



GS Yuasa and Honda Reach Basic Agreement to Establish Joint Venture Company for Manufacturing, Sales and Research & Development of Lithium-ion Batteries

Tokyo, Japan, December 17, 2008 -- GS Yuasa Corporation and Honda Motor Co., Ltd. today announced that they have reached a basic agreement to establish a joint venture company which will manufacture, sell and conduct R&D for high-performance lithium-ion batteries for applications with a central focus on hybrid vehicles. The two companies will now begin concrete discussions with an aim to establish the new company sometime around spring 2009.

It is planned that the ratio of capital investment will be 51% by GS Yuasa and 49% by Honda. The headquarters of the new company is planned to be located in Minami-ku, Kyoto, and the factory is planned to be established within the property of GS Yuasa's Osadano operation in Fukuchiyama, Kyoto.

Hybrid vehicles are expected to move into the mass-market stage as an effective environmentally-responsible technology from the standpoint of reducing CO₂ emissions. The lithium-ion battery offers energy density and power density higher than the nickel-metal-hydride battery, and demand for lithium-ion batteries is therefore expected to grow in the future as the battery of choice for hybrid vehicles. GS Yuasa and Honda determined that development of smaller and lighter lithium-ion batteries with further improved performance should be achieved by combining the technological strengths and know-how of The two companies in the area of manufacturing, sales, and R&D of lithium-ion batteries. Through the development of such batteries, the two companies can demonstrate the maximum synergy effect in the effort to promote the greater market penetration of hybrid vehicles.

The new company will manufacture batteries based on EH6, the lithium-ion battery developed by GS Yuasa. The performance most suitable for next-generation hybrid vehicles will be achieved through a review of certain elements such as the structure and electrode materials.

【About the new joint venture company】

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| 1. Company name | Yet to be determined |
| 2. Establishment | Scheduled for sometime around spring 2009 |
| 3. Headquarters(plan) | 1, Inobanba-cho, Nishinoshio, Kissho-in, Minami-ku, Kyoto
(within the Kyoto head office of GS Yuasa) |
| 4. Factory location (plan) | 1-37, Osadano-cho, Fukuchiyama-shi, Kyoto
(within the GS Yuasa Osadano operation) |
| 5. Capital | Approximately 15 billion yen |
| 6. Capital ratio (plan) | 51% GS Yuasa Corporation, 49% Honda Motor Co., Ltd. |
| 7. Description of business | Manufacturing, sales and R&D of lithium-ion batteries |

[About GS Yuasa Corporation]

1. Company name	GS Yuasa Corporation
2. Establishment	April 1, 2004
3. Headquarters	1, Inobanba-cho, Nishinoshio, Kisshoin, Minami-ku, Kyoto
4. President	Makoto Yoda
5. Capital	16.5 billion yen (as of September 30, 2008)
6. Description of business	Manufacturing and sales of batteries, power supply systems, lighting equipment and other batteries and electric equipment.
7. Employment	Consolidated: 12,487 Unconsolidated: 235 (as of September 30, 2008)

[About Honda Motor Co., Ltd.]

1. Company name	Honda Motor Co., Ltd.
2. Establishment	September 24, 1948
3. Headquarters	1-1, 2-chome, Minami-Aoyama, Minato-ku, Tokyo
4. President & CEO	Takeo Fukui
5. Capital	86 billion yen (as of September 30, 2008)
6. Description of business	Manufacturing and sales of motorcycles, automobiles, power products
7. Employment	Consolidated: 185,095 Unconsolidated: 27,275 (as of September 30, 2008)