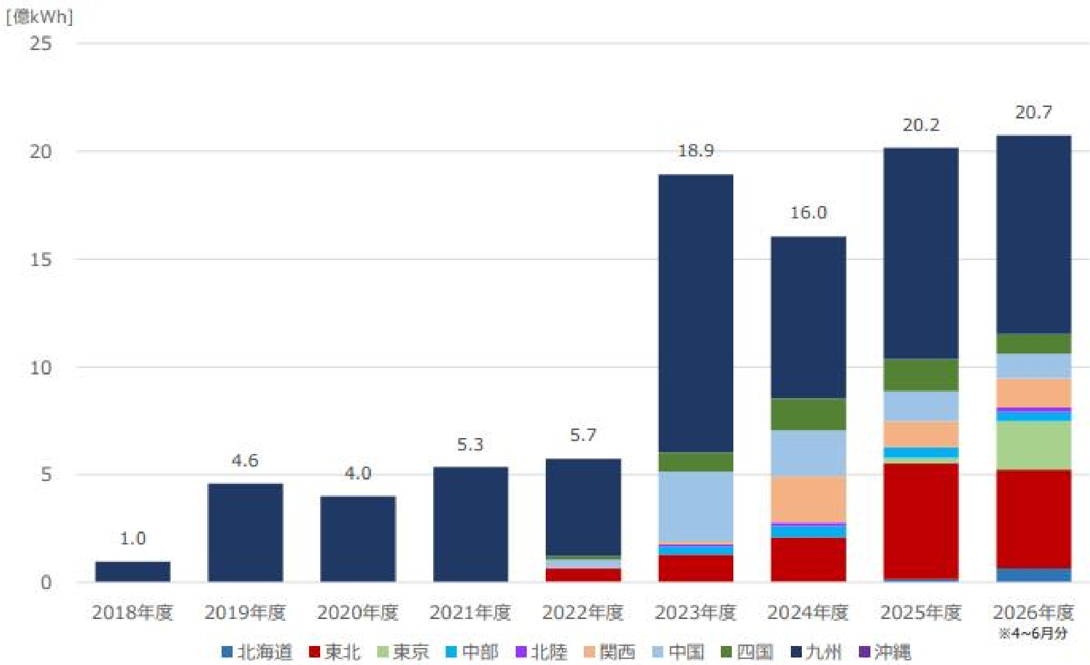
1. Environmental improvement effects of the project

Use of proceeds 1: Expenditures related to the storage battery business

Use of proceeds 1 is investment in manufacturing facilities for stationary storage batteries (including the development of production infrastructure and the introduction, development, and improvement of production technologies). This project falls under "Renewable energy" in the Green Bond Principles and the Green Loan Principles, and "Projects for renewable energy" in the Green Bond Guidelines and the Green Loan Guidelines.

The Japanese Government's 7th Strategic Energy Plan sets forth a policy of maximizing the introduction of renewable energy as a principal power source. On the other hand, renewable energy sources such as solar and wind power are characterized by fluctuations in power generation output due to weather conditions and other factors. Accordingly, securing balancing capacity to maintain the balance between electricity supply and demand and ensure the stability of the power grid has become an important challenge in expanding the deployment of renewable energy. The 7th Strategic Energy Plan and the Plan for Global Warming Countermeasures also identify securing balancing capacity through the utilization of storage batteries and other technologies, as well as promoting integration into the electricity market, as important measures for establishing renewable energy as a principal power source.

With the expansion of renewable energy deployment, renewable energy output curtailment has been implemented during periods when supply exceeds demand. As shown in Figure 1 below, the amount of renewable energy output curtailment nationwide increased from 0.1 billion kWh in fiscal 2018 to 0.57 billion kWh in fiscal 2022 and subsequently reached 1.89 billion kWh in fiscal 2023 and 2.02 billion kWh in fiscal 2025. This indicates that electricity derived from renewable energy that could otherwise have been utilized was not used for supply-demand adjustment purposes, highlighting the growing importance of securing balancing capacity to maximize the utilization of renewable energy.



（出所）各一般送配電事業者提出資料を元に資源エネルギー庁が作成（2026年6月時点）

※　淡路島南部地域は四国から電気を供給される関係から、出力制御は四国エリアと同様に行われるが、数字は関西に含む。

※　数値については速報値を含むため、今後変更となる可能性がある。

Figure 1: Annual Renewable Energy Output Curtailment[5]

Stationary storage batteries contribute to the effective utilization of surplus electricity and the reduction of output curtailment by storing electricity generated from renewable energy sources and discharging it in response to demand. In addition, they contribute to the stabilization of the power grid by providing balancing capacity with rapid responsiveness. As a result, they make it possible to absorb fluctuations in renewable energy output and facilitate smooth integration into the electricity market and power grid. Although stationary storage batteries are not power generation facilities in themselves, they are an important foundational technology supporting the expansion and effective utilization of renewable energy and are also positioned in the 7th Strategic Energy Plan as an indispensable technology for achieving carbon neutrality by 2050.

The storage battery manufacturing facilities eligible under this use of proceeds contribute to expanding the supply of grid-scale storage batteries and storage batteries integrated with renewable energy facilities. While they may partially include storage batteries installed on the demand side, such as in residences, buildings, commercial facilities and factories, JCR has confirmed that the primary manufacturing targets are storage batteries for grid-scale applications and renewable energy-integrated applications (storage batteries for demand-side applications also contribute to peak-load reduction and load leveling across the grid through their supply-demand balancing capability and thereby contribute to a certain extent to expanding the capacity of the grid to accept renewable energy).

Based on the above, JCR evaluates that storage batteries are an indispensable technology for establishing renewable energy as a principal power source and for achieving carbon neutrality, and that investment in manufacturing facilities that contribute to expanding their supply capacity

[5] Source: Agency for Natural Resources and Energy, *Long-Term Outlook for Renewable Energy Output Curtailment and Related Matters,* August 6, 2026. (Japanese only)
https://www.meti.go.jp/shingikai/enecho/denryoku_gas/saisei_kano/smart_power_grid_wg/pdf/012_01_01.pdf

has environmental improvement effects as infrastructure development supporting the expansion of renewable energy deployment and is an appropriate use of proceeds.

As a recent example of the specific use of proceeds, lithium-ion battery production facilities can be cited. This use of proceeds is eligible for the Ministry of Economy, Trade and Industry's program to support strengthening manufacturing supply chains for storage batteries as stationary storage batteries[6] and has been designated as an initiative that contributes to ensuring a stable supply of storage batteries.

Use of proceeds 2: Expenditures related to the installation of renewable energy facilities (solar power generation)

Use of proceeds 2 is investment in the installation of solar power generation facilities. This project falls under "Renewable energy" in the Green Bond Principles and the Green Loan Principles, and "Projects for renewable energy" in the Green Bond Guidelines and the Green Loan Guidelines.

Renewable energy is a clean source of energy that contributes to reducing greenhouse gas emissions and does not depend on finite resources such as fossil fuels. Accordingly, in the 7th Strategic Energy Plan approved by the Cabinet in February 2025, the Japanese Government states its intention to thoroughly promote renewable energy as a principal power source toward the decarbonization of the power sector. As shown in Figure 2, the plan projects that the share of renewable energy in the power generation mix will increase to 40%-50% in fiscal 2040.

		Fiscal Year 2023 (Preliminary Report)	Fiscal Year 2040 (Outlook)
Energy self-sufficiency rate		**15.2%**	**Approx. 30-40%**
Amount of electricity generated		**985.4 billion kWh**	**Approx. 1.1 to 1.2 trillion kWh**
Power generation mix	**Renewable energy**	**22.9%**	**Approx. 40-50%**
	Solar PV power	9.8%	Approx. 23% to 29%
	Wind power	1.1%	Approx. 4-8%
	Hydropower	7.6%	Approx. 8-10%
	Geothermal power	0.3%	Approx. 1-2%
	Biomass	4.1%	Approx. 5-6%
	Nuclear power	**8.5%**	**Approx. 20%**
	Thermal power	**68.6%**	**Approx. 30-40%**
Final energy consumption		**300 million kL**	**Approx. 260 to 270 million kL**
GHG reduction rate (compared to FY2013)		**22.9% (%)** (Actual results in FY2022)	**73%**

Figure 2: The 7th Strategic Energy Plan - Outlook for Energy Supply and Demand in FY2040[7]

The GS Yuasa Group is promoting initiatives such as the installation of solar power generation facilities at its own factories under this use of proceeds in order to achieve its carbon neutrality

[6] Source: Ministry of Economy, Trade and Industry, Japan, *Ensuring a Stable Supply of Storage Batteries* (Japanese only) https://www.meti.go.jp/policy/economy/economic_security/battery/index.html

[7] Source: Agency for Natural Resources and Energy, *The 7th Strategic Energy Plan,* February 2025. https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/7th_outline.pdf

declaration targeting fiscal 2050 and its GY 2030 Long-Term Greenhouse Gas Target (a reduction of at least 30% in greenhouse gas emissions in fiscal 2030 compared with fiscal 2018).

Based on the above, JCR evaluates that this use of proceeds contributes to decarbonization and has environmental improvement effects and is therefore an appropriate use of proceeds.

Use of proceeds 3: Expenditures related to the purchase of renewable energy-derived electricity

Use of proceeds 3 is investment in the purchase of renewable energy-derived electricity. This project falls under "Renewable energy" in the Green Bond Principles and the Green Loan Principles, and "Projects for renewable energy" in the Green Bond Guidelines and the Green Loan Guidelines.

The purchase of electricity derived from renewable energy is considered to promote the expanded use of renewable energy through increased demand for renewable energy and thereby contribute to the decarbonization of the power sector.

In addition to the installation of solar power generation facilities at its own factories, the GS Yuasa Group is promoting the purchase of renewable energy-derived electricity under this use of proceeds in order to achieve its GY 2030 Long-Term Greenhouse Gas Target (a reduction of at least 30% in greenhouse gas emissions in fiscal 2030 compared with fiscal 2018). Toward achieving its fiscal 2030 target, the Group expects the purchase of renewable energy-derived electricity to make the greatest contribution among its various initiatives.

Based on the above, JCR evaluates that this use of proceeds contributes to the reduction of the GS Yuasa Group's Scope 2 emissions and promotes the expanded use of renewable energy and, therefore, has environmental improvement effects and is an appropriate use of proceeds.

Based on the above, JCR evaluates that all uses of proceeds specified in this Framework are projects with environmental improvement effects. JCR has confirmed that, at the time of financing, the proportion of new financing and refinancing is expected to be disclosed to investors and other stakeholders.

2. Negative Impacts on the Environment and Society

GS Yuasa, as the entity primarily involved in the implementation of eligible projects, recognizes the potential negative impacts associated with projects that may be financed through the use of proceeds and examines the environmental and social impacts that may arise from project implementation. As a result of such examination by GS Yuasa, projects determined to have low potential negative environmental and social impacts are selected as projects eligible for the use of proceeds.

Figure 3: Risks Anticipated for Each Eligible Project and Mitigation Measures[8]

Eligible Projects	Anticipated Risks	Risk Mitigation Measures
Expenditures related to the storage battery business	・ Environmental degradation resulting from development ・ Opposition from local residents ・ Noise and vibration during plant operation ・ Noise and vibration during construction ・ Labor-related issues during construction ・ Disposal of existing facilities	・ Compliance with laws and regulations related to development ・ Communication with local residents, where necessary ・ Implementation of construction work in accordance with applicable laws and regulations ・ Disposal in accordance with applicable laws and regulations
Expenditures related to the installation of renewable energy facilities	・ Environmental degradation resulting from development ・ Damage to facilities caused by natural disasters ・ Noise and vibration during construction ・ Labor-related issues during construction ・ Disposal of existing facilities	・ Compliance with laws and regulations related to development ・ Obtaining expert reports on the likelihood of natural disasters and implementing necessary measures ・ Communication with local residents, where necessary ・ Implementation of construction work in accordance with applicable laws and regulations ・ Disposal in accordance with applicable laws and regulations
Expenditures related to the purchase of renewable energy-derived electricity	・ Environmental degradation caused by renewable energy generation facilities supplying the electricity	・ Suspension of procurement of renewable energy-derived electricity (if environmental degradation becomes evident)

In addition, GS Yuasa Corporation envisages allocating the proceeds from its most recently planned financing to a lithium-ion battery manufacturing plant. JCR has confirmed through interviews that GS Yuasa, the operator of the plant, is advancing the development of various recycling technologies as part of its initiatives toward resource circulation for lithium-ion batteries, including examining the reuse of lithium resources recovered from used batteries in collaboration with automotive OEMs, recyclers, and electrolyte manufacturers. In addition, the Company participates in the Battery Association for Supply Chain (BASC) and is engaged in industry collaboration relating to the securing of raw materials for storage batteries and the establishment of recycling and reuse systems.

With respect to human rights issues, the GS Yuasa Group identifies material human rights issues through human-centric impact assessments and implements human rights risk management. In addition, the Group manages human rights risks in its supply chain by identifying and assessing such risks through supplier questionnaires and requesting improvements where necessary.

Based on the above, JCR has confirmed that appropriate consideration is given to the potential negative environmental and social impacts of projects eligible for the use of proceeds and evaluates that appropriate avoidance and mitigation measures are implemented for each project.

[8] Compiled by JCR based on an interview with GS Yuasa.

3. Consistency with SDGs

JCR evaluated the use of proceeds set out in the Framework contributes to the following SDGs' goal and targets in reference to ICMA's SDGs mapping.

Goal 7: Affordable and clean energy

Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.

Evaluation Phase 2: Management, Operation and Transparency Evaluation

m1(F)

I. Selection Standards and Processes for Use of Proceeds

JCR's Key Consideration on This Factor

In this section, JCR confirms that the objectives to be achieved through green financing, the appropriateness of green project selection standards and processes, and whether or not a series of processes are properly disclosed to investors/lenders and others.

▶▶▶ Current Status of Evaluation Targets and JCR's Evaluation

JCR has determined that management is appropriately involved in the goals, green project selection criteria, and processes under this Framework and that a sufficient level of transparency has been secured.

1. Goals

The GS Yuasa Group's corporate philosophy is to contribute to people, society, and the global environment through the "Innovation and Growth" of its employees and business entities, and it aims to deliver security and comfort to customers around the globe through the advanced energy technologies it has cultivated through its battery business. In accordance with the following Policy on Sustainability Management, the Group aims to realize a sustainable society and enhance corporate value.

GS YUASA's Policy on Sustainability Management[9]

1. We will strive to help address the challenges to sustainability and seek lasting growth together with the community.
2. We will pursue fair and healthy business practices, and maintain steadfast business foundations able to support sustained growth.
3. We will strive to earn the understanding and trust of a diverse range of stakeholders through dialogue.

To achieve its Sustainability Management Policy, the GS Yuasa Group has identified materiality that contributes to value creation for society. Materiality consists of "business materiality," which serves as a growth driver (increase in opportunities), and "foundation materiality," which corresponds to capital cost reduction (risk reduction).

[9] Source: GS YUASA website
https://www.gs-yuasa.com/en/company/philosophy.php

Business materiality	Major Efforts
Creation of energy infrastructure centering on storage battery technology	• Responding to growing demand for products for data centers through provision of high-quality storage batteries • Contributing to reinforcing infrastructure prepared for increasingly severe and frequent disasters • Responding to demand for storage batteries for an ESS that mitigates output changes of renewable energy • Selling and spreading environmentally friendly products that contribute to reducing CO_2 emissions of society as a whole • Contributing to growth of the energy infrastructure business by acquiring patents in new areas
Contribution to environmentally friendly mobility making use of storage battery technology	• Further enhancing the profitability of lead acid batteries for both new vehicles and replacement • Making the best use of the production capacity of HEVs to respond to the demand • Contributing to the spread of electric vehicles through the development of next-generation batteries • Selling and spreading environmentally friendly products that contribute to reducing CO_2 emissions of society as a whole
Development and good performance of human resources who realize the provision of new value	• Development of human resource portfolio management • Acquisition, development, and optimum deployment of high-level and professional personnel • Development of digital transformation and global human resources and next-generation managers

Foundation materiality	Major Efforts
Promotion of environmental protection	• Reduction of environmental loads • Prevention of environmental pollution accidents
Provision of high-quality products	• Improvement, based on the basic quality policy, of the quality of products and services to be provided for customers • Pursuing manufacturing and improving the quality of products and services from customer perspectives
Maintenance of solid business foundations	• Development of organizations and systems that can quickly and efficiently respond to changing business circumstances • Improvement of management soundness and transparency through thorough implementation and enhancement of compliance management • Development of working environments that ensure safety and security • Creating an inclusive environment that enables diverse talent to excel • Promotion of activities to reduce risks on supply chains

Figure 4: Materiality[10]

The use of proceeds of the green finance to be executed under this Framework is considered to contribute particularly to the above materiality themes of "Creation of energy infrastructure centering on storage battery technology" and "Promotion of environmental protection". Based on the above, JCR evaluates that the execution of green finance under this Framework is aligned with the GS Yuasa Group's objectives.

10 Source: GS YUASA website https://ir.gs-yuasa.com/en/ir/management/plan.html

2. Selection criteria

The eligibility criteria for this Framework are described in Evaluation Phase 1 of this report. JCR assesses that the selection criteria for the project are appropriate.

3. Processes

The Framework for Processes

2.2 Process for Project Evaluation and Selection

The Finance and Accounting Division of GS Yuasa will identify candidate projects to which the proceeds of this Green Finance will be allocated based on their compliance with the eligible projects defined in 2.1 Use of Proceeds. The identified candidate projects will be reviewed by the General Manager of the Finance and Accounting Division of GS Yuasa and will be subject to final approval by the Board of Directors of the Company.

JCR's Evaluation for the Framework

Under this Framework, funds procured by GS Yuasa Corporation will be allocated to projects held by GS Yuasa and its affiliated companies[11]. Therefore, for the selection of projects eligible for the use of proceeds of the green finance, the Finance and Accounting Division of GS Yuasa which possesses the most specialized expertise with respect to all eligible projects, confirms compliance with the use of proceeds specified in this Framework and identifies eligible projects. The identified projects are reviewed by the General Manager of the Finance and Accounting Division of GS Yuasa, and final approval is granted by the Board of Directors of GS Yuasa Corporation.

Based on the above, JCR evaluates that management of GS Yuasa Corporation is appropriately involved in the project selection process stipulated in this Framework.

Furthermore, the goals, selection criteria, and processes relating to GS Yuasa Corporation's Green Finance are expected to be disclosed in this evaluation report and on GS Yuasa Corporation's website. Therefore, JCR considers that transparency for investors and other stakeholders is ensured.

[11] Wholly owned subsidiaries of GS Yuasa.

II. Management of the Proceeds

JCR's Key Consideration on This Factor

It is usually assumed that the management of the proceeds varies widely depending on issuers/borrowers. JCR confirms whether the proceeds are surely appropriated to the green project and whether a mechanism and internal system are in place to make tracking easy.

JCR also focuses on whether the proceeds are scheduled to be used for green projects at an early stage and the management and operation methods for unallocated proceeds.

▶▶▶ Current Status of Evaluation Targets and JCR's Evaluation

JCR evaluates that GS Yuasa Corporation has established an appropriate fund management framework and that a high level of transparency has been secured, as the method for managing the proceeds will be disclosed in this evaluation report and the Framework is scheduled to be disclosed on its website.

The Framework for Management of the Proceeds

2.3 Management of Proceeds

The Finance and Accounting Division of GS Yuasa will allocate the proceeds to eligible projects and manage them of the Green Finance. The Finance and Accounting Division will track and manage the proceeds on a quarterly basis using the internal accounting system until maturity or repayment, to ensure that an amount equal to the proceeds of the Green Finance is allocated to one or more eligible projects. The internal accounting system will keep track of and manage allocations for each eligible project.

Until the proceeds of the Green Finance are fully allocated to eligible projects, or in the event that there are insufficient eligible projects to which the proceeds can be allocated, unallocated proceeds will be held in cash or cash equivalents, and we intend to complete the allocation within approximately two years after the execution of the Green Finance.

JCR's Evaluation for the Framework

Under this Framework, GS Yuasa Corporation will conduct the green finance issuance, while GS Yuasa will be responsible for the allocation of proceeds to eligible projects and the management of the proceeds.

GS Yuasa will promptly allocate the proceeds raised through the green finance to projects that satisfy the eligibility criteria.

With respect to the tracking and management of proceeds, the Finance and Accounting Division of GS Yuasa will use its internal accounting system to monitor the payment status of linked projects and manage the allocation status of the proceeds. The allocation status of the proceeds will be tracked and managed on a quarterly basis by the Finance and Accounting Division of GS Yuasa, and the results of such tracking and management will be reported to and reviewed by the General Manager of the Finance and Accounting Division.

In addition, where proceeds are allocated to projects of affiliated companies other than GS Yuasa, the Finance and Accounting Division of GS Yuasa will obtain accounting vouchers and other relevant documentation relating to the projects to which the proceeds are allocated from the relevant affiliated companies and prepare a fund management ledger. The fund management ledger will be reported quarterly to the General Manager of the Finance and Accounting Division of GS Yuasa until the green finance is redeemed or repaid.

Until allocated to individual projects, the proceeds will be managed in cash or cash equivalents. In addition, documentation relating to the financing will be retained until redemption or repayment.

As the operations of GS Yuasa relating to fund management are subject to internal audits as well as financial audits by an audit firm, appropriate controls are maintained.

Based on the above, JCR evaluates that the fund management by GS Yuasa Corporation is appropriate.

In addition, the method for managing the proceeds will be disclosed in this evaluation report. Furthermore, if a project to which proceeds have been allocated is cancelled or delayed, GS Yuasa Corporation plans to disclose on its website that the proceeds will be reallocated to other eligible projects (or report such reallocation to lenders in the case of loans). Accordingly, JCR evaluates that a high level of transparency has been secured.

III. Reporting

JCR's Key Consideration on This Factor

In this section, JCR evaluates whether the disclosure system for investors/lenders before and after financing based on the Framework, is planned in detail and in an effective manner.

▶▶▶ Current Status of Evaluation Targets and JCR's Evaluation

JCR evaluates that GS Yuasa Corporation's reporting is planned to appropriately disclose to investors and other stakeholders both the allocation status of the proceeds and the environmental improvement effects.

The Framework for Reporting

2.4. Reporting

We will report on the status of allocation to eligible projects and their environmental benefits annually on the Company's website (or report to lenders in the case of loans). Such information will be disclosed on the Company's website until the redemption of the relevant Green Bonds.

2.4.1. Allocation Reporting

Until the proceeds from the Green Finance are allocated in full, we will annually disclose the following indicators relating to the status of allocation of the proceeds to eligible projects to the extent practicably feasible (or report to lenders in the case of loans).

- Overview of eligible projects
- Allocated amounts to eligible projects on a project-by-project basis and unallocated amounts
- Expected timing of allocation in the event that unallocated proceeds remain
- The ratio of financing for new investments and refinancing

Once the proceeds are allocated in full and in the event of any major changes in allocation, we will disclose on a timely basis (or report to lenders in the case of loans).

2.4.2. Impact Reporting

Until the proceeds of the Green Finance are allocated in full, we will annually disclose the following matters relating to the environmental impacts of the eligible projects to the extent practicably feasible (or report to lenders in the case of loans). Information will also be disclosed in a timely manner in the event of any significant changes.

Eligible Projects

Eligible Projects	Examples of impact reporting
■ Expenditures related to storage battery business	➢ Overview of eligible projects ➢ Production capacity of storage batteries
■ Expenditures related to the Installation of renewable energy facilities (solar)	➢ Overview of eligible projects ➢ Amount of renewable energy generated
■ Expenditures related to the purchase of renewable electricity	➢ Overview of eligible projects ➢ Amount of renewable energy electricity purchased

JCR's Evaluation for the Framework

With respect to the use of proceeds from Green Finance, in the case of bonds, the Company plans to provide prior explanations to investors through releases on its website and other means. In the case of loans, the Company plans to provide prior explanations to lenders through materials submitted in the loan screening process and other means.

Reporting on the allocation status of the proceeds

GS Yuasa Corporation plans to annually disclose on its website (or report to lenders in the case of loans) the information specified in this Framework regarding the allocation status of proceeds raised through green finance. In addition, if a significant change in the status of funds occurs after the full allocation of the proceeds, GS Yuasa Corporation plans to disclose such information in a timely manner on its website (or report to lenders in the case of loans).

Reporting on environmental improvement effects

GS Yuasa Corporation plans to annually disclose on its website (or report to lenders in the case of loans), to the extent practicable, the information specified in this Framework regarding the environmental improvement effects of eligible green projects. These disclosure items include quantitative indicators such as storage battery production capacity, electricity generated through solar power, and the volume of renewable energy-derived electricity purchased, and appropriate disclosure indicators have been specified.

Based on the above, JCR evaluates that the reporting framework of GS Yuasa Corporation is appropriate.

IV. Organization's Sustainability Initiatives

JCR's Key Consideration on This Factor

In this section, JCR evaluates whether the management of the issuer/borrower positions sustainability issues as a high priority for management and whether the sustainability policy, process and selection criteria for green projects are clearly positioned through the establishment of a department specializing in environmental issues or in collaboration with external organizations.

▶▶▶ Current Status of Evaluation Targets and JCR's Evaluation

JCR evaluates that GS Yuasa Corporation positions sustainability-related issues as important management issues and addresses them from both operational and management perspectives through committees relating to sustainability, while promoting initiatives concerning sustainability as a whole.

In recent years, stakeholders' interests and demands regarding environmental issues have expanded and diversified beyond climate change to include resource circulation, biodiversity, and other environmental considerations. Against this backdrop, the GS Yuasa Group positions the realization of a decarbonized society and contribution to a circular society as important management issues and promotes initiatives aimed at reducing environmental impacts.

To respond to the global movement toward carbon neutrality, the GS Yuasa Group has formulated its long-term vision toward 2035, "Vision 2035". Vision 2035 presents the Group's ideal vision for 2035 and seeks to realize its corporate philosophy of "Innovation and Growth" by leveraging the strengths and competitive advantages cultivated in the two fields of "Mobility" and "Public Infrastructure" under the "Four-Re's Formula": "Reborn," "Renewable," "Reliable," and "Respect".

Figure 5: Vision 2035[12]

[12] Source: GS YUASA website
https://ir.gs-yuasa.com/en/ir/management/plan.html

The policies relating to "Mobility" and "Public Infrastructure" are set out in the 7th Mid-Term Management Plan (fiscal years 2026-2028). Taking into account changes in the business environment since the 6th Mid-Term Management Plan, including the slower expansion of BEVs and the increase in data centers for AI applications, the Group has identified key measures to achieve the ideal state envisioned in "Vision 2035". Key measures for Public Infrastructure include investment in storage battery manufacturing facilities, which constitute the use of proceeds under this Framework. Through the implementation of these key measures, each business segment is expected to achieve growth.

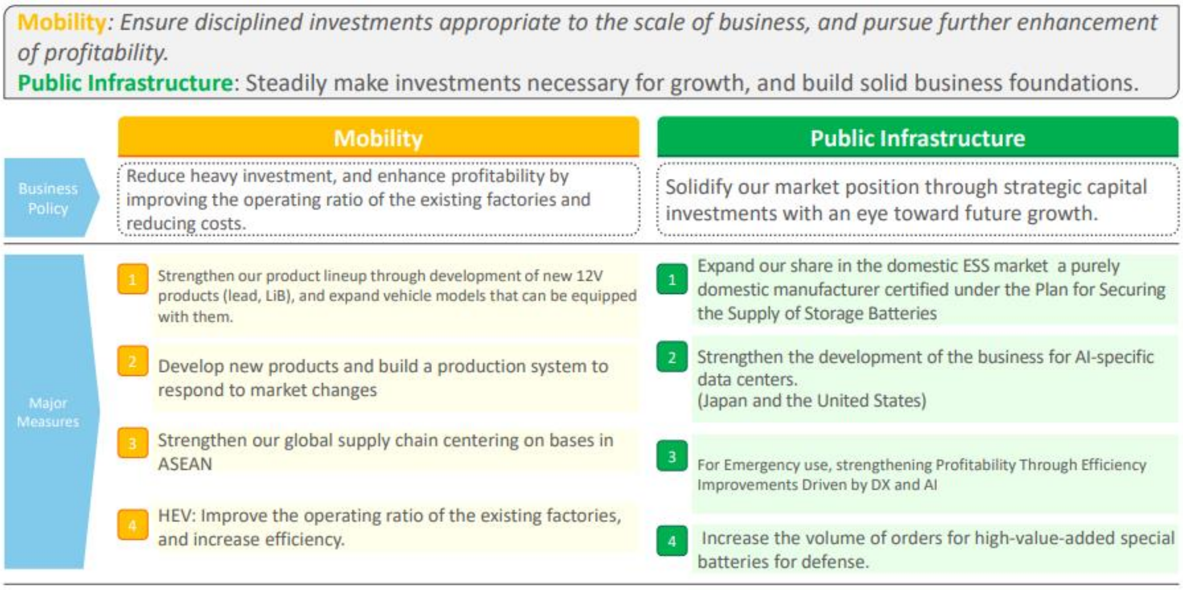


Figure 6: The 7th Mid-Term Management Plan, Business Policy and Major Measures for "Mobility" and "Public Infrastructure"[13]

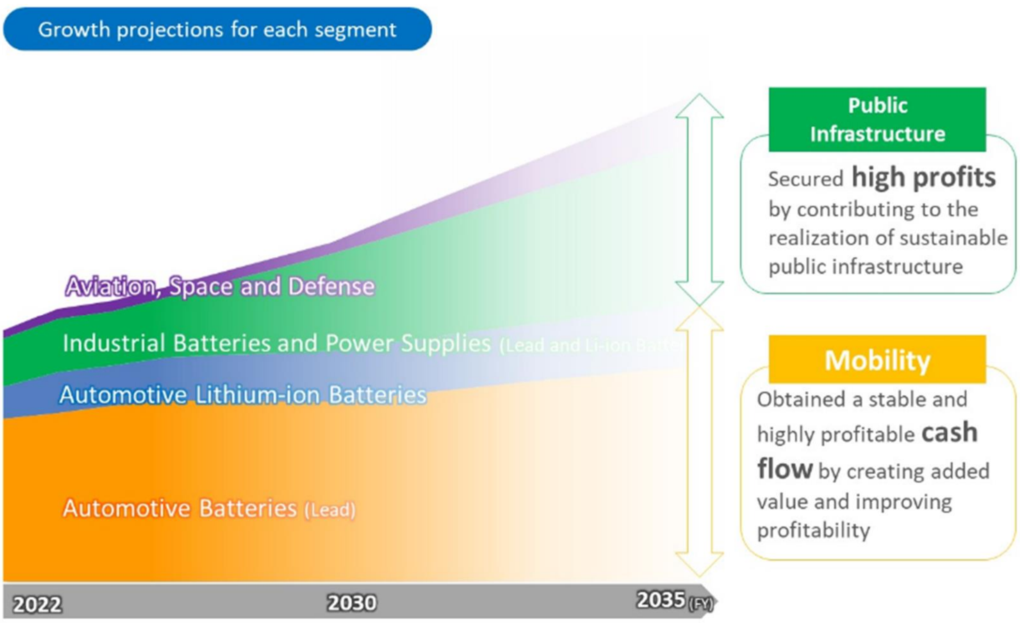


Figure 7: The 7th Mid-Term Management Plan, Business Policy and Major Measures for "Mobility" and "Public Infrastructure"[14]

[13] Source: GS Yuasa Corporation, *Update to Long-term Vision (Vision 2035) and 7th Mid-term Management Plan.* https://ir.gs-yuasa.com/en/ir/library/strategy_meeting/main/01/teaserItems1/00/linkList/0/link/PM20260513_e.pdf

[14] Source: GS YUASA Corporation website https://ir.gs-yuasa.com/en/ir/management/plan.html

In "Vision 2035," announced in April 2023, the GS Yuasa Group set "Renewable - Making a genuine contribution to carbon neutrality" as a goal and has also declared its commitment to achieving carbon neutrality by 2050 (Scope 1 and 2). The Group has previously expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2019 and announced its "GY 2030 Long-Term Greenhouse Gas Target" in fiscal 2021, recognizing climate-related issues as one of its important management issues.

Under its "GY 2030 Long-Term Greenhouse Gas Target," the Group has set a target of reducing CO_2 emissions by at least 30% by fiscal 2030 compared with fiscal 2018. This target was established to satisfy the Science Based Targets initiative (SBTi) requirement for the Well-below 2°C level (an annual reduction rate of 2.5%). To achieve the "GY 2030 Long-Term Greenhouse Gas Target" and carbon neutrality by 2050, the Group is implementing measures including energy conservation initiatives, renewable energy generation, and the procurement of renewable energy.

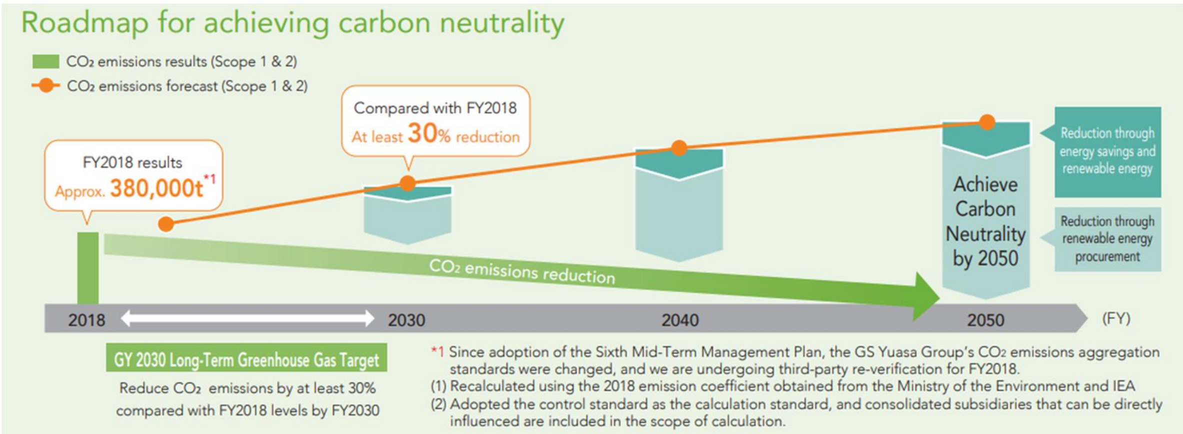


Figure 8: Roadmap for achieving carbon neutrality[15]

To promote sustainability initiatives, the GS Yuasa Group has established a promotion framework centered on the Sustainability Promotion Committee, whose members consist of sustainability personnel from each Group company under the supervision of the Board of Directors, and the Sustainability Committee, which is comprised of members of the Management Meeting of the Group's core operating subsidiary and chaired by a Representative Director. With respect to important matters discussed by the Sustainability Promotion Committee, the Sustainability Committee provides deliberation and advice, after which the Sustainability Promotion Committee considers response measures and deploys them across the Group following approval by the Board of Directors. JCR evaluates that the GS Yuasa Group's sustainability promotion framework enables initiatives to be advanced under appropriate commitment from management. In addition, JCR has verified that "Vision 2035," the "7th Mid-Term Management Plan," and "Materiality" were formulated taking into account the opinions of external experts.

Based on the above, JCR evaluates that management of GS Yuasa Corporation positions sustainability-related issues as highly important management issues, maintains committees responsible for addressing sustainability-related issues, and promotes initiatives relating to sustainability as a whole while appropriately incorporating the expertise of external professional organizations.

[15] Source: GS Yuasa Corporation, *GS Yuasa Report 2025: For the Fiscal Year Ended March 31, 2025.* https://ir.gs-yuasa.com/en/ir/library/annualreport/main/011/teaserItems1/012/link/GS_Yuasa_Report_2025e.pdf

Evaluation phase 3: Evaluation result (Conclusion)

Green 1(F)

Based on its JCR Green Finance Evaluation Methodology, JCR assigned "g1(F)" for the "Greenness Evaluation (Uses of Proceeds)" and "m1(F)" for the "Management, Operation and Transparency Evaluation." As a result, JCR assigned "Green 1(F)" for the "JCR Green Finance Framework Evaluation." The Framework meets the standards for the items required in the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines and the Green Loan Guidelines.

		Management, Operation, and Transparency Evaluation				
		m1(F)	m2(F)	m3(F)	m4(F)	m5(F)
Greenness Evaluation	g1(F)	Green 1(F)	Green 2(F)	Green 3(F)	Green 4(F)	Green 5(F)
	g2(F)	Green 2(F)	Green 2(F)	Green 3(F)	Green 4(F)	Green 5(F)
	g3(F)	Green 3(F)	Green 3(F)	Green 4(F)	Green 5(F)	Not qualified
	g4(F)	Green 4(F)	Green 4(F)	Green 5(F)	Not qualified	Not qualified
	g5(F)	Green 5(F)	Green 5(F)	Not qualified	Not qualified	Not qualified

(Responsible analysts for this evaluation) Rieko Kikuchi, Takuto Touda

Important explanations of this Evaluation

1. Assumptions, Significance and Limitations of JCR Green Finance Framework Evaluation

   JCR Green Finance Framework Evaluation, which is determined and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Green Finance Framework, and expresses JCR's comprehensive opinion at this time regarding the appropriateness of the Green Project as defined by JCR and the extent of management, operation and transparency initiatives related to the use of funds and other matters. Therefore, JCR Green Finance Framework Evaluation is not intended to evaluate the effects of specific environmental improvements and the management, operation and transparency of individual bonds and borrowings, etc. to be implemented based on these policies. In the event an individual bond or individual borrowing based on this Framework is subject to a green finance evaluation, a separate evaluation is needed. JCR Green Finance Framework Evaluation does not prove the environmental improvement effects of individual bonds or borrowings implemented under this Framework, and does not assume responsibility for their environmental improvement effects. JCR confirms the environmental improvement effects of funds procured under the Green Finance Framework measured quantitatively and qualitatively by the issuer/borrower or by a third party nominated by the issuer/borrower, but in principle it does not directly measure such effects.

2. Method used to conduct this evaluation

   The methodologies used in this assessment are described in "JCR Green Finance Evaluation" on the "Sustainable Finance ESG" section of the JCR website (https://www.jcr.co.jp/en).

3. Relationship with Acts Concerning Credit Rating Business

   JCR Green Finance Framework Evaluation is determined and provided by JCR as a related business, which is different from its activities related to the credit rating business.

4. Relationship with Credit Ratings

   The Evaluation is different from the Credit Rating and does not assure to provide or browse a predetermined credit rating.

5. Third-Party Evaluation of JCR Green Finance Framework Evaluation

   There are no capital and/or personnel relationships that may result in a conflict of interests between the subject of this evaluation and JCR.

■ Glossary
JCR Green Finance Framework Evaluation: This evaluates the extent to which the funds procured through Green Finance are appropriated for green projects as defined by JCR and the degree to which the management, operation and transparency of the Green Finance are ensured. Evaluations based on a 5-point scale are given from top to bottom using the Green 1(F), Green 2(F), Green 3(F), Green 4(F), and Green 5(F) symbols.

■ Status of Registration as an External Evaluator of Sustainability Finance
・Registered as an External Reviewer of Green Bonds by the Ministry of the Environment
・ICMA (registered as an observer with the Institute of International Capital Markets)

■ Status of registration as a credit rating agency, etc.
・Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
・EU Certified Credit Rating Agency
・NRSRO: JCR has registered with the following four of the five credit rating classes of the U.S. Securities and Exchange Commission's Nationally Recognized Statistical Rating Organization (NRSRO): (1) financial institutions, broker-dealers, (2) insurance companies, (3) general business corporations and (4) governments and municipalities. If the disclosure is subject to Section 17g-7 (a) of the Securities and Exchange Commission Rule, such disclosures are attached to the news releases appearing on the JCR website (https://www.jcr.co.jp/en/).

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