

CONFLICT MINERALS CORPORATE DISCLOSURE

In July 2010, the U.S. Government enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). Section 1502 of Dodd-Frank requires U.S. publicly traded companies to conduct due diligence into their supply chains and disclose any products containing “conflict minerals” (the “Act”). In August 2012, the U.S. Securities and Exchange Commission (“SEC”) adopted final rules to implement the reporting and disclosure requirements of the Conflict Minerals Act. The Act requires companies that file reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality or production” of their products. Under the Act, “conflict minerals” are: columbite-tantalite (coltan), cassiterite, gold, wolframite, and their derivatives—tantalum, tin, and tungsten—as well as any other derivatives of those minerals, and any other minerals and their derivatives that the U.S. Secretary of State identifies as conflict minerals because they are financing conflict in the Democratic Republic of the Congo (“DRC”), or any adjoining countries (Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia).

GS Yuasa (a Japanese publicly traded company), its subsidiaries and divisions, including Yuasa Battery, Inc. (“YBIA”) (together, “Yuasa”) support ending the violence and human rights violations occurring in the DRC and adjoining countries in the mining, extracting, transporting, trading, handling and exporting of “conflict minerals.” Yuasa prohibits any direct or indirect support to non-state armed groups or security forces that illegally control or tax mines, transportation routes, trade points, or any actors in any level of the supply chain. Yuasa requires that its suppliers that supply “conflict minerals” or components, parts, or products containing columbite-tantalite (coltan), cassiterite, gold, wolframite, and their derivatives—tantalum, tin, and tungsten—to commit to source those materials from approved smelters only and avoid any “conflict minerals” that originate from unapproved sources.

The only products produced by YBIA that contain Conflict Minerals and are subject to the Act contain tin. YBIA did not use any Conflict Minerals sourced from the DRC or its adjoining countries in products manufactured by YBIA. In accordance with the Act, YBIA will continue to monitor its supply chain to ascertain the origin of Conflict Minerals used by YBIA in manufacturing its products and provide any required disclosures and updates.

Specifically, YBIA ensures compliance with these requirements by requesting that suppliers participate in due diligence with their supply chains through: (1) requiring suppliers to report to YBIA regarding the metals being sourced for parts used in YBIA products and (2) requiring suppliers to work with sub-suppliers to ensure traceability of the “conflict minerals” to the smelter level. YBIA and Yuasa reserve the right to request further evidence regarding each supplier’s supply chain.

The goal is to ensure that only “DRC conflict free” materials are used in parts and products that ultimately are used to manufacture YBIA products. If YBIA discovers that material used by a supplier is not “DRC conflict-free” in any part or product that it procures, YBIA will take appropriate action to transition the product to be certified “DRC conflict-free.”