

YUSHIN Report
2023

Integrated Report
Year Ended March, 2023

YUSHIN PRECISION EQUIPMENT CO., LTD.

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2023.11

YUSHIN PRECISION EQUIPMENT CO., LTD.

できない、無理だ、は出発点

The impossible is the starting point for innovation.

Susumu Kotani, YUSHIN's Founder

Vision and Strategy	Foreword, Business Philosophy and Motto	04
	History of Value-Creation	05
	Message from the President	07
	Vision and Medium-Term Management Targets	12
	Value Creation Process	13
	Human Capital - Interview with the Director in Charge	15
Business Results	The Three Pillars of YUSHIN	19
	YUSHIN's Strength	20
	Financial Highlights	21
	Non-Financial Highlights	22
	Sales by Product Category	23
	Sales by Region	24
	Sales by End-User Industry	25
Sustainable Management	Sustainability	26
	Risk Management	27
	ESG / SDGs	28
	ESG - Environmental	29
	ESG - Social	33
	External Directors Tripartite Talks	43
	ESG - Governance	47
	Skills Matrix	50
	Directors, Auditors and Executive Officers	51
	Dialogue and Engagement with Stakeholders	53
Data Collection	Financial Information	55
	Stock Information	61
	Global Network	63
	Corporate Information	65

Editorial policy	We have prepared this YUSHIN Report to help all of our stakeholders better understand how we create social and economic value and strive for sustainable growth. In preparing this report, we referred to the "International Integrated Reporting Framework" of the IFRS Foundation and the "Guidance for Collaborative Value Creation 2.0" of the Ministry of Economy, Trade and Industry.
Reporting period	The main period covered in this report is the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023). Some of the contents include information outside of this period.
Scope of report	This report covers YUSHIN PRECISION EQUIPMENT CO., LTD. and its 13 consolidated subsidiaries.
Notes on the forecast and outlook	The forecasts and outlooks contained in this YUSHIN Report 2023 are based on information available at the time of preparation and are judged to be reasonable by the Company, and include potential risks, uncertainties and other factors. Therefore, actual results may differ from the forecasts and outlooks due to changes in various factors.

We sincerely thank you for reading the YUSHIN Report 2023.

We publish the YUSHIN Report (Integrated Report), a compilation of financial and non-financial information, to help all of our stakeholders better understand the YUSHIN Group. The "YUSHIN Report 2023" newly includes a growth story for the next 50 years, an interview with the Director in charge of human resources strategy, and a tripartite talks of the External Directors on future issues.

We will continue to utilize this report as a communication tool to continuously improve our corporate value.

YUSHIN PRECISION EQUIPMENT CO., LTD.

Business Philosophy and Motto

Business Philosophy

Act fairly and judiciously with all of our "strength, wisdom and courage" in order to earn the trust of our customers and shareholders.

Look outward far and wide, constantly seek technological innovation and give back to society for all it has given us.

Work cooperatively with our stakeholders in order for us to grow as a company and make the world a better place both physically and spiritually.

Motto

Today and every day,
devote yourself to even better service
and build even more faith in our company.

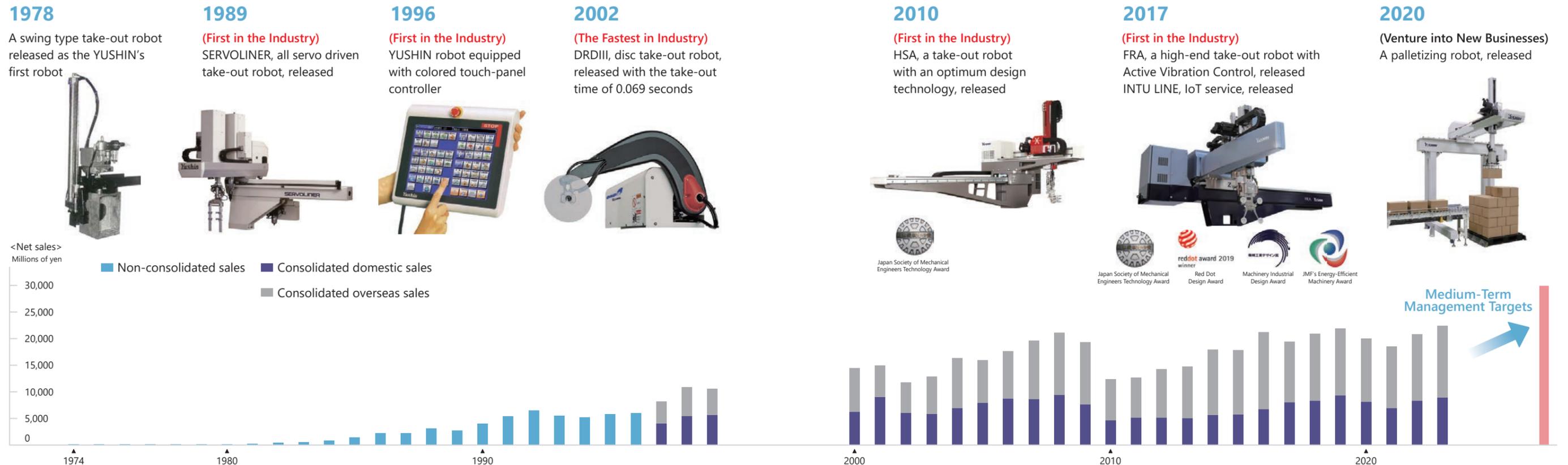
History of Value-Creation

Since its establishment, YUSHIN PRECISION EQUIPMENT CO., LTD. has made take-out robots for plastic molding as main products, and has moved forward with the development of the industry. We have actively expanded its business overseas, and despite being the last entrant into take-out robot industry in Japan, has grown to hold the largest share of the global market in the 2000s. Based on our founder's philosophy of "The impossible is the starting point for innovation." we will continue to challenge new technologies and contribute to global society as a leading company of take-out robots.



【50th Anniversary Commemorative Logo】

YUSHIN PRECISION EQUIPMENT CO., LTD. celebrates its 50th anniversary in October 2023. We have created a 50th anniversary commemorative logo that expresses our desire to continue to positively challenge new frontiers for the next half century. The unusual design of the isosceles triangle with the corner pointing down, which is also used for the YUSHIN Precision Equipment company pin, represents our "unconventional and free thinking". The triangle points to the future, and the sides surrounding the Y symbolize people's determination to fly high in the future. In addition, the bright color expresses the gathering and development of individuals with many hidden possibilities.



1973
YUSHIN PRECISION EQUIPMENT CO., LTD. established at Higashiyama-ku Kyoto, Japan



1985
Relocated the headquarters to Fushimi-ku Kyoto, Japan



1988
YUSHIN AMERICA, INC. established



2000
YUSHIN KOREA CO., LTD. established



2004
YUSHIN AUTOMATION LTD. (UK) established



2013
Technical Center opened in Minami-ku Kyoto, Japan



2016
Current Headquarters opened in Minami-ku Kyoto, Japan



2023
Acquisition of all shares in WEMO AUTOMATION AB (Sweden)



Origins of the Company name

YUSHIN's name comes from the founder's desire to "be a trustworthy company". 'Yu' means to exist and 'shin' means to trust.

Message from the President

We aim to achieve growth through social contribution by providing "products and services that delight our customers" while improving our organizational structure to meet customers' needs and solve their problems.

■ We Are Committed to Growing Our Global Market Share Over the Next 50 Years.

YUSHIN celebrates its 50th anniversary in October 2023. We would like to take this opportunity to express our sincere gratitude to our customers, business partners, and all other stakeholders who have supported YUSHIN with their patronage and support.

We have pioneered the market with our unique technological capabilities and worked to increase our global market share through attentive sales, service, and quality improvement efforts. In the course of providing YUSHIN brand products to the world, we have challenged ourselves to meet the specifications and deadlines required by our customers by developing various work methods and other means.

For the next 50 years, we aim to be a company that "provides the best proposals and services around the world to satisfy and reassure our customers" in various automation equipment, centering on Cartesian coordinate robots including take-out robots, which we have cultivated in our own company. We will continue to provide new automation equipment that helps solve the demands of the times and social issues through all our employees, who are highly regarded by customers for their "diligence and sincerity," and promote the creation of a company where employees can work with a sense of fulfillment and peace of mind. We hope to move forward in the next 50 years by building a team that can create high value.

■ We Will Continue to Take on New Challenges Based on the Principle That "The Impossible Is the Starting Point for Innovation".

At present, there are a variety of issues and growth topics surrounding our company that need to be resolved, such as labor shortages in manufacturing locations, efforts to improve the working environment (business and human rights), the improvement of living standards especially in emerging countries, the rise of new industries such as electric vehicles (EVs), and climate change issues. In response to these challenges and changes in the environment, our company aims to provide unique and high value-added automation equipment centered on Cartesian coordinate robots and their after-sales services. As expressed in the words of our founder, "The Impossible is the starting point for innovation," we have boldly taken on the challenge of new technologies. In the future, we will continue to support factory automation by taking on the challenge of solving problems with an ever-increasing awareness of issues such as safety, productivity improvement, and energy conservation in the workplace.

■ We Aim to Return to a Growth Trajectory after 2025.

YUSHIN's business model is Fab-lite (minimum production facilities) Management. We recognize that strengthening our human capital is an important theme for achieving this goal. First, we have formulated a corporate identity (CI) that will serve as a compass for our employees, and we are reviewing our personnel and education systems. Human capital development is not something that can be achieved overnight. We are stepping up efforts to build an organization capable of steadily implementing human resource development from a medium- to long-term perspective. In line with our roadmap for strengthening human capital, we will strengthen our human capital investment and organizational development over the next two to three years, and after 2025, by returning to a growth trajectory through focused human capital investment, product development, and M&A effects, we will achieve our medium-term management goals of consolidated Net sales of 30 billion yen and consolidated Ordinary profit of 5 billion yen or more. We will steadily take steps toward achieving these goals.



Representative Director and President,
Ph.D. in Engineering
Takayo Kotani

Strengthening Value Creation through the Resolution of Social Issues

In August 2022, we established Sustainability Committee, which I chair, and in February 2023, we identified five materiality issues. We will work to increase YUSHIN's economic and social value by addressing these issues, while contributing to a sustainable society and environment.

For the newly identified materialities, a list of candidates was compiled from the perspective of stakeholders and the YUSHIN Group. Based on discussions by members selected from each division and management meetings, these candidates were ranked according to their level of importance, and five items of high importance were identified.

First, we have set the following materialities in "Solving social issues through business": (1) Promotion of occupational safety, (2) Productivity improvement of the customers' factory, and (3) Tackling climate change. To improve occupational safety, we will contribute to factory safety by replacing manual labor with high-safety robots to perform hazardous tasks. In addition, we will provide industrial robot safety training to our customers. For ourselves and our own supply chain, we will implement ongoing efforts through the Health and Safety Committee and Human Rights Due Diligence, including suppliers.

In addition to developing high-speed, high-precision robots to improve our customers' productivity, we are also working to strengthen our sales and service network to ensure that our customers can rely on us. If one of our robots stops due to a malfunction, it will have a significant impact on our customers' daily production volume. A well-developed service system and rapid recovery support capability are required.

With regard to responding to climate change, we will reduce CO₂ emissions generated in the production process at our customers' factories by developing energy-saving products. For example, our mainstay RC-SE and YD series take-out robots are equipped with our proprietary Smart ECO Vacuum technology (PAT.P), which cuts air consumption by up to 78%, thereby contributing to energy conservation and decarbonization at customers' factories.

We Aim to Strengthen Our Management Base for Sustainable Growth.

Under "Strengthening the management base for the sustainable growth of YUSHIN Group," we have set the following materialities: (1) Strengthening human capital and (2) Strengthening corporate governance. With regard to strengthening human capital, we will foster a culture in which all employees work together to develop human resources capable of sustainable growth and innovation in order to achieve numerical management targets. We have concretized a long-term roadmap, measures, and targets, and are enhancing their effectiveness through PDCA (Plan-Do-Check-Act) cycles.

With respect to strengthening corporate governance, more than one-third of the Board of Directors is composed of External Directors, and one of the three External Directors is a woman from the capital market. The Nomination and Remuneration Committee, chaired by an External Director, ensures fair and appropriate discussions from an objective standpoint. In addition, we have established and disseminated an internal reporting system, conducted various types of compliance training for employees (Subcontract Act and Act on the Protection of Personal Information), and improved data security.

In the future, we aim to increasing effectiveness, contribute to a sustainable society and environment, and increase the corporate value of the YUSHIN Group by establishing target KPIs, monitoring functions, and other related policies.

Review of FY2023 Results and FY2024 Outlook

In FY2023, Net sales increased 7.2% year on year to 22.3 billion yen, a record high, due to increased demand for our mainstay take-out robots as well as the large scale custom-ordered medical equipment. However, Operating profit fell 8.7% year on year to 2.6 billion yen due to rising material and sea transportation costs and increased labor costs associated with aggressive investment in human resources, despite improvements in operating efficiency and the effect of the yen's depreciation. Although we took steps to revise product prices

in response to rising raw material prices, it was a very difficult year. For FY2024, we expect Net sales to increase 2.8% year on year to 23.0 billion yen, supported by strong demand for medical products in addition to our mainstay take-out robots, although uncertainty remains in the Chinese market. In terms of profit, we expect a 9.1% year on year decline to 2.4 billion yen due to continued high material prices and continued aggressive investment in human resources. Although the trend of declining profits is expected to continue in the current fiscal year, the effects of product price revisions are expected to be felt from the second half of the fiscal year. The need for automation against the backdrop of labor shortages in the manufacturing industry is strong worldwide, and demand continues to grow faster than expected. Rapid reinforcement of supply and service systems, including expansion of production capacity, will be required.

Together with WEMO, We Aim to Maximize Synergies.

On May 30, 2023, we acquired 100% of the shares of WEMO AUTOMATION AB, adding a new member to the YUSHIN Group. WEMO is a take-out robot manufacturer in Värnamo, southern Sweden, founded in 1987. The company has a high market share and customer base in the Nordic countries. In addition to take-out robots, the company also manufactures automation equipment and palletizing robots. We aim to be "a trusted company that provides products and

services that delight our customers," and the addition of WEMO as a group company is a major step toward achieving our goal of delivering high-quality products with attentive service in Europe, so that our customers can use our robots with confidence and increase their productivity. For many years, WEMO has been developing its business by focusing on value-added creation, such as innovation, productivity, and ease of use. WEMO and YUSHIN's goals are aligned, and as we work together to build the future, we believe that these shared values will become our group's strength, enabling us to deliver a higher level of "peace of mind" and "progress" to our customers around the world.

Through the Penetration of Corporate Identity (CI) Activities, Employee Awareness Is Being Raised.

As for "employee job satisfaction," we believe it is important for employees to feel that "their daily work is useful to customers" and "our work contributes to society." Through CI activities, we engage in "activities to put ourselves in the customer's shoes and think about what will benefit the customer" and "activities to engage in communication and information sharing that transcends departmental boundaries." One of the activities proposed by CI ambassadors (employees who propose and implement CI penetration measures on their own), who were selected from young and mid-career employees, was to "deliver customers'



Town hall meeting at WEMO

At the end of May 2023, a town hall meeting was held at WEMO AUTOMATION AB. President Kotani explained to WEMO employees that the values that the YUSHIN Group holds dear and the values that WEMO has cherished are similar, and that she expects the group to grow together.

Vision and Medium-Term Management Targets

voices." By sharing information widely within the Company about what customers say in the field, we would like to make the Company a rewarding place to work, where all employees are aware of customers, think about what they can do for customers, and share their evaluations. We also believe that it is important to have a good working environment. We will always consider whether our company's organization and environment are good from the perspective of creating a comfortable workplace, and strive to make improvements.

■ We Will Strengthen Our Engagement with All Stakeholders

We will continue to develop high value-added products and strengthen our proposal capabilities to contribute to our customers' productivity improvement and provide the best services to satisfy and reassure them. Together with WEMO, we hope to expand our presence in the European market and accelerate our global expansion.

YUSHIN's business is built on cooperative relationships with our suppliers. We value the relationship of trust we have with our suppliers and will continue to work with them on issues such as our human rights policy to provide better value to society in the future.

With regard to our employees, we will work to create a "rewarding and safe work environment" where each employee can maximize his or her potential and feel happy to work for this company and with this group of people. We believe that if each and every employee can use the Company as a vessel to work for society and lead a more fulfilling life, the Company itself will become stronger.

We consider the return of profits to shareholders to be one of the most important management issues, and we aim to achieve stable and continuous

shareholder returns with a dividend payout ratio of 30% or more. We also consider it important to increase internal reserves so that we can make flexible investments and provide products and services on an ongoing basis as needed. We hope that our company-wide focus on investment in human resources, product development for the future, and the effects of M&A will bear fruit and put us on a growth trajectory, thereby improving ROE and PBR through profit growth and strengthening shareholder returns.

Based on the founder's idea of "The impossible is the starting point for innovation", we will continue to take on challenges for the next 50 years. We look forward to your continued support for YUSHIN.



Vision

A company that provides products and services that delight customers and earn their trust.

A company that contributes to society through its business activities.

A company that provides rewarding and safe work.

Medium-Term Management Targets

FY2023

Consolidated Net Sales: 22.3 billion yen
 Consolidated Ordinary Profit: 2.7 billion yen
 Consolidated Ordinary Profit Ratio: 12.5 %
 EPS: 56 yen

Medium-Term Management Targets

Consolidated Net Sales: 30 billion yen or more
 Consolidated Ordinary Profit: 5 billion yen or more
 Consolidated Ordinary Profit Ratio: 15 % or more
 EPS: 75 yen or more

Strategy 1 Increase Product Attractiveness

- Develop **environmentally-friendly** robots
 — Contribute to energy savings with Smart ECO Vacuum (PAT.P)
- Expanded **high-speed** robot product line
- Achieved the **clean room** standards required by the medical, electronics and container industries



Strategy 2 Strengthen Global Competitiveness

- Develop products that meet **regional needs**
- **Expand sales in Europe**
- Target the world's leading companies / Attract more local customers
- Enhance brand image – **showroom** opened

Strategy 3 Cultivate a New Generation of Pioneers

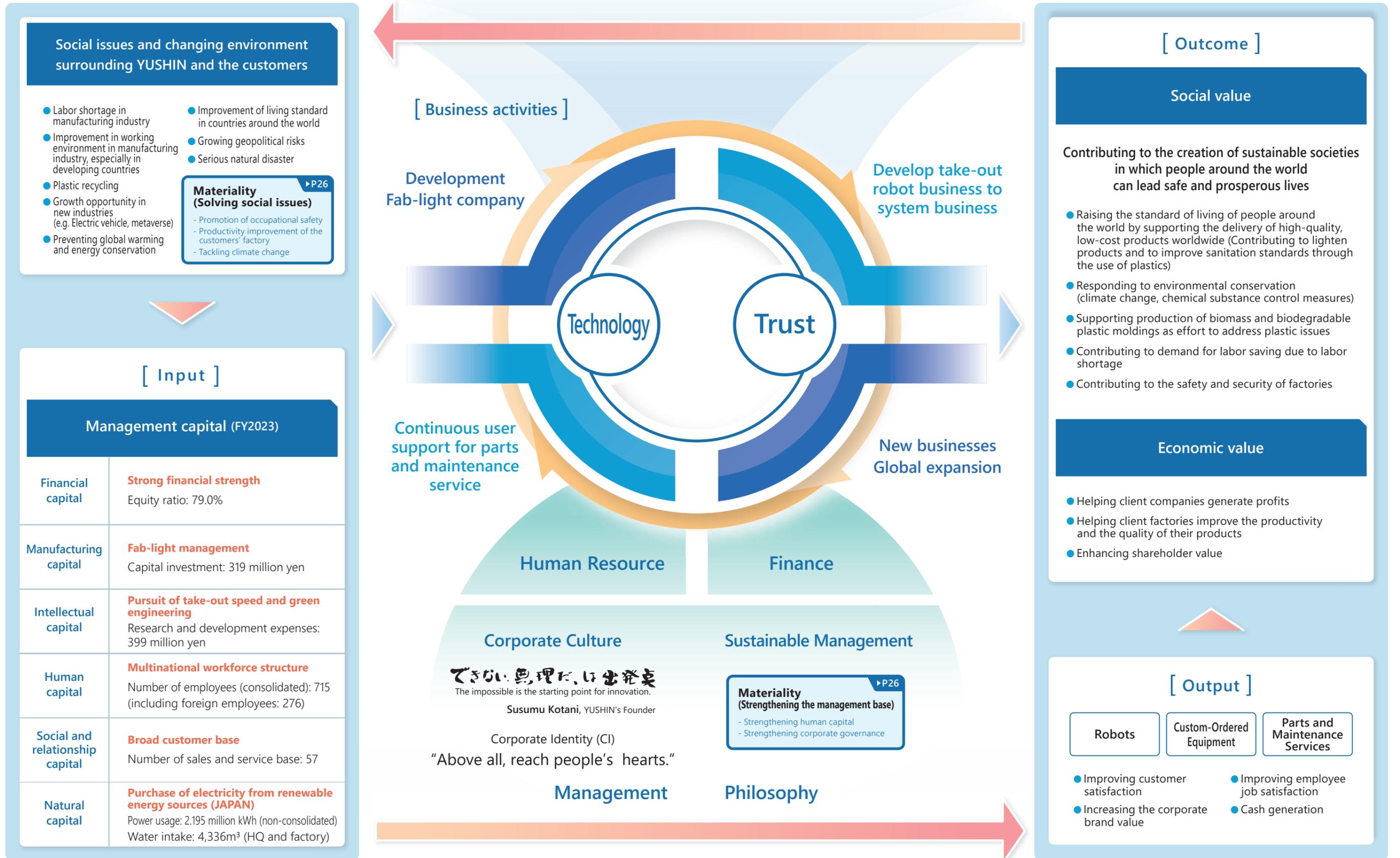
- Build the brand and human resources development policy on the concept of "**Above all, reach people's hearts**"
- Provide challenging jobs and a good working environment
 Establish "Innovation Project Suggestion System" to develop creative and independent human capital
- Improve the education system to support employees as they grow
 Technical training (including e-learning), next generation leadership training, and manager training
- Leverage mid-career recruits and foreign nationals to ensure global diversity
- Achieved 4.7% of female managers by promoting female power (industry average 3.6%*)

*Average in "Manufacture of production machinery" from "Basic Survey on Wage Structure" by Ministry of Health, Labor and Welfare (released in May, 2022)

Strategy 4 Develop New Business

- Launched palletizing robot in June, 2020
 - Attract **new customers**, especially in the food industry
 - Appeal small-footprint and easy-access

Value Creation Process



All We Do Must on Behalf of Reaching People's Hearts.

We are committed to creating a company where a diverse workforce can maximize their abilities and work with a sense of fulfillment and peace of mind.



Director and Executive Vice President
General Manager of Administration Division
Kota Oda

Q What is your mission as the Director in charge of human resources and how do you think about strengthening YUSHIN's human capital?

A The role required of the human resources Director is to participate in management from a human resources perspective and contribute to increasing corporate value and achieving sustainable growth. The following three points are important tasks.

Human Resources Director's tasks

- (1) Contribute to improving management capabilities by strengthening human capital
- (2) Oversee and manage the personnel system (recruitment and training system, evaluation system, wage system, etc.)
- (3) Instill within the organization the philosophy and policies that the Company emphasizes.

We strengthen our human capital to:

- (1) Achieve YUSHIN's sustainable growth and increase its medium- to long-term corporate value by creating an organization that leverages the values and perspectives of its diverse human resources.
- (2) Promote the recruitment and training of human resources

based on the penetration of our business philosophy, and create an environment in which each and every employee can continue to work actively and vigorously, demonstrating his or her characteristics and abilities to the fullest.

As specific measures, we are working on the following environmental improvements: (1) promotion of corporate identity (CI) activities, (2) development of a personnel system and human resources development policy that permeates our philosophy, (3) ensuring diversity of human resources, (4) enhancement of education system according to career stages, and (5) improvement of job satisfaction and work comfort.

We will aggressively invest in human resources and develop our organization across the Company to make a leap into the future.

YUSHIN's Human Resource Development Policy

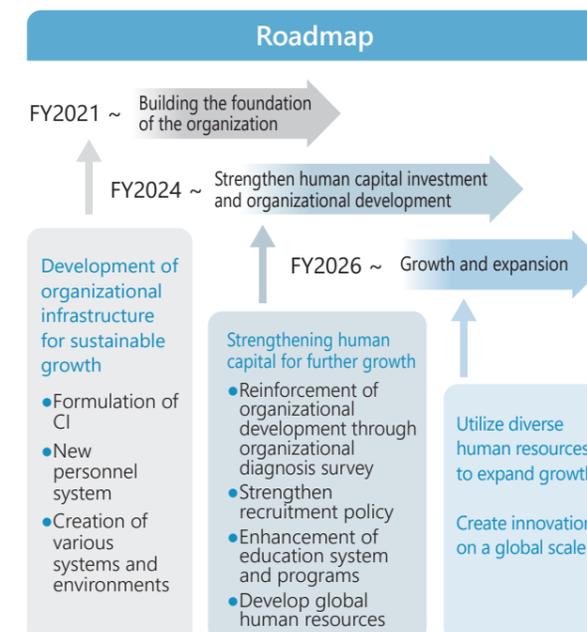


Q I would like to hear about your plans and progress in strengthening human capital.

A We have begun formulating and disseminating the CI in FY2021. Currently, We are working on strengthening human capital in three stages for the period thereafter.

During the period from FY2021 to FY2023, we focused on building an organizational foundation for sustainable growth, and concentrated on creating a system and environment to formulate a CI, a new personnel system, and to improve employee job satisfaction. We have positioned FY2024 as a period for strengthening our human capital for further growth, and we will strengthen our organizational development through the implementation of an employee survey, enhance our recruitment policy, and further strengthen our education system. From FY2026 onward, we intend to accelerate the creation of innovation and expand the growth of the organization on a global scale, while leveraging the efforts of the "period for building organizational foundations" and the "period for investing in human resources and strengthening organizational development".

Roadmap for Strengthening Human Capital



Q You have defined the basic concept of your personnel system. How will this approach and its operation lead to YUSHIN's future financial value?

A The philosophy of our personnel system has four pillars: (1) to encourage effort and challenge and recognize those who achieve results; (2) to recognize those who put into practice our action guidelines; (3) to encourage the development of each individual's capabilities and sustainable employee growth; and (4) to develop a fair and open system. Our personnel system emphasizes the perspective of "strengthening the management foundation for sustainable growth".

In order to promote the key strategies set forth in our mid-term management goals (strengthening product competitiveness, global competitiveness, and developing new businesses), it is important to create an environment in which each and every employee can maximize his or her abilities. Strengthening the respective foundations of human resources, systems, and corporate culture will increase productivity as an organization and lead to the achievement of these goals and strategies, which in turn will lead to future financial value.

Medium-Term Management Targets

- Consolidated Net Sales : 30 billion yen or more
- Consolidated Ordinary Profit : 5 billion yen or more
- Consolidated Ordinary Profit Ratio : 15 % or more
- EPS : 75 yen or more

- Strategy: Increase Product Attractiveness
- Strategy: Strengthening of Global Expansion
- Strategy: Develop New Businesses

Human Resources	Recruiting and developing excellent human resources and improving their professional and management skills
Systems	Establish a system to properly evaluate results and maximize each individual's strengths
Culture	Spread the CI guidelines and foster a corporate culture that encourages effort and challenge.

Q How is CI penetration linked to the achievement of management objectives? And how do you drive behavioral change through CI penetration?

A Another perspective that our personnel system emphasizes is to "disseminate within the organization the philosophy and action guidelines that the Company emphasizes". In April 2020, we formulated a CI (Culture Book) and shared it within the Group in order to define the corporate philosophy and direction we should aim for, which we will continue to emphasize in the future, and to realize further growth and leaps forward. Based on the concept of "Above all, reach people's hearts", we have clarified our important ideas and action guidelines, and are working to disseminate them throughout the Group.

I have positioned the CI guidelines as the link between our management philosophy and our business activities and work style. By ensuring that these awareness and actions are thoroughly implemented in our daily work, we will be able to align our vectors with the direction the Company should take and build a human resource base.

We are developing the following specific activities to spread the concept: communications by top management and executive branding training and workshops, enhanced workplace dialog, employee-led ambassador project activities, and sharing of best practices.

We believe it is necessary to look at the effect of CI penetration on behavioral change from two aspects: (1)

organizational change and (2) individual behavioral change.

We measure the impact of organizational change through surveys of CI penetration. The CI penetration survey, conducted about 1.5 years after the CI was formulated, showed that it is desirable to promote penetration by proactively implementing the following activities as necessary for penetration: (1) initiatives that make the CI more familiar (such as the development of best practices and internal postings) and (2) initiatives that are linked to daily work (such as evaluations and awards based on the degree of CI implementation).

We also aim to incorporate and improve individual behavior into our personnel evaluation system. We have implemented a new personnel system based on our CI formulation. In it, we defined what is expected of employees in their respective jobs in terms of performance responsibility, human resource development and growth, and culture development, and set out the responsibilities and expectations of employees with respect to CI. In addition, performance and behavior evaluations are conducted as personnel evaluations to motivate employees to be aware of the CI guidelines in their work.



Q Please tell us about your human capital development efforts to achieve your management goals.

A We have established Human Resource Development Policy and are strengthening our efforts through collaboration between each department and Human Resources Department.

YUSHIN's Human Resource Development Policy

- (a) Develop human resources who can embody and practice the corporate identity (CI) based behavioral guidelines
- (b) Encourage continued learning and growth as career progresses
- (c) Define role expectations and promote achievement of results through job performance
- (d) Encouraging effort and challenge, and providing various opportunities and venues for advancement
- (e) Supporting the realization of individual "career design"

As for employee education, we are engaged in the programs shown in the figure. Regarding the development of employees' key talents, while focusing on career and professional development in each workplace, we provide education to enhance the abilities and skills necessary to perform their jobs and support them to aim for autonomous growth. We also offer programs to develop leaders who can drive growth and challenge, as well as training to improve the management skills of managers.

As a recent initiative, we have introduced the "Innovation Project Activity Proposal System" to strengthen the development of human resources with "creativity" and "initiative" and to create opportunities for them to take on new challenges.

To strengthen the foundation for creating human resources that can create value in response to changes in the business environment, we will work to enhance our education system and training programs.

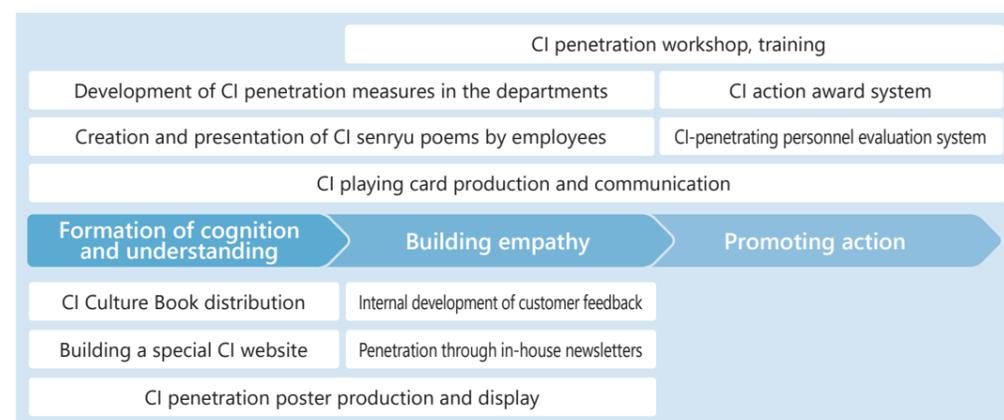
Q How do you approach employee surveys?

A As a new initiative this fiscal year, we conducted an organizational diagnosis survey. The purpose of the survey was to understand the actual status and issues of the organization in order to improve "organizational productivity," "employee motivation," and "organizational engagement," which will lead to the consideration of future human resource policies.

The survey was conducted with the following diagnostic items: (1) penetration of philosophy and policies, (2) leadership and management, (3) human relations within the organization, (4) status of personnel system, (5) business execution mechanism, and (6) employee characteristics. As a result, 99% of all employees responded, indicating a high participation rate.

After the survey, we will plan to implement necessary measures in areas that need to be improved and strengthened, while developing our strengths obtained from the verification of the organizational diagnosis results. We hope to form a virtuous cycle of organizational and human resource management that will continue to provide new value to our customers through the growth of our employees and the enhancement of their job satisfaction.

CI Penetration Map



YUSHIN's Educational Programs

	Before joining the company	Younger employees	Middle-level employees	Leaders	Managers
Training in common	Pre-enrollment education	Entry training	Business skill improvement training Follow-up training for new graduates	Management development education	Management training
Career support		Counselor system Elder system		Career design training	
Professional education		Technical and administrative training	Departmental education, OJT	Compliance education	
Departmental education			External training, seminars, internal study sessions		
Thematic education			Leader development program		
Selective education			Overseas trainee system	Overseas pre-appointment education	
			Elder training	Counselor training	
Self-development			Incentive program for correspondence education, Online English conversation education system		
			Incentive program for the acquisition of qualifications		
			e-learning		

The Three Pillars of YUSHIN

Robots



Take-out robots

Palletizing robots

Approximately two-thirds of plastic molded products are made by a process called injection molding. Plastic melted at high temperature is injected into the mold and then cooled to form molded products. Dedicated robots for removing plastic products from molds are called "take-out robots," which are installed on many injection molding machines and used in the production of a wide variety of products.

Take-out robot is playing an active role in manufacturing

a variety of plastic molded products, ranging from small parts inside smartphones to large parts such as automotive bumpers. Until now, YUSHIN has actively introduced a variety of industry-first technologies in pursuit of the speed of robots (Ref. p5, p6). In addition, palletizing robots that convert the mechanism of take-out robots are being sold to new users outside the plastics industry, such as the food industry, contributing to the automation of the work of loading cardboard boxes and other materials on pallets.

Custom-Ordered Equipment



High-capacity stocker

Gate cut stock system

We offer custom-ordered equipment that supports the automation of each process before and after plastic products are taken-out. The stock system temporarily stores products taken out by take-out robots and supports continuous molding for long periods of time during the

day and night. The gate cut system solves the gate cutting problem of injection molding automation with high speed and high precision. We also offer various other custom-ordered equipment, such as insert molding automation systems and automated packaging systems.

Parts and Maintenance Services



We have established a comprehensive maintenance and support system throughout Japan and around the world so that users can confidently operate our robots and custom-ordered equipment after they are introduced. We

provide high-quality service to keep customers' production running by responding quickly to the replacement of robots' consumable parts.

YUSHIN's Strength

Technology

High-speed take-out

- Optimum lightweight design (first in the industry)
- Low-vibration by vibration control (PAT)
- Vibration-damping by CFRP

Energy saving ▶P29

- Power saving by Smart ECO Vacuum (PAT.P.)
- Power saving by Ecology Mode

Power to propose solutions

- System proposal
- High safety level



Broad Customer Base

Customers in wide range of industries ▶P25

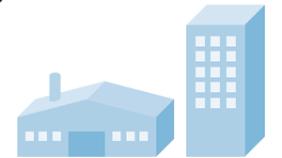
- Mobility, electronics, medical and others

Globalization ▶P63-64

- 57 sales and service bases in the world (the best in the industry)
- New base in Sweden (May 2023)

Branch out into new businesses

- Expansion into food industry with Palletizing robots



Human Capital Management

Reliability

Top market share

- Pursuit of take-out speed
- Strict observance of delivery dates

Occupational safety ▶P35

- Compliance with international safety regulations
- 53 safety assessors (as of the end of March, 2023)

Support capability

- Fast troubleshooting
- Worldwide service bases
- Trouble-free products



Financial Strength

Strong balance sheet

- Non-debt management

High equity ratio

- 79.0% (FY2023)

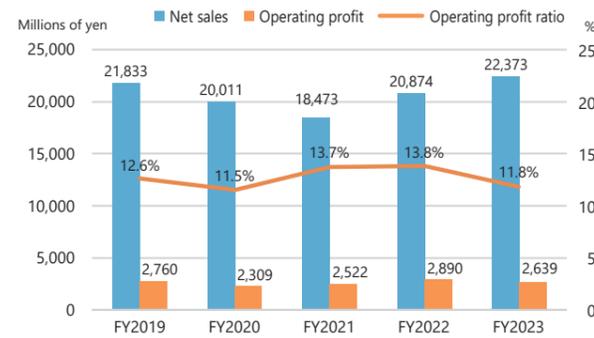
Fab-lite (Minimum production facility)

- Flexibility to respond to the market
- Low fixed cost
- Strong supply chains



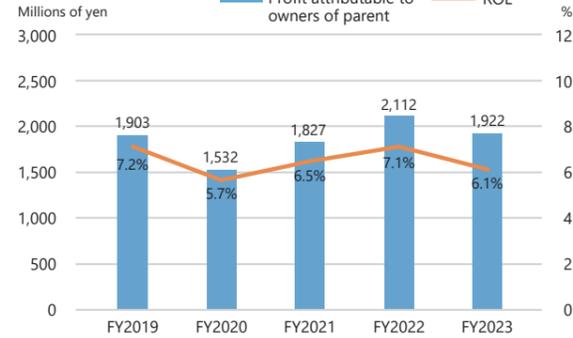
Financial Highlights

Net Sales, Operating Profit, Operating Profit Ratio



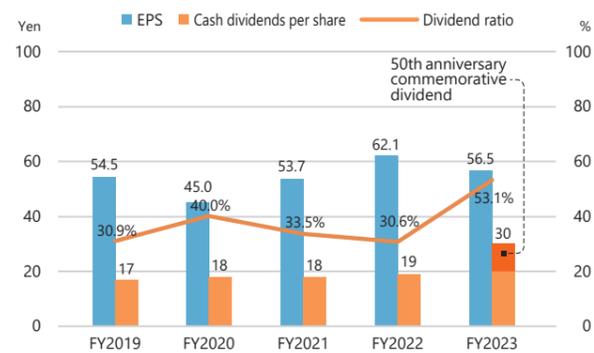
In FY2023, Net sales reached a record 22,373 million yen (up 7.2% year on year). Despite the impact of the China lockdown, sales growth in the Japanese and North American markets, as well as large scale custom-ordered medical equipment in Europe, contributed to the increase. Operating profit was 2,639 million yen (down 8.7% year on year) due to higher labor costs and soaring raw material prices and ocean transportation costs.

Profit Attributable to Owners of Parent, ROE



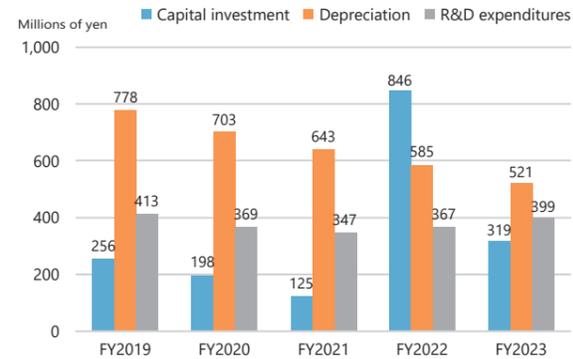
Profit attributable to owners of parent for FY2023 decreased by 9.0% from the previous year due to the significant impact of increased labor costs and rising raw material and ocean transportation costs, despite the foreign exchange gains resulting from the weaker yen. ROE was 6.1%, down 1.0 point from the previous year.

EPS, Dividends, Dividend Ratio



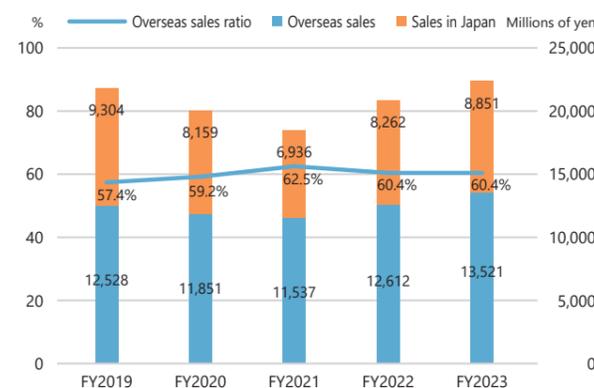
In order to provide stable and continuous shareholder returns, we aim for a consolidated dividend payout ratio of 30% or higher. We intend to increase the level of ordinary dividends by improving our consolidated performance. In FY2023, we paid a total dividend of 30 yen per share, consisting of an ordinary dividend of 20 yen and a commemorative dividend of 10 yen for the 50th anniversary of our establishment.

Capital Investment, Depreciation, R&D Expenditures



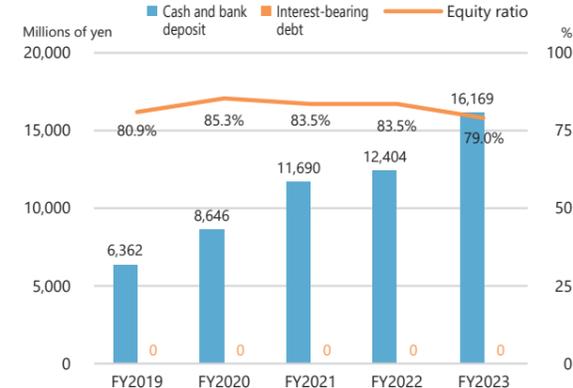
Recent capital investments include the opening of a showroom in FY2023 and the purchase of land near the headquarters in FY2022. Depreciation has decreased each year since the construction of the new headquarters facility in 2016. We have traditionally prioritized certain R&D expenditures in all economic conditions and continue to invest for our growth strategy.

Overseas Sales Ratio



Overseas sales ratio has been around 60% in recent years. Currently, the YUSHIN Group has a global network of 57 offices, providing sales and after-sales services in countries and regions around the world.

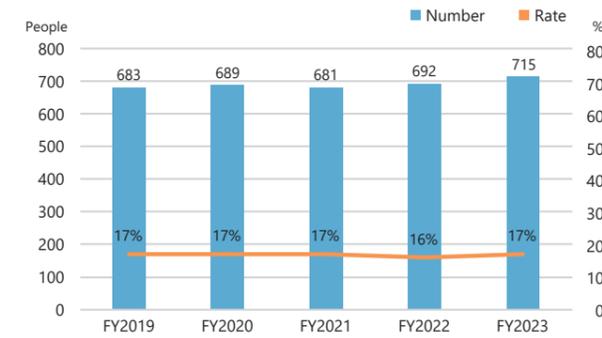
Cash and Bank Deposit, Interest-bearing Debt, Equity Ratio



With no major expenditures in the past few years, cash and deposits have been increasing, and in FY2023, the increase was due in part to Advances received from the custom-ordered equipment business. We will continue to prepare for future increases in demand and flexible investments at the appropriate time.

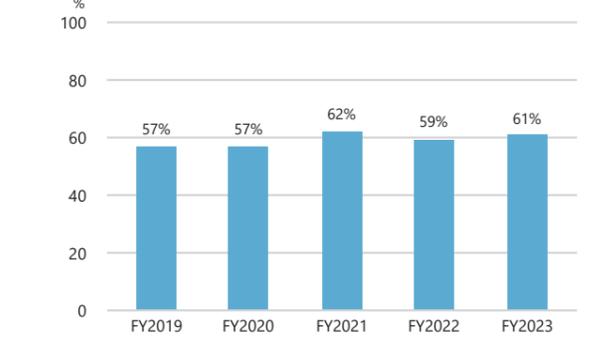
Non-Financial Highlights

Number of Employees / Rate of Female Employees



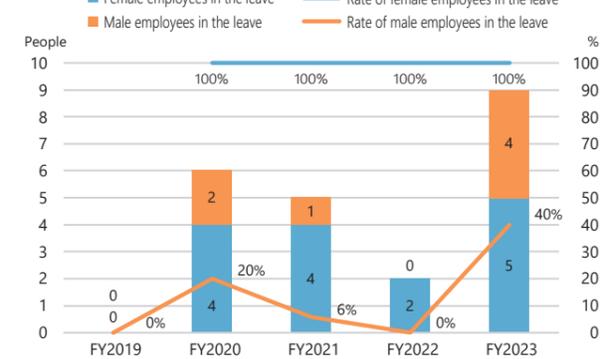
We are growing our workforce by aggressively investing in human resources around the world.

Annual Paid Leave Acquisition Rate (Employees in Japan)



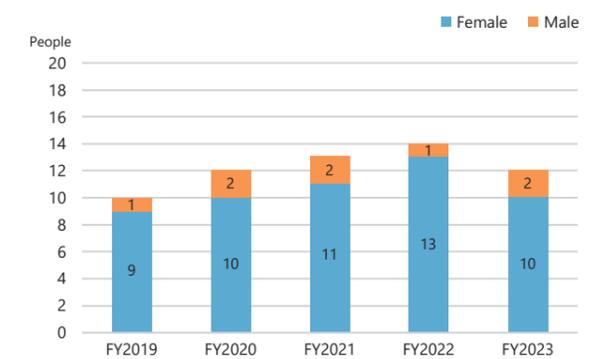
Since 2021, we have been working to create an environment that makes it easier for employees to take paid holidays, such as by establishing days on which employees are encouraged to take paid holidays.

The Number of Employees in Childcare Leave, Rate of Taking Childcare Leave



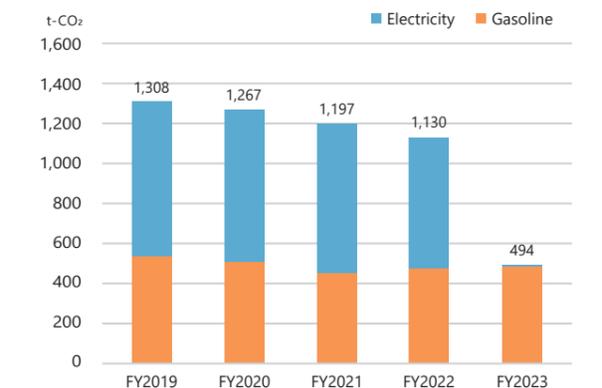
In addition to helping female employees take childcare leave and return to work, we are proactively taking measures to support all employees who are raising children, such as publicizing the contents of the system through lectures and roundtable discussions, sharing experiences with employees who have taken the leave, and preparing and distributing pamphlets to deepen the understanding of the system. In FY2023, both of male employees in the leave and rate of male employees in the leave increased.

The Number of Employees Who Take Shortened Working Hours System



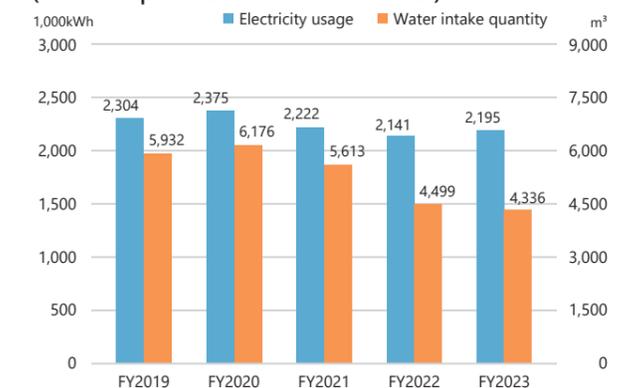
Shortened working hours is available for our employees until their children move up to the fourth grade in the elementary school while it is up to three years old in legal requirement. In recent years, the number of male employees using the system has increased. Over the past few years, all eligible female employees have used this system and attained to balance work and childcare, and they are getting understanding and support of the other employees. We will continue to strive to improve the workplace environment according to the life stages of our employees.

CO₂ Emissions in Japan



In FY2023, we will switch to electricity derived from renewable energy sources, resulting in a significant reduction in CO₂ emissions from electricity use. In addition, solar panels have been installed on the roof of the headquarters plant to reduce CO₂ emissions through in-house consumption of solar-generated electricity.

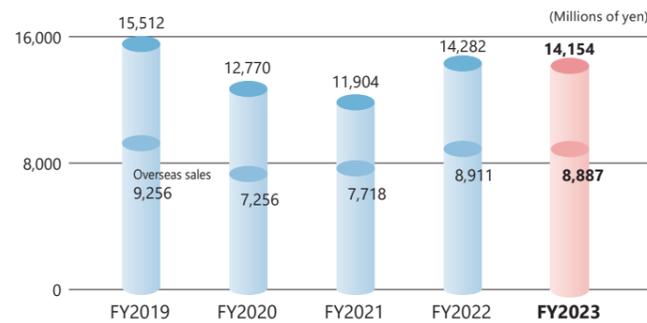
Electricity Usage (in Japan), Water Intake Quantity (the Headquarters and Technical Center)



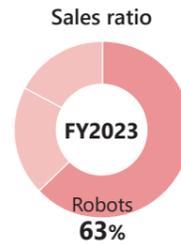
We use electricity as the main energy source at our headquarters plant, and although electricity consumption increased in FY2023 due to higher production output, we are continuing efforts to reduce energy consumption by implementing rational production plans, setting light-off times, and reducing power consumption through the use of LED lighting installed at the headquarters.

Sales by Product Category

Robots



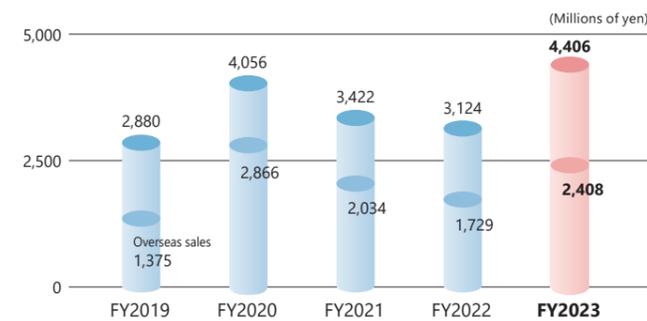
- Decreased 128 million yen (0.9%) year on year to 14,154 million yen.
- While sales in North America, Korea, and Thailand were strong, China was affected by the market slowdown due to the lockdown.



Future Growth Strategy

We will continue to develop products that meet regional and industry characteristics. In addition, we will make further efforts to develop products that reduce the environmental impact and increase the added value of take-out robots. Through the palletizing robot launched in 2020, we also plan to expand our product line outside of the plastics industry.

Custom-Ordered Equipment



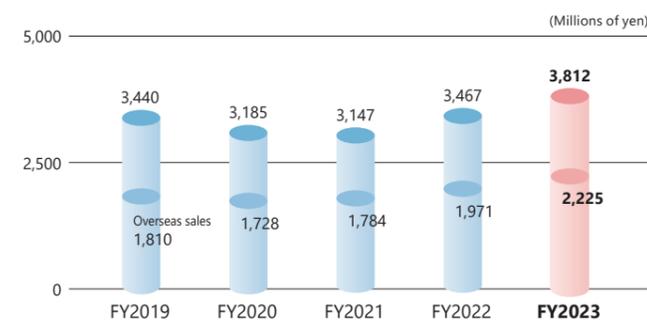
- Increased 1,281 million yen (41.0%) year on year to 4,406 million yen.
- Sales to the medical market grew in Europe, and sales were also strong in Japan and North America.



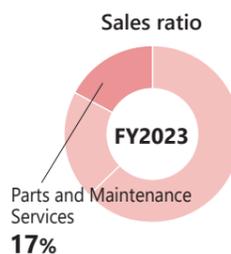
Future Growth Strategy

Due to the shortage of human resources, the need for automation is becoming even greater both in Japan and overseas. We will continue to focus on custom-ordered equipment (system projects) that have synergy with take-out robots and provide solutions that benefit our customers.

Parts and Maintenance Services



- Increased 345 million yen (10.0%) year on year to 3,812 million yen.
- Sales increased due to an increase in the number of robots in operation worldwide.

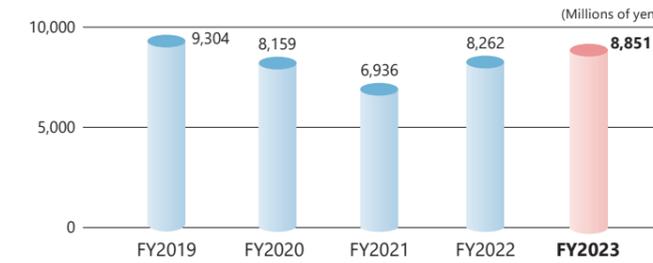


Future Growth Strategy

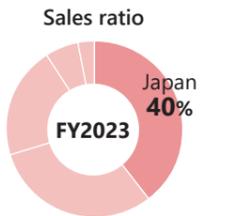
One of our competitive advantages over other companies is our service network, which is the best in the industry. We will continue to focus on attracting and training the people who will support our global expansion and develop high-quality services around the world.

Sales by Region

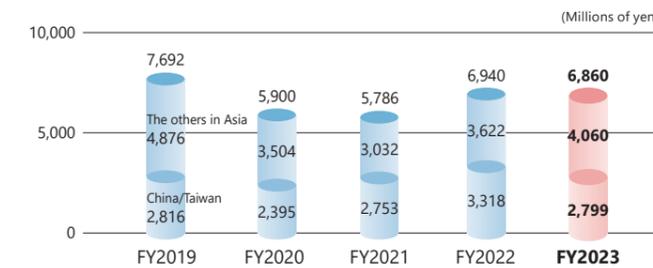
Japan



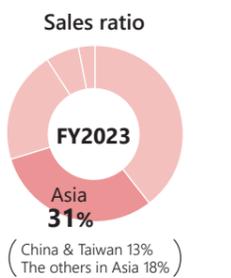
- Increased 589 million yen (7.1%) year on year to 8,851 million yen.
- Sales grew due to demand for capital investment, mainly in the electronics industry.



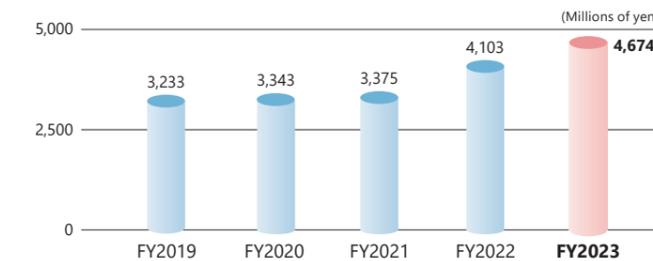
Asia



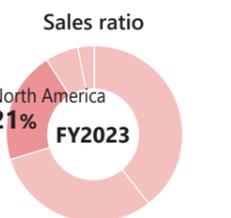
- Decreased 80 million yen (1.2%) year on year to 6,860 million yen.
- While sales in Korea and Southeast Asian countries remained strong, sales in China were sluggish due to lockdowns.



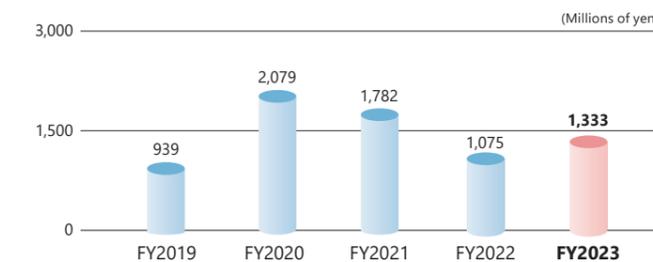
North America



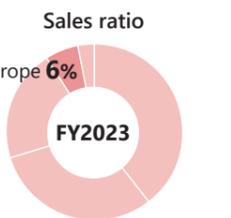
- Increased 571 million yen (13.9%) year on year to 4,674 million yen.
- Sales of take-out robots and custom-ordered equipment were strong, especially for mobility and medical applications.



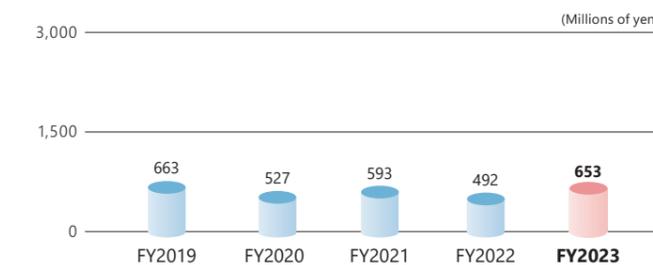
Europe



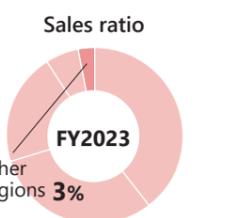
- Increased 257 million yen (23.9%) year on year to 1,333 million yen.
- Sales increased due to large scale custom-ordered medical equipment.



Other Regions



- Increased 161 million yen (32.7%) year on year to 653 million yen.
- Sales were strong mainly in Mexico.



Sales by End-User Industry

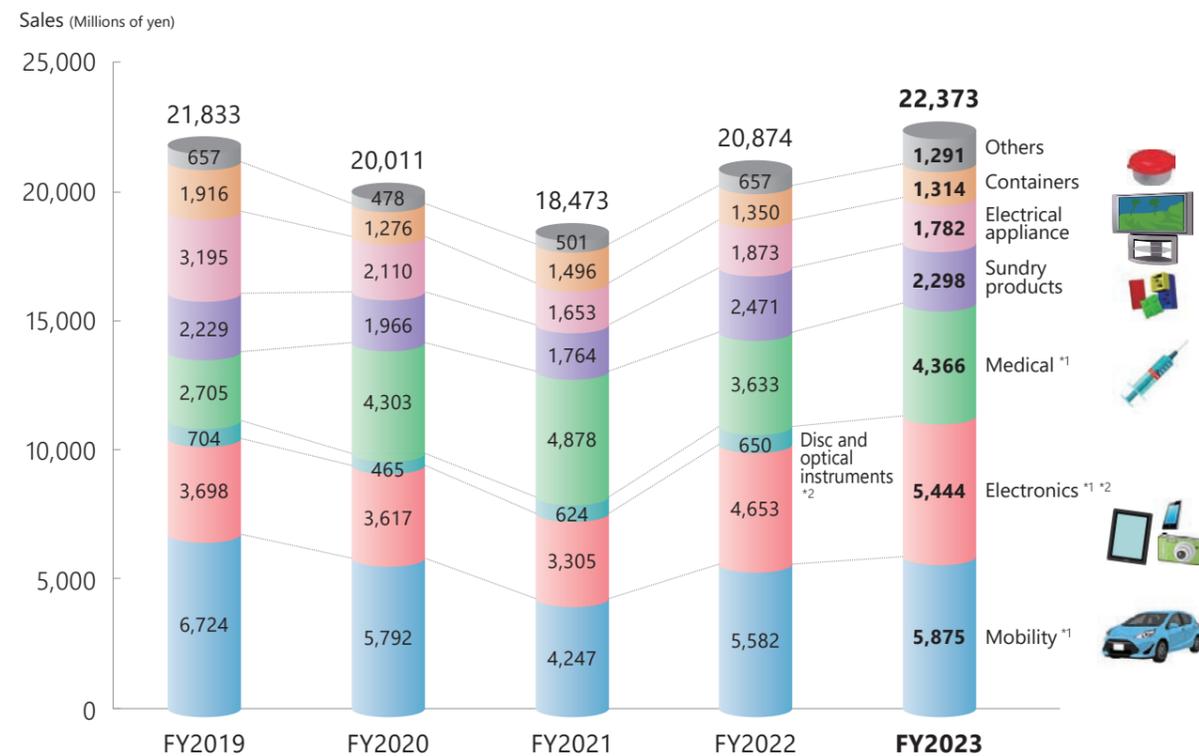
YUSHIN Robots Are Used in a Wide Range of Industries

YUSHIN's robots are used in factories that manufacture plastic injection molded products. As a result, YUSHIN's business is expanding into various industries that use plastics. The mobility industry, centered on automobiles, is expected to continue to grow due to the fact that many of its parts are being replaced with plastics and the need for further weight reduction due to the shift to electric vehicles. The medical industry, where plastic products are mass-produced for hygienic reasons, is an industry with which we have a strong affinity, given our strength in the speed and accuracy of robotic operations. We also expect hardware growth in new areas, including virtual reality.

In FY2023, in the mobility field, sales of take-out robots to the Japanese, North American, and Thai markets remained strong.

In terms of sales to the electronics sector, there was growth in the domestic and North American markets. There were also many sales in the Chinese market, mainly to electronics, and although sales decreased from the previous year, electronics still accounted for the largest percentage of sales in the Chinese market.

Sales to the medical sector were strong, thanks to the sale of large scale custom-ordered equipment for the European market. Sales in North America have also been strong in recent years, and medical is YUSHIN America's top sales category. In the medical field, the YUSHIN brand is gaining recognition for its speed and accuracy, and the medical sales in China and other markets have been increasing in recent years.



*1 "Automotive", "Electronic parts", and "Medical products" have been renamed "Mobility", "Electronics", and "Medical" respectively.

*2 "Discs and optical instruments" has been merged with "Electronics."

Future Growth Strategy

We believe that the need for plastics will be stronger than ever in the mobility industry, where lighter weight is required, and in the medical industry, where hygiene is often a consideration, and we expect these industries to be the drivers of our business development in the future. In addition, we will focus on product development that meets the needs of each industry.

Currently, we are diversifying our risks by expanding into a wide range of industries in the event that a specific industry goes into recession. In the future, we will aim to further diversify target industries by meeting the needs of new industries (such as the food industry).

Sustainability

In February 2023, YUSHIN has decided on Sustainability Basic Policy and identified materialities to realize a sustainable society and increase corporate value over the medium to long term.

Sustainability Basic Policy

We contribute to the creation of a sustainable society and environment, and aim to increase our corporate value by continuously developing our business, through our business activities centered on providing labor-saving solutions.

Materiality Identification Process

YUSHIN has identified the following five materiality issues of YUSHIN Group to realize a sustainable society and increase corporate value over the medium to long term. In identifying these issues, YUSHIN listed candidates for materiality from the viewpoints of stakeholders and our group-wide management. The members selected from the Board of Directors and the departments discussed the candidates and identified those that were of particular importance by mapping them according to their level of importance.

Going forward, YUSHIN will establish policies for addressing identified materiality, and through the implementation of these policies, will strive to contribute to the creation of a sustainable society and environment and to increase corporate value.

YUSHIN Group's Materiality

Solving social issues through business		
Materialities	Why we think it is important?	Examples of initiatives
Promotion of occupational safety	Because occupational safety is an important factor for us as a manufacturer of production equipment, and it leads to fundamental respect for human rights.	<ul style="list-style-type: none"> Development of products with enhanced safety performance Providing customers with trainings for occupational safety Continuous efforts of the Health and Safety Committee Thorough implementation of human rights policies and implementation of due diligence
Productivity improvement of the customers' factory	Because productivity improvement can bring high-value-added products to people and the products can improve living standards of people around the world including healthcare and education.	<ul style="list-style-type: none"> Development and sales of high-speed and high-precision robots Functions to improve productivity Enhanced maintenance and service system
Tackling climate change	Because climate change is a major problem that threatens the living environment for many people around the world. Corporations should address the problems as members of the world.	<ul style="list-style-type: none"> Development and sales of energy-saving products Switching electricity usage of our business sites to renewable energy Switching from gasoline-powered vehicles to environmentally friendly vehicles Identifying climate-change risks at our sites and supply chains, and formulating BCP

Strengthening the management base for the sustainable growth of YUSHIN Group		
Materialities	Why we think it is important?	Examples of initiatives
Strengthening human capital	Because people are the source of added value.	<ul style="list-style-type: none"> Thorough implementation of human rights policies and implementation of due diligence Creating a culture and environment that makes innovation happen System to allow long-serving in accordance with respective life stages Effective training Instilling Corporate Identity (CI)
Strengthening corporate governance	Because lack of trust of stakeholders make business operations difficult. Penalties associated with compliance violations, decline in brand value, and data leaks due to security failures also can be threats against the operations.	<ul style="list-style-type: none"> More than one-third of Directors are External Directors Establishment of Nomination and Remuneration Committee (chaired by an External Director) Evaluating effectiveness of the Board of Directors Whistleblower system Compliance training for employees Improving data security

Risk Management

YUSHIN management team identifies following risks which may have significant impacts on financial statements, business performances and cash flows around YUSHIN Group.

Financial risk	Related risk	Our efforts
External factor (market trend)	<ul style="list-style-type: none"> ● Capital expenditure in plastic injection molding industry ● Impact from exchange rate fluctuations (strong yen) on the yen equivalent of the overseas subsidiaries' business results ● Low-priced competition 	<ul style="list-style-type: none"> ● Our business runs in multi-industry markets to prevent impacts from economic fluctuations in a particular industry ● We keep on developing new models and reducing manufacturing cost and SGA expenses
External factor (purchasing)	<ul style="list-style-type: none"> ● Price fluctuations in raw materials ● Parts supply restrictions from suppliers and discontinued parts ● Parts shortage due to demand rise in market 	<ul style="list-style-type: none"> ● We attempt to manage minimizing purchase price fluctuation by setting up multiple and reliable supply routes ● We maintain system that enables flexible design changes
External factor (natural disaster and others)	<ul style="list-style-type: none"> ● Earthquake and storm damage ● Urban lockdown and stay-at-home order due to pandemic diseases around the world 	<ul style="list-style-type: none"> ● We have prepared "Disaster prevention plan" and "Business continuity plan." And we have disseminated the plans to our employees and conduct emergency exercise on regular basis. We have also set-up "Safety confirmation system." ● In the event of an emergency, we maintain resilient and efficient business operations through thorough infection control and hygiene management, staggered work hours, telecommuting, and web conferencing.
Internal factor (accident)	<ul style="list-style-type: none"> ● Warranty costs due to quality issue ● Labor accidents ● Cyber accidents such as information leaks, loss of important data, and operating system outage caused by information security issue (cyber-attack, computer virus and unauthorized access) ● Operating system outage due to information technology system failure 	<ul style="list-style-type: none"> ● We have a strict quality management structure which complies with an international quality standard by setting up quality control standard, thorough quality management, and suitable measures ● We purchase Contractors' liability insurance and Product liability insurance ● We pay careful attention to the safety measures of machinery and equipment, as well as the health and safety of our executives and employees, in order to prevent industrial accidents. ● We strictly maintain IT security status and strengthen IT security. We also train and enlighten management and employees
Internal factor (human resources)	<ul style="list-style-type: none"> ● Weakness in securing human resources for rapid business development ● Resignations and leaves of absence in the area of specialty 	<ul style="list-style-type: none"> ● We make efforts to improve working conditions to keep employees and personnel system to support motivated employees. With this efforts, we recruit and develop necessary human resources to facilitate the development of the global business expansion ● We improve working efficiency by IT technology ● We empower women
Others	<ul style="list-style-type: none"> ● Sales and costs of goods sold are recorded in the following consolidated fiscal year due to the acceptance status of the goods delivered at the end of fiscal year 	

ESG / SDGs

E (Environmental)

< Environmentally-Friendly Products >

- Won the JMF's Energy-Efficient Machinery Award
- Continuous development of energy-saving products (e.g. Design optimization)

Weight comparison of drive component in YD2-1025D

Without optimization: 133.6 kg

With optimization: 99.5 kg

25.5% Weight Reduction

Take-out robot YD series

< Efforts to Fight Climate Change and Decarbonize >

- Reduction of CO₂ emissions (target: 70% reduction from FY2021 levels by the end of FY2031)
- Switched to the power generated by renewable energy source
- Information disclosure based on TCFD recommendations

S (Social)

< Human Rights >

- YUSHIN Group Human Rights Policy and risk identification
- Human rights training and education

< Working Style Reform for Customer Factories >

- Supply of automation system for entire plant

< Safety and Security >

- Supply of robots with the highest safety standard of the world

< Improvement of Working Environment >

- Health management (certified as the 2023 Certified Health & Productivity Management Outstanding Organizations)
- Maternity leave and shorter working hours (better than required by law)
- Promotion of health and safety

< Social Engagement >

- Contribution to Japan Super Science Fair (JSSF)
- Participation in manufacturing workshops for high school students

G (Governance)

< Governance Enhancement >

- 3 of 8 Directors are External Directors
- Board of Directors improvement by effectiveness evaluation
- The Nomination and Remuneration Committee chaired by an External Director
- Establishment of Sustainability Committee

< Diversity >

- 2 of 8 members are women

SDGs YUSHIN Focuses on

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 6 CLEAN WATER AND SANITATION

SDGs YUSHIN will accomplish with customers

E: Environmental - Policy and Products

Environmental Action Policy

YUSHIN will contribute to the environment in product development and work to reduce environmental impact as a common initiative for all employees

Product Development Initiatives

1 Continuous development of energy-saving products

Details

YUSHIN will endeavor to develop products that have low environmental impact, and that are compatible with environmental conservation by using technologies that are friendly to people and the environment.

<Recent Examples>

- Awarded at the Energy-Efficient Machinery and System Awards of the Japan Machinery Federation (FRA series)
- Developed new products that are environmentally conscious and contribute to Carbon Neutral (Smart ECO Vacuum: RC-SE Series, YD Series)

Company-Wide Initiatives

2 Paperless promotion

Details

Reduction in paper consumption by promoting more efficient operations

3 Reduction of CO₂ emissions

Details

- YUSHIN will take the option of reducing the environmental impact when constructing and expanding the plants or purchasing company vehicles. (use of LED lighting, purchase of electricity from renewable energy sources, purchase of environmentally conscious vehicles)
- YUSHIN will cut down the use of company vehicle by working-at-home and video meeting.

Reduction of Environmental Impact

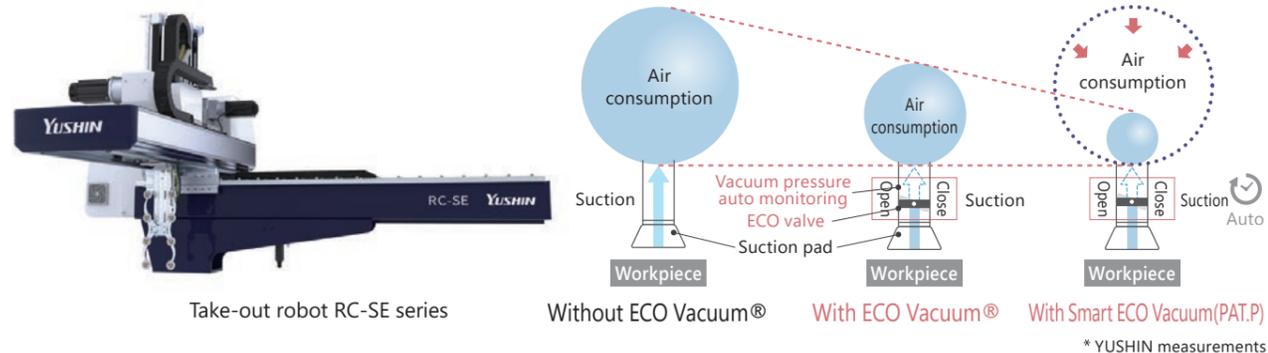
Constant Effort to Develop Energy Saving Products

We constantly develop energy saving products working 24/7 at customers' site.

In 2019, FRA robots, our flagship model, received the JMF's President Award at the Energy-Efficient Machinery and System Awards of the Japan Machinery Federation. This Awards was formerly called Energy-Efficient Machine Award which our YC robots had received. We are confident that our continuous efforts to develop energy saving products

such as design optimization, are highly evaluated.

In July 2021, we have rolled out a new robot RC-SE which has Smart ECO Vacuum (PAT.P) evolved from ECO Vacuum® – our unique technology to save air consumption. This feature can reduce up to 78% of air consumption maximum, and can lower electricity consumption of the compressor.



E: Environmental - Efforts to Fight Climate Change and Decarbonization

Reduction of CO₂ Emissions

- We aim at reducing the total of Scope 1 and 2 in Japan by 70% at the end of FY2031 compared to FY2021 levels. Scope 1 emissions are direct emissions from in-house fuel use. Scope 2 emissions are indirect emissions from electric power we buy and heat.

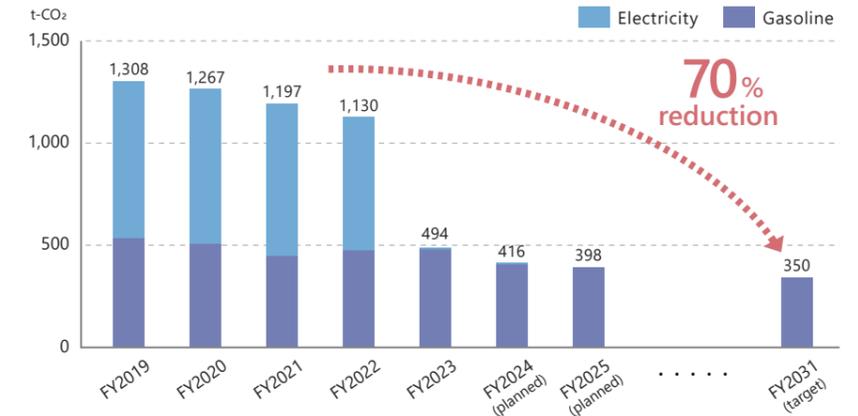
<Calculated based on the following assumptions>

- Electricity: All domestic bases use the renewably generated powers.
- Vehicles: All vehicles in the domestic bases are hybrid.

CO₂ emissions in Japan

	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (gasoline)	538	511	455	479	492
Scope2 (electricity)	769	755	742	650	2

*Figures for overseas offices are currently being calculated



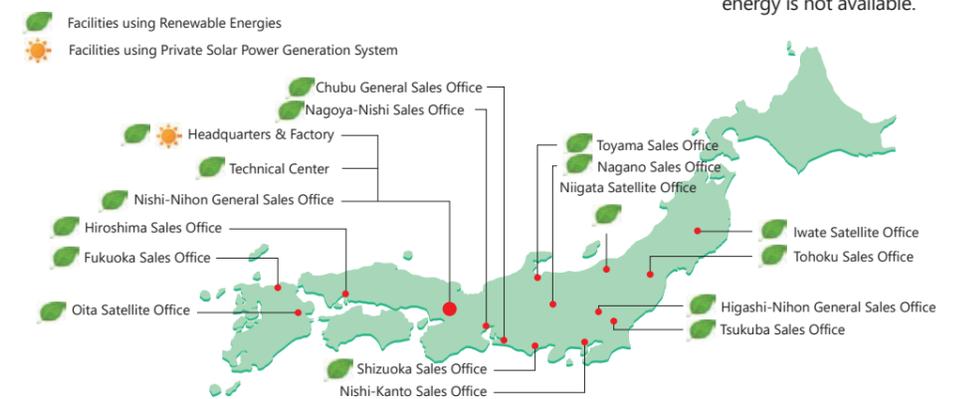
Switching to Electricity Derived from Renewable Energies

YUSHIN has switched all of power consumption at the headquarters/Technical Center and the regional sales offices directly contracted with power supply companies, to renewably generated powers since April 2022. This is achieved by purchasing the renewable powers and using the solar power generated on site. The facilities consume about 2 million kWh electricity per year. The switch reduces CO₂ emissions by about 740 tons per year.



Solar panels on the roof of the headquarters

The panels generate as much power as the branch office requires where the renewable energy is not available.



Gradual Transition to Environmentally Friendly Vehicle (hybrid vehicles)

- In March 2022, we have decided to gradually switch to environmentally friendly vehicles (hybrid vehicles). We will promote further environmental friendliness through the active introduction of hybrid vehicles and our existing efforts to promote eco-driving.

Percentage of hybrid vehicles among company cars

6%(FY2022, actual) → 77%(FY2031, target)

E: Environmental - Disclosure Based on TCFD Recommendations



In April, 2022, YUSHIN has declared to support for the recommendations of Task Force on Climate-related Financial Disclosures which is created by Financial Stability Board (FSB.) YUSHIN will further promote its effort against climate change to date, and enhance its disclosure based on the recommendations of TCFD.

Governance

YUSHIN takes climate change as an issue to be addressed in the governance and management system for sustainability.

The management meeting is the supreme decision-making body for business execution. The meeting and the Sustainability Committee are both chaired by the Representative Director and President. At the meeting and

the committee, all inside Directors discuss the progress of their commitments on climate change and the identification and assessment of risks and opportunities. The basic policy resolved at the management meeting and Sustainability Committee, and the result of the enforcement are to be reported to the Board of Directors.

Strategy and Scenario Analysis

YUSHIN's "Environmental Action Policy" is that all employees are committed to contributing to the environment in product development and reducing environmental impact.

The worldwide movement for environment is changing drastically from day to day, which has to be addressed properly. YUSHIN identifies risks and opportunities related to

climate change and assess the impact on business.

YUSHIN clarifies the impact of climate change on procurement risks on energy and raw materials, risk in customer needs change, risk of extreme weather, average temperature rise, and sea level rise. YUSHIN will reduce these risks and turn them to opportunities.

Climate change-related risks

Type	Detail	Impact on business	Frequency of occurrence*			Risk Evaluation	How YUSHIN responds to the risk	
			Short	Medium	Long			
Risks related to the transition to a low-carbon economy	Policies and regulations	Carbon tax Introduction and its hike by governments	• Rise in raw material procurement costs	YES	YES	YES	Low	View the costs should be borne by the entire supply chain for the benefit of a sustainable society
		Political interventions such as GHG emission regulations and energy efficiency improvement targets	• Rise in renewable energy procurement costs • Rise in cost of switching company car from gas vehicle to environmentally friendly vehicles	YES	YES	YES	Medium	
	Technology	The development cost of robots with low-carbon technologies cannot be recovered at an early stage.	• Rise in investment costs	YES	YES		Medium	View this as future growth investments
	Market	The material shortage due to the spread of low-carbon technologies	• Cost rise due to higher procurement prices • Impact on the production due to the parts unavailability		YES	YES	Medium	Purchase from multiple companies by cultivating suppliers
		Stricter environmental policy by customers	• Loss of sales opportunities due to delay in addressing environment issues in YUSHIN Group	YES	YES		Medium	Actively develop environmentally friendly products such as improved energy-saving functions
Reputation	Changes in stakeholder behavior	• Decline in corporate evaluation due to delays in responding to environmental considerations and a lack of disclosure of environmental information	YES	YES		Medium	Promote information disclosure with the support of Task Force on Climate-related Financial Disclosures (TCFD)	
Risks Related to "Physical" Changes due to Climate Change	Acute	Occurrence of extreme weather (typhoon, flood, tornado, heavy snow)	• Decrease in sales and increase in expenses due to the shutdown of the headquarters and Technical Center, which are responsible for production	YES	YES	YES	Low to Medium	• Implement Business Continuity Plan (BCP) • Take measures against typhoons and floods
		Average temperature rise	• Electricity consumption rise and cost increase for measures against heat stroke in order to maintain a comfortable working environment for factory workers and service workers	YES	YES	YES	Low	Prioritize the improvement of the work environment for employees (Costs are absorbable and have a small impact.)
	Chronic	Sea level rise	• Need to relocate production sites where water-related disaster risk exceeds acceptable levels			YES	Low to Medium	Conduct risk assessment continually

*Short-term means it happens within 3 years, medium-term by 2030, and long-term by 2050.

Climate change-related opportunities

Type	Climate-related opportunities	Impact on business	Assumed time of occurrence*			Opportunity evaluation
			Short	Medium	Long	
Resource efficiency	Utilize energy-efficient building	• Improvement of employee satisfaction through utilization of head office factories, such as promoting comfortable temperature control and CO ₂ concentration control, and improving workplace environments for employees • Cost reductions associated with improved safety levels	YES	YES	YES	Low
	Promote recycling	• Cost reductions through efforts to increase reuse opportunities		YES	YES	Low
	Realize efficient transportation	• Reducing costs by pursuing efficient transportation by promoting product weight reduction and reduction of materials used for transportation	YES	YES	YES	Low
	Decrease transportation use	• Reducing sea transport costs by promoting local production		YES	YES	Low
Energy source	Utilize low-carbon energy sources	• Reducing the impact of possible cost increase in fossil fuel and GHG emission regulations by promoting renewable energy, and GHG emission regulations	YES	YES	YES	Low
Products & Services	Expand development and sales of energy-saving and low-carbon products	• Sales increase due to increased demand for environmentally friendly robots • Sales increase by increasing product value, including ECO Vacuum®, Smart ECO Vacuum(PAT.P), and Ecology mode • Increase in service revenues due to the demand for long-life robots to reduce environmental impact	YES	YES	YES	High
	Cope with average temperature rise	• Increased need for automation as work environment worsens for workers • Demand increase for the development of the products that can run in harsh environments		YES	YES	Low
Markets	Sales increase due to market demand increase for heat stroke control products or medical-related products	• Demand increase for YUSHIN products as capital expenditures increase for those products	YES	YES	YES	Medium
	Worldwide shift from gasoline-powered vehicles to environmentally conscious vehicles	• Demand increase for YUSHIN products due to production increase for plastic-related parts due to weight reduction and the newcomers to plastic related parts	YES	YES		Medium
	Relocation of customers' production sites due to climate change	• Demand increase for YUSHIN products due to expansion of capital expenditures			YES	Medium
Resilience	Establishment of multiple assembly partners and parts suppliers to observe delivery deadline strictly.	• Improve capability to meet demand increase of the products	YES	YES	YES	Low

*Short-term means it is assumed to happen within 3 years, medium-term by 2030, and long-term by 2050.

Risk Management

YUSHIN sees what hampers business management as risk, and analyzes and assesses the urgent risks of climate change and the risks that may occur in the future.

To manage such risks, YUSHIN identifies, analyzes and evaluates the risks in all aspects of the businesses. Such

information is compiled in a timely manner and shared by the Board of Directors and the executive meetings. Under the leadership of Representative Director and President, YUSHIN takes prompt and appropriate measures to reduce the risks.

Indicators and Targets

The end of FY2031: Reduce CO₂ emissions by 70% compared to FY2021

Following the adoption of the Paris Agreement in 2015, the Japanese government announced that it would aim to reduce greenhouse gas by 46% compared to 2013 by 2030.

YUSHIN aims to reduce the sum of Scope1 and 2 (direct emissions from in-house fuel use and indirect emissions from electric power YUSHIN buy and heat) in Japan by 70%

compared to FY2021 by the end of FY2031. YUSHIN is promoting to purchase renewable-energy-based electricity and introduce environmentally friendly vehicles. YUSHIN will review its targets from a medium- and long-term perspective.

YUSHIN will set the reduction goal for Scope3 as well, and work to reduce CO₂ throughout the supply chain and disclose the goal.

S: Social - Human Rights

YUSHIN Group Human Rights Policy

In July 2022, YUSHIN has established a "YUSHIN Group Human Rights Policy" (hereinafter referred to as the Policy) based on the "UN Guiding Principles on Business and Human Rights" as a guide for the entire YUSHIN Group to promote respect for human rights and fulfill the obligations.

(1) Basic Thinking

The YUSHIN's ongoing mission is to contribute to global society by producing innovative technologies, based on our business philosophy of "Respect for People."

YUSHIN respects international standards on human rights including the "International Bill of Human Rights" and the UN International Labor Organization's "Declaration of Fundamental Principles and Rights at Work." YUSHIN expects all our Group board members and employees, as well as all 3rd party business partners involved in our products and services, to understand, support, and implement the Policy.

(2) Compliance with Applicable Laws and Regulations

YUSHIN complies with the laws and regulations of the countries and regions where YUSHIN conducts business activities. When the local laws of the regions in which we operate conflict with internationally agreed human rights standards, YUSHIN will pursue ways to adhere to the international standards to the fullest possible extent.

(3) Performing Due Diligence for Human Rights Matters

YUSHIN works to identify, prevent, or mitigate adverse impacts on human rights through the establishment and application of company rules founded on "The UN Guiding Principles on Business and Human Rights."

(4) Dialog and Deliberation

YUSHIN consults with relevant stakeholders on any potential or actual impacts on human rights.

(5) Information Disclosure

YUSHIN discloses the progress and results of our respect for human dignity initiatives publicly, via our website or other means.

(6) Education and Training

YUSHIN provides adequate training and education to all Group board members and employees so that the Policy takes root across the entire organization, is fully understood, and is effectively implemented in corporate objectives.

(7) Relief

YUSHIN affirms we will never knowingly violate the human rights of others. Should we learn of any instances of our business activities causing or fomenting negative impacts to others, YUSHIN will take appropriate corrective measures consistent with the Policy.

If business partners of YUSHIN are linked directly with adverse effects on human rights, YUSHIN will cooperate with stakeholders to take improvement steps in accordance with our commitment to respecting human rights.

When prioritization is required, YUSHIN will prioritize and address the most serious impacts on human rights in consideration of the scale, scope, and degree of difficulty for correction and redress.

This Policy has been reviewed and approved by YUSHIN's Board of Directors.

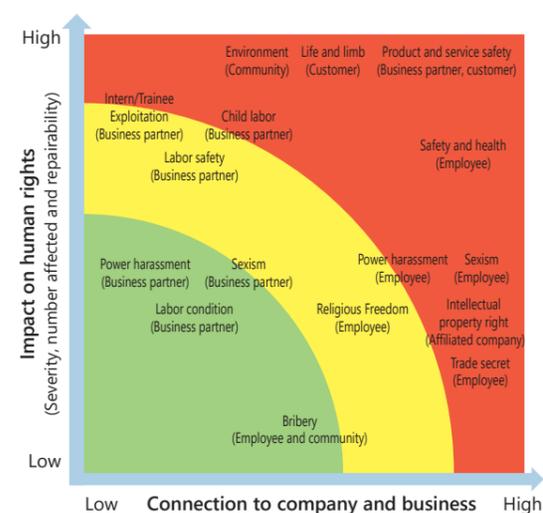
Date of enactment July 7, 2022
YUSHIN PRECISION EQUIPMENT CO., LTD.
Representative Director and President
Takayo Kotani

Classification of Risks

This table shows how the Company classifies specific risks for human rights.

Stakeholders	Human Rights Abuse Risks
Business partners	Labor conditions, interns' human rights, children's human rights, sexual discrimination, freedom of association
Customers, Business Partners	Safety of life and limb
Group employees	Safety and health, labor hours and wages, sexual discrimination, power harassment
Affiliated companies	Intellectual property rights, personal information, trade secrets, confidential information
Group employees and society	Anti-bribing, environment

The following chart is an analysis of the risks listed above. Through this analysis, YUSHIN Group has identified the challenges on which it should focus, as follows.



The Challenges YUSHIN Group Should Focus On

Basic Thought on Our Business

YUSHIN Group develops, manufactures, and sells Cartesian robots and other industrial equipment and systems for factory automation globally.

At the core of YUSHIN's business activities is the desire to reduce the number of people working in hazardous conditions and thereby improve worker safety.

Challenges in Procurement and Manufacturing

YUSHIN does not tolerate human rights abuses such as excessive or unfair labor conditions, child labor, violating the rights of foreign laborers including technical interns or

trainees, or discrimination on the grounds of race, religion, gender, nationality, disability, age, and sexual orientation. This standard extends to our suppliers and subcontractors who provide components or help manufacture YUSHIN products.

Challenges in YUSHIN's Work Environment

YUSHIN strives to promote worker health and safety, and develop a comfortable, optimized workplace.

YUSHIN makes best efforts to prohibit all forms of discrimination and prevent harassment.

YUSHIN reviews all important issues as needed through dialog and cooperation with the stakeholders.

Initiative for the Respect of Human Rights

Executive and Manager Training (February 9, 2023)

To deepen the understanding of human rights, the Company invited outside lecturers to participate in the training.

Participants:

Executives / procurement and manufacturing managers in Purchasing and Manufacturing Divisions / managers in General Affairs Division, Human Resources Division and Internal Audit Office

Programs:

- Presentations on "Why We Need to Know about Human Rights" and "What Business Should Do about Human Rights"
- Case study in workshop"



Purchasing Staff Training (June 6 and 14, 2023)

The Company provided human rights training to the purchasing staff who purchase materials and parts for the products and often deal with suppliers

Programs:

- Presentations on "Why We Need to Work on Human Rights"
- Case study in workshop"

The Company will continue to provide training and education on human rights to the employees by expanding the scope of target departments and employees, and promote efforts so that they understand that "Every executive and employee are promoters of DD and human rights holders themselves."

Support for the Ministry of Justice's "My Declaration of Human Rights" Initiatives

In August 2023, the Company endorsed the "My Declaration of Human Rights" promoted by the Ministry of Justice.

"My Declaration of Human Rights" is an effort to realize a society in which everyone respects human rights by declaring that companies, organizations, and individuals will take actions that respect human rights.

The Company will continue to promote human rights initiatives based on the "YUSHIN Group Human Rights Policy".



YUSHIN has established the YUSHIN Group Human Rights Policy in July 2022 as the Company has Respect for People as its business philosophy.

YUSHIN respects international standards on human rights including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and will conduct its business activities through dialogue and cooperation with its stakeholders.

YUSHIN will continue to contribute to building a sustainable society and environment through its business development.

YUSHIN PRECISION EQUIPMENT CO., LTD.
Representative Director and President
Takayo Kotani

S: Social - Quality and Safety

品質は社運を決める

Quality determines our future.

This came from the founder, Susumu Kotani. YUSHIN cherishes this as the basic philosophy.

Quality Policy

Guided by the principle that "Quality determines our future," YUSHIN earns customer satisfaction by ensuring safety and promoting continuous improvement of manufacturing through higher productivity and lower environmental impact

Robot Compliant with the Most Stringent International Safety Regulations

Safety Circuit

The robot's safety circuits are redundant, so that if one of the circuits fails, it will not lose its function. This is a basic idea to prevent accidents caused by robots.



FRA series

Speed Monitoring

Safety monitoring monitors whether the motor speed exceeds a defined limit. This ensures that robot motion does not exceed the safety speed during teaching, providing safety and peace of mind.

Compliant with International Safety Standards

Our robots qualify as Safety Category 3 devices under EN/ISO 12100, EN 60204 and EN/ISO 10218, and comply with safety requirements under CE, GB and KCs.

Safety Assessors

YUSHIN has been training qualified Safety Assessors, who certify knowledge and competence in machine safety based on international safety standards.

As of March 31, 2023, the number of certified employees is 53. They are not limited to designers, but are spread across all departments involved with products, from sales to manufacturing, and apply their knowledge as Safety Assessors in a variety of situations, from product planning and development to making safety suggestions to customers.

YUSHIN provides customers with products with a high level of safety through the development of these human resources, and delivers safety and security to workers at industrial sites.

YUSHIN School

Under the Industrial Safety and Health Act in Japan, business operators are required to provide special training for employees who work with industrial robots.

YUSHIN provides this special training, YUSHIN School, both internally and externally to improve the safety knowledge and operating techniques of all people who work with YUSHIN robots. A certificate of completion is issued to those who complete the school, which serves as proof of participation.



S: Social - Employees

Human Capital Enhancement

YUSHIN is committed to sustainable growth and medium- to long-term enhancement of corporate value through the creation of an organization that makes the most of the values and perspectives of its diverse human resources.

YUSHIN aims to create an environment in which each and every employee can maximize his or her characteristics and abilities and continue to work with vigor and vitality by recruiting and training diverse human resources based on the dissemination of the corporate philosophy.

YUSHIN's Human Capital Enhancement



Promote Corporate Identity (CI) Activities

YUSHIN promotes corporate identity (CI) activities in order to define its corporate philosophy and direction that YUSHIN will continue to focus on in the future, and to achieve further growth and development. YUSHIN clarifies its important ideas and action guidelines based on the concept of "Above all, reach people's hearts."

The entire group is involved in CI penetration activities, including communication by top management and executives, dialog in the workplace, branding activities mainly by young employees, and sharing of best practices.

Establish a Personnel System and a Human Resources Development Policy That Instill YUSHIN Ideals

In the personnel system developed in conjunction with CI activities, YUSHIN has clarified the expected image of human resources, including core human resources.

The expectations of each position are defined in terms of responsibility for results, human resource development and

growth, and culture development, to ensure that the right people are appointed and assigned to the right positions, and that the personnel evaluation is well-balanced.

Under this personnel system, YUSHIN encourages employees to make efforts and take on new challenges, and provides appropriate evaluation and treatment of results. YUSHIN also promotes the enhancement of educational systems to support employees according to their stage of growth, and the creation of an environment that makes work more rewarding and comfortable.

YUSHIN's Human Resource Development Policy

a	Develop human resources who can embody and practice the corporate identity (CI) based behavioral guidelines
b	Encourage continued learning and growth as career progresses
c	Define role expectations and promote achievement of results through job performance
d	Encouraging effort and challenge, and providing various opportunities and venues for advancement
e	Supporting the realization of individual "career design"

Ensure Diversity in Human Resources (Diversity Management)

From the perspective of ensuring diversity in human resources and diversity management, YUSHIN places emphasis on respecting diverse attributes and values and making the most of its human resources, without being bound by conventional standards within society or the Company.

Specific efforts include "creating a working environment in which men and women can play equally active roles," "employment without regard to gender or nationality," "recruitment of career (mid-career) personnel in priority positions," "creation of systems and environments that draw out the efforts and challenges of diverse members," and "support for balancing work and family life."



YUSHIN Childcare System Book

In terms of promoting women's empowerment, in addition to appointing women to management positions, YUSHIN has established an action plan based on "The Act on Promotion of Women's Participation and Advancement in the Workplace", and is working to "maintain and strengthen the recruitment of women in the hiring of new graduates" and "enhance the use of childcare leave by male employees".

As specific initiatives, YUSHIN distributes the YUSHIN Childcare System Book to employees who are working parents, and holds lectures to promote childcare leave for men. YUSHIN also holds information exchange events for employees on childcare leave in an effort to alleviate concerns about childbirth and returning to work.

From the perspective of ensuring diversity on a global level, YUSHIN has many overseas offices and promote localization, and YUSHIN is actively working to utilize mid-career hires and foreign nationals.

As a cornerstone of these efforts, YUSHIN has formulated the "YUSHIN Group Human Rights Policy" as a guideline for promoting respect for human rights and fulfilling responsibilities throughout the group, and is working to disseminate this policy to all stakeholders.



Training with employees of Indian subsidiary

Develop an Education System That Meets Every Career Step

YUSHIN focuses on training its employees to develop and retain the necessary skills according to their career stage.

Basic Business Skill Development

The "Business Skill Upgrade Training Program" has been set up to help the employees acquire basic business skills.



Career and Professional Development

YUSHIN provides training to enhance the knowledge and skills required for the employees to perform their jobs, and supports them to aim to improve their abilities and skills on their own. YUSHIN also provides systematic training to improve professional skills, practical training opportunities, and an e-learning environment.

Leadership Development

[Management Training]

YUSHIN provides training on various topics such as goal management and evaluation, employee development, diversity, and harassment to enhance managers' leadership skills.

[Leadership Training]

YUSHIN provides leadership development training to strengthen the problem-solving and decision-making skills necessary for management to produce human resources that can drive growth and take on new challenges.

Create an Environment That Makes Work More Rewarding and Comfortable

Create a System to Strengthen Organizational Power

YUSHIN is conducting an employee survey and an organizational diagnosis survey. The purpose is for YUSHIN to identify issues and consider actions to further improve organizational capabilities while being aware of the PDCA cycle.

Help Design Career Path

Through its Elder Counselor System, YUSHIN is committed to providing targeted support to younger employees and conducting career surveys of its employees. YUSHIN's goal is to increase the level of "human capital" that can contribute to the sustainable growth of the Company by utilizing the strengths and abilities that each individual possesses.

Encourage Work Improvement and Work Reform

YUSHIN supports employee-led activities to make suggestions and take on challenges, and has established a system to encourage such activities.

- Improvement Suggestion System to promote business improvement
- Innovation Project Activity Proposal System to foster human resources with creativity and initiative

e.g. Office Casual Wear Project [▶P39](#)

Project for the establishment of standards for the approval of side/secondary jobs

Improve Job Satisfaction and Work-Life Balance

YUSHIN proactively listens to its employees' "aspirations" and works to improve work-life balance and enhance employee benefits by reforming the way they work. YUSHIN also emphasizes the creation of office and plant environments that encourage teamwork and communication.



Occupational Safety and Health

YUSHIN aims to create a work environment where employees can work in good health and vigor, and promotes the development of an occupational health care system, the implementation of necessary safety and health education and training, and efforts to strengthen occupational safety in each department.

Goals and Achievements in Enhancing Human Capital

For the time being, YUSHIN will work on the following items to build a foundation for strengthening human capital.

Building an Organization for Sustainable Growth

Indicator/Item	1. Implementation of programs to instill and implement the corporate philosophy
Goals	100% participation rate of those eligible for the program in FY2024
Results/Activities	<ul style="list-style-type: none"> • Senior management and each workplace instilled and implemented the corporate philosophy • Conducted an employee survey on CI dissemination • Branding activities were carried out mainly by younger employees

Indicator/Item	2. Conduct employee-participatory surveys to strengthen organizational capabilities (identify issues and consider measures)
Goals	Survey participation rate of 90% in FY2024
Results/Activities	<ul style="list-style-type: none"> • Conducted employee surveys to improve work styles (three times).

Securing and Developing Diverse Human Resources and Strengthening Diversity Management

Indicator/Item	3. Strengthen strategies and measures to secure and develop a diverse workforce
Goals	<ul style="list-style-type: none"> • Reinforce human resource recruitment policies • Reinforce ongoing policies on human resource development • Develop and disseminate a human rights policy
Results/Activities	<ul style="list-style-type: none"> • Implemented measures related to the recruitment and training of human resources • Formulated human rights policies and conducted training

Indicator/Item	4. Women's Empowerment 1. Percentage of female Directors and Managers 2. Percentage of female graduates hired (*)
Goals	1. Percentage of female Directors and Managers 1) 15% of Directors, 2) 5% of Managers by March 2028 2. Percentage of female graduates hired 30% by March 2025
Results/Activities	1. Percentage of female Directors and Managers 1) 18.2% of directors (March 2023), 2) 4.7% of managers (March 2023) 2. Percentage of female graduates hired 50% (April 2022)

Indicator/Item	5. Percentage of Male Employees Taking Childcare Leave*
Goals	20% by March 2025
Results/Activities	40% (April 2022 - March 2023)

*Disclosed targets in the General Business Owner's Action Plan based on The Act on Promotion of Women's Participation and Advancement in the Workplace (Japanese law).

S: Social - Health and Safety

Introduction of Office Casual Wear

The Office Casual Wear Project was initiated as part of the "Innovation Project Proposal Activity," which invites employees to submit proposals that will bring innovation to the Company, and office casual wear was introduced in May 2023. The goal of the project is to improve the work environment to promote independence and creativity, create a lively work environment, secure diverse human resources, and further enhance the YUSHIN brand by wearing clothes that fit the work environment."



Office casual is not mandatory. You can dress casually, or you can continue to wear your uniform or work clothes. The important thing is that you can choose the clothes that allow you to work in your own way. This is what we tried to achieve.

H / Project leader / General affairs department

The idea for the Office Casual project came to me while I was researching office environments at various companies around the time our HQ building was being constructed. At that time, I had the opportunity to visit the office of a large stationery manufacturer. This company had adopted a casual office dress code, and everyone worked in their own clothes. I felt that it was very free and bright. The memory of that time stayed with me, so when I heard about the Innovation Project Proposal Activity, I thought about implementing casual dress at our company.



M / Project member / Accounting department

I work in the manufacturing department, so of course I wear work clothes in the field. Recently, due to climate change, we have experienced more and more extremely hot days, but the current work clothes have not been redesigned for more than 10 years and lack breathability and stretchability in some areas. Under such circumstances, I have been working on activities to improve work uniforms and ordered some pants and conducted trials, but changing only the pants would make them unbalanced with the jacket, so it was necessary to reconsider the situation. I heard that the office casual project was starting at a time when I thought it would be quite difficult, and I was invited to participate in the project.



K / Project member / Manufacturing department

Through dressing, I was able to learn anew that there are different departments, different jobs, and different people in different positions. My understanding of each job has deepened, and my awareness of respecting positions and individuality has also increased. And of course, I think I have a better understanding of the Company.



O / Project member / General affairs department

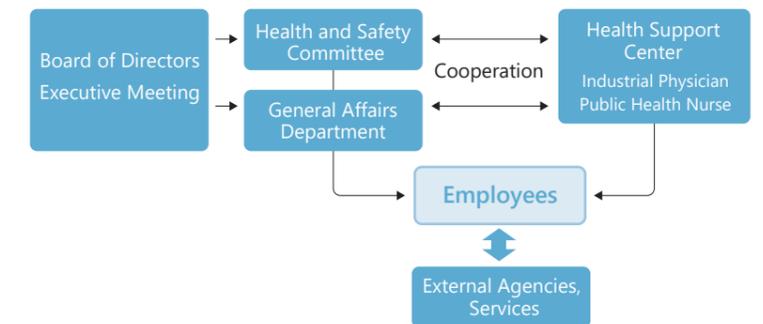


Health Promoting Actions

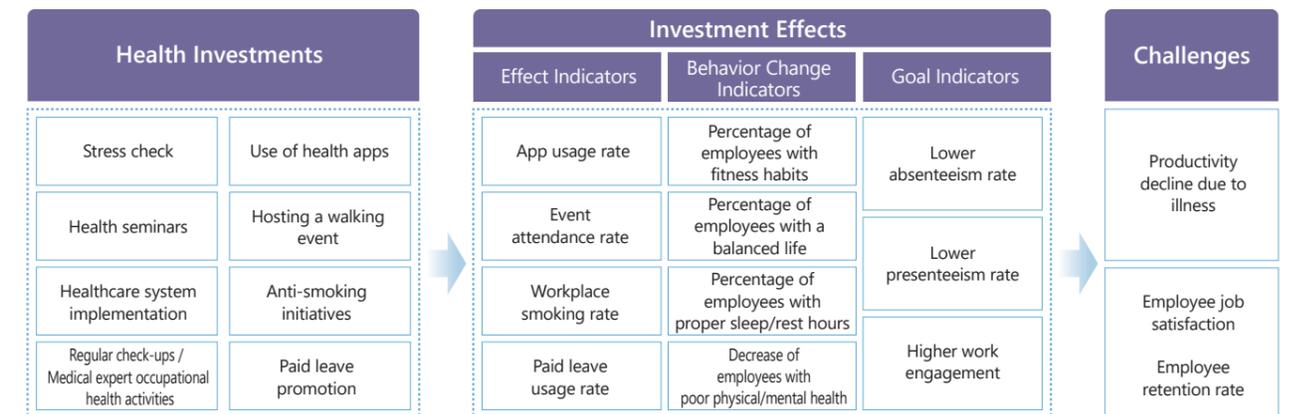
Goal and System

The departments at YUSHIN work together and are involved in various activities and building environments to ensure that the employees work in good physical and mental condition. In addition, regular meetings are held for the top management and the industrial physician (Director of Health Support Center). Health Support Center works together with Health and Safety Committee, and General Affairs Department, working on various activities and building the support system.

Organization chart



Support Map



Social Value
Employee and Family Well-Being/Contribution to Society

Corporate Value
Employee Productivity

The 2023 Certified Health & Productivity Management Outstanding Organizations

We have been certified as the 2023 Certified Health & Productivity Management Outstanding Organizations by the Ministry of Economy, Trade and Industry.



What is certified health & productivity management outstanding organizations?

The certification is awarded to companies that consider the health management of their employees from a managerial perspective and implement it strategically.

Health Manifesto

YUSHIN has received Health Manifesto from Kyoto branch of Japan Health Insurance Association. The manifesto is provided to business facilities that make concrete efforts for safety and health of the employees.



Initiative to Promote the Health and Productivity Management

Health Support by ICT

To improve the quality of life of the employees, YUSHIN provides them with health checkups. Based on the results, YUSHIN gives health guidance to the ones who have a risk of lifestyle-related diseases. YUSHIN recommends them to have the re-examination if necessary to raise the consultation rate.

The employees who is posted abroad or returned from overseas assignment are required to undergo periodic medical checkups once a year to manage their health so that they can work in a healthy manner.

YUSHIN is also working to enhance health support in collaboration with the industrial physician using ICT system.

Health Seminars

Seminars are conducted on the following four themes in order to improve health literacy:

- 1) Women's Specific Diseases, 2) Cancer Prevention,
- 3) Smoking Cessation, 4) Mental Health.

"Promotion of Smoking Cessation" seminar was held by the industrial physician. The participants were briefed on the risks of cancer due to smoking, health risks such as cerebral and cardiovascular infarction, and the effects of smoking cessation aids. The seminars were practical and ended successfully.



Mental Health

YUSHIN has set up Health Support Center to encourage employees to consult with public health nurse or industrial physician at any time if they are worried about something. In addition, YUSHIN has set up a consultation desk operated by external resources as a welfare program, which enables employees to resolve their problems without disclosing their personal information.

Walking Event

Every year, YUSHIN holds a walking event called "Walk, Talk and Work together!" with the aim of promoting employee health and improving communication among employees. In FY2023, there were 84 participants in 21 teams from Japan and overseas who compete for the average number of steps per day using a smartphone walking app.

BLS (Basic Life Support) Training

For emergency procedures, YUSHIN conducts annual training programs once a year to develop human resources who can operate AED and perform cardiopulmonary resuscitation.

Health Apps

YUSHIN introduced health app for the employees that enables them to manage their health. The app can show them calorie of what they eat by photo shot and the number of steps they took.

Safety and Health: YUSHIN promotes safety and health in workplace based on the Safety and Health Policy.

<<Safety and Health Policy>>

- Promote occupational safety through the activities of the Health and Safety Committee (Materiality).
- Develop a workplace where employees can work actively and stay healthy
- Conduct necessary safety and health education and training, and foster people who put safety before everything else
- Comply with safety and health-related laws and plant rules.

Support to Develop Next Generation

YUSHIN's contribution to Japan Super Science Fair (JSSF)

Ritsumeikan Senior High School, which has been designated as "Super Science High School (SSH)" (a state-backed high school providing advanced science and mathematics education) by the Ministry of Education, Culture, Sports, Science and Technology, has been holding Japan Super Science Fair (JSSF) as part of SSH projects since FY2004.

JSSF is an international student conference where participating students from all over the world exchange scientific ideas on the international stage with the purpose of obtaining "a sense of mission to contribute with the power of science for the world," "networks for future success," and "big dreams for the future." Students learn together through various activities that stimulate scientific and global thinking, such as science workshops and science lectures, focusing on research presentations.



YUSHIN has accepted high school students from Ritsumeikan Senior High School and other countries around the world nine times since 2012. Through plant tours and technical presentations, YUSHIN hopes that participants will improve their global perspective and their willingness to learn about science.

Participation in Manufacturing Workshops for High School Students



We sent three of our engineers to an egg drop workshop* held at a nearby high school. They discussed ideas with the high school students and provided technical advice to the students. The event was an opportunity for high school students to work with manufacturers they are not normally familiar with and to get a closer look at manufacturing.

*Workshop to make a protector to protect an egg from the falling impact using specified materials.

U.S. Subsidiary Participation in Manufacturing Day

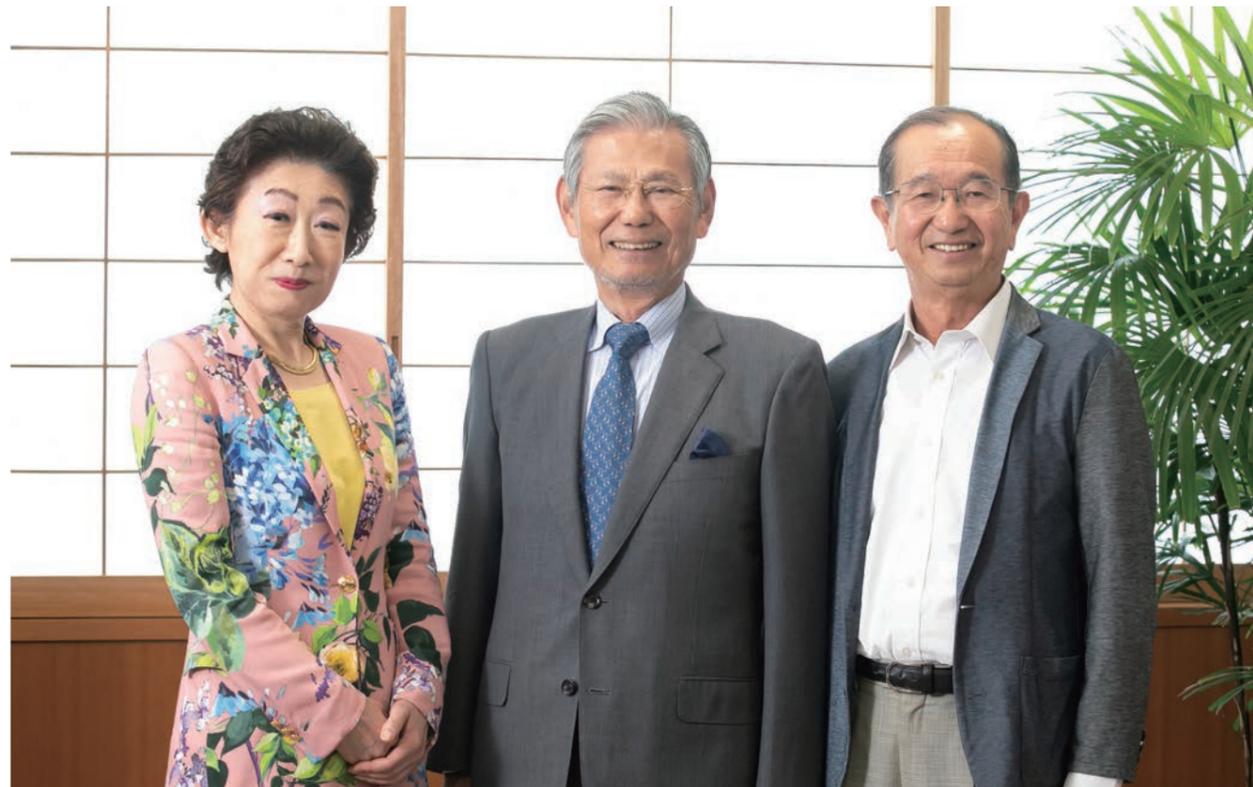
YUSHIN AMERICA, INC. participates in "Manufacturing Day" in the United States. This event is held annually on the first Friday of October in various locations across the U.S. to promote the value of manufacturing in the U.S. economy.

Local companies, universities, and high schools visit the YUSHIN AMERICA factory, where they receive an explanation of how take-out robots are used in the manufacturing process and design techniques, and tour the production area. This event is not only a good opportunity for the people to learn about our company, but also a



chance for us to communicate with the local community, and many people said they found the event very interesting.

External Directors Tripartite Talks



Strengthen Internal Structure and Human Capital and Move to the Next Stage of Growth

Reiko Nakayama

External Director
A member of Nomination and Remuneration Committee

Yasuo Nishiguchi

External Director
The chairperson of Nomination and Remuneration Committee

Hiroshi Matsuhisa

External Director
A member of Nomination and Remuneration Committee

Three External Directors exchanged opinions on recent changes and initiatives at YUSHIN and future challenges for sustainable growth.

Changes Following the Transition to the New Structure

Nakayama: It has been more than two years since Takayo Kotani, Representative Director and President, took office. Today, from the perspective of an External Director, I would like to discuss the changes that have taken place in the Company during this time and the issues that need to be addressed for the future.

The major changes that have been visible to the outside world over the past two years are the opening of the showroom in February 2023 and the M&A in May 2023. Less visible changes include the CI penetration project, which was started immediately after the president took office, and the establishment of Basic Sustainability Policy, which was announced in February 2023. In these projects, young employees are taking the initiative and actively working across departments, which is having a positive effect on human resource development.

Reiko Nakayama × Yasuo Nishiguchi × Hiroshi Matsuhisa

One of the original outstanding features of our company is that it is a comfortable place for women to work, partly because the former president was also a woman. For example, employees can adjust their working hours for childcare and other reasons, and of course, there are small ingenuity everywhere in employee health management and the livability of the offices, washrooms, and cafeteria. Today, the number of women in management-level positions is increasing, and in terms of diversity and inclusion, we are ahead of the time.

Each department has always worked to create positive systems and frameworks. Looking back over the past two years, how do you both see the Company?

Nishiguchi: The president is young and has been involved in product development as a member of the development team. Compared to the previous president, who was a founding member, she has the advantage of being familiar to younger employees and easy to talk to. She also has the ability to see things logically and decide on a direction quickly. She will play a leading role in future reforms. As an engineer, she is expected to challenge new technologies and products for the future. The Company should not get caught up in precedents, but rather take a broad view of what the Company can do and aim higher along with its current strengths. I also see good cooperation among the management team in the discussions at the board meetings. I hope she will instill this culture in all employees.

Matsuhisa: Indeed, since the president is an engineer, employees in the development and engineering departments must feel secure in the knowledge that the president understands what they are doing and how they are doing it. In addition, the level of cooperation between departments, which has been a management policy for several years, seems to have improved. Another recent initiative is that administrative staff now dress more freely,

which I think is a good thing.

Nakayama: The showroom is a wonderful facility that contains not only our technology but also our charm. I want to make the most of it. We have conducted M&A. It seems that the Company has placed importance on the fact that there is an affinity in the philosophy of the products and technology. This is a very important perspective for expanding sales in Europe in the future.

Nishiguchi: I believe that the M&A of WEMO AUTOMATION AB is a good strategy from a long-term perspective. I expect that we will analyze our past efforts, formulate our next strategy, and more than adequately link this M&A to the growth of our company. To achieve this, we need to remove barriers between departments, promote organizational coordination and work with a sense of speed on what we need to do next.

Matsuhisa: I suggested at the Board of Directors that showrooms can be used in a variety of ways, including social and community contributions, recruitment activities, and shareholder relations, in addition to sales activities that allow customers to see our products.

For example, we could hold a plastics seminar and invite speakers from the industry and academic societies to talk about upcoming industry trends and new technologies. Since Kyoto has a geographical advantage, if we combine the seminar with sightseeing, it is possible that many people will attend the seminar. As for recruitment, the first step is to make students aware of the name YUSHIN. One way to do this would be to sponsor an idea contest for robot applications and a new robot hand mechanism contest. Holding robotics classes for elementary school students would also be a social contribution. Another idea is to do this in cooperation with outside organizations such as academic societies. There would be realistic sensation to do these things in the showroom.

External Directors' Perspective on YUSHIN's Challenges

Nakayama: Due to the nature of our business, even if a customer asks for something new today, we cannot produce a product immediately. We have to think about our strategy over a period of several years. On the other hand, if we are complacent, we might miss something. How do we think about that?

Nishiguchi: It is important to separate what should be considered long-term from what should be considered short-term. Sales and production are short-term tasks, but technological development is often done from a long-term perspective. On the other hand, even in sales, if you are thinking about sales methods that are different from the current ones, or about developing new customers, that is from a long-term perspective. If we do that, we can create a whole new market that we never thought of before.

Matsuhisa: We need to think in terms of creating our own market by demonstrating a challenging spirit, rather than thinking in terms of "good things sell themselves". In this regard, hiring and compensation are also urgent issues. We need to further strengthen our efforts to invest in human capital and actively recruit and train talented people.

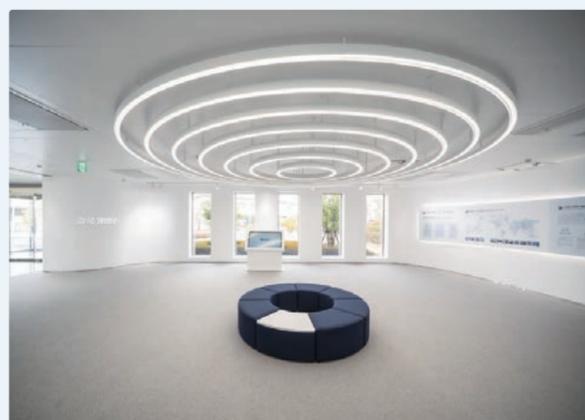
Nakayama: In terms of long-term technology development, how should we conduct joint research with universities and other companies?

Matsuhisa: We have been conducting joint research with universities on a variety of topics. It is important to strengthen our development team to actively promote this. We have also recently started an internship program. I hope we can improve such a system and build a good team.

Nakayama: In recent years, with the change in top management and many major events involving the entire company, we have been able to promote active discussion and exchange of opinions among all Directors at our Board



We need to remove barriers between departments, promote organizational coordination and work with a sense of speed on what we need to do next.



Showroom Opening

We have opened a showroom at the Technical Center near the headquarters to enable our customers and other stakeholders to experience our corporate attitude and comprehensive technological capabilities through the display of our products.

By communicating with customers while seeing our products in action, we will be able to make suggestions that better meet customer needs.

of Directors meetings. We recognize that management must be mindful of the cost of capital and the share price, but we believe that long-term sustainable management is more important than anything else in our business, which is subject to long cycles of boom and bust. I hope to address the current issues by implementing our business plan and strategy and explaining them to investors in a concrete and detailed manner, with the goal of achieving tangible results on a three-year cycle.

It does not appear that our company has been sufficiently appreciated by investors in the stock market for several years. There may be various reasons for this, such as size, volume, and shareholder composition, but I believe that the Company's reputation in the stock market will be

enhanced if the Company clearly presents its medium- to long-term business plan and future image of the Company, such as "what the Company will do by when, how much, and when". I have experience as an analyst, so I am giving my opinion that our company should promote a dialogue with investors about our aggressive strategy, such as the M&A we have done this year. With our new group company in Europe, our reputation in the market will also change if we successfully explain how we are going to pursue our European market expansion strategy, how much of the market we expect in the coming years, and what we need to do to achieve this goal.

Basic Views on Corporate Governance

The Company aims at achieving sustainable growth and maximizing the enterprise value for medium- and long- term under the management philosophy with obtaining credibility from all stakeholders surrounding us including shareholders.

We strive to strengthen corporate governance with the basic policy of following five items.

1. The Company respects the rights of shareholders and ensures equality, as well as strives to improve the environment for executing rights appropriately and protect rights.
2. The Company strives to sincerely cooperate with good sense with stakeholders excluding our shareholders.
3. The Company strives to ensure the transparency by appropriately making disclosure according to laws and regulations and voluntarily providing information excluding the disclosure.
4. The Board of Directors strives to execute its roles and duties appropriately for transparent/fair and flexible decision-making.
5. The Company strives to positively communicate with shareholders after sharing the direction of its stable growth for long-term.

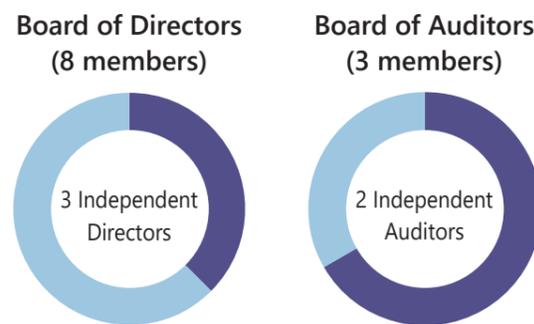
Ensuring Effectiveness of the Board of Directors and Board of Corporate Auditors

Under rapidly changing business environment and advancement of globalization, the Company appoints candidates of Directors with a focus on balance among knowledge, experience and expertise, diversity and global viewpoints. There are 8 Directors in the Board including External Directors at the moment. The Company will keep the Board in appropriate number to enable them to make quick-decision making with each of them providing their expertise and exchanging ideas.

External Directors and External Corporate Auditors who also serves for other companies are annually disclosed at “the Notice of Convocation for the General Meeting of Shareholders,” “Securities Report” and “Corporate Governance Report.”

In addition, in order to further improve the functions of the Board of Directors, an internal questionnaire was conducted to analyze and evaluate the effectiveness of the

Board of Directors as a whole, the results of which were analyzed and evaluated, and improvements are being made. The questionnaire conducted in January 2023 identified areas for improvement with regard to agenda setting and administrative structure, and improvements are being made sequentially.



The Nomination and Remuneration Committee

YUSHIN has the Nomination and Remuneration Committee as the advisory body for the Board of Directors to reinforce fairness, transparency, and objectivity of the procedure to nominate the board members, set the remunerations, and others. Yasuo Nishiguchi (External Director) chairs the committee where four members sit as of September 2023: Takayo Kotani (Representative Director and President), Hiroshi Matsuhisa (External Director), Reiko Nakayama (External Director), and Hiroho Kamakura (External Corporate Auditor), which makes five in total. The committee was held three times during FY2023 in which executive appointment and management personnel development plans were discussed.

The Board Members' Compensation System

YUSHIN board members' compensation system is aimed at improving motivation for improving performance and securing and retaining excellent human resources, for the sustainable growth and enhancement of competitiveness of YUSHIN. YUSHIN has decided a new policy for the board members' compensation at the board meeting held on March 7th, 2022. Nomination and Remuneration Committee accepted the consultations and approved the decision.

The outline

- Setting compensation standard in reference to industry standards.
- Strengthening efforts to improve mid-term performance and to drive up the stock price
- Improving objectivity and fairness in compensation deciding process.

The board members' compensation consists of monthly compensation (basic compensation), short-term performance bonuses, and mid-term performance bonuses and stock-price-linked bonuses.

Monthly compensation (basic compensation) is determined by the Representative Director and President, who is delegated by the Board of Directors, based on the evaluation of Directors determined through deliberation by the Nomination and Remuneration Committee within the monthly remuneration range (upper and lower limits) for each position. Short-term performance bonuses are determined by multiplying the base salary of the position by a performance coefficient based on the achievement of the consolidated Ordinary profit, and by reflecting the overall contribution of the Directors based on target management and qualitative assessment. The mid-term performance bonuses and stock-price-linked bonuses are decided by reflecting two coefficients - mid-term performance coefficient based on the growing rate of earning per share (EPS), and stock-price-linked coefficient based on the growing rate of the stock price.

The makeup of the compensation is determined by position with reference to the external standards of the companies in the same industry and of the same size as the Company (the total of short-term performance bonus and medium-term performance/stock-price-linked bonus is approximately 30%).

The compensation for External Directors and Auditors consists of fixed compensation (basic compensation). It is our policy not to pay performance-linked compensations in order to maintain independence in the conduct of business.

Directors	Internal	Basic Compensation	Short-Term Performance Bonus Mid-Term Performance Bonus Stock-Price-Linked Bonus
	External	Basic Compensation	
Auditors		Basic Compensation	

Sustainability Committee

In August 2022, YUSHIN established Sustainability Committee chaired by Representative Director and President. The purpose of this committee is to contribute to building a sustainable society and environment through our business activities and to enhance our corporate value through sustainable business development. In February 2023, YUSHIN decided on Sustainability Basic Policy and also announced the materiality we have identified.

Skills Matrix

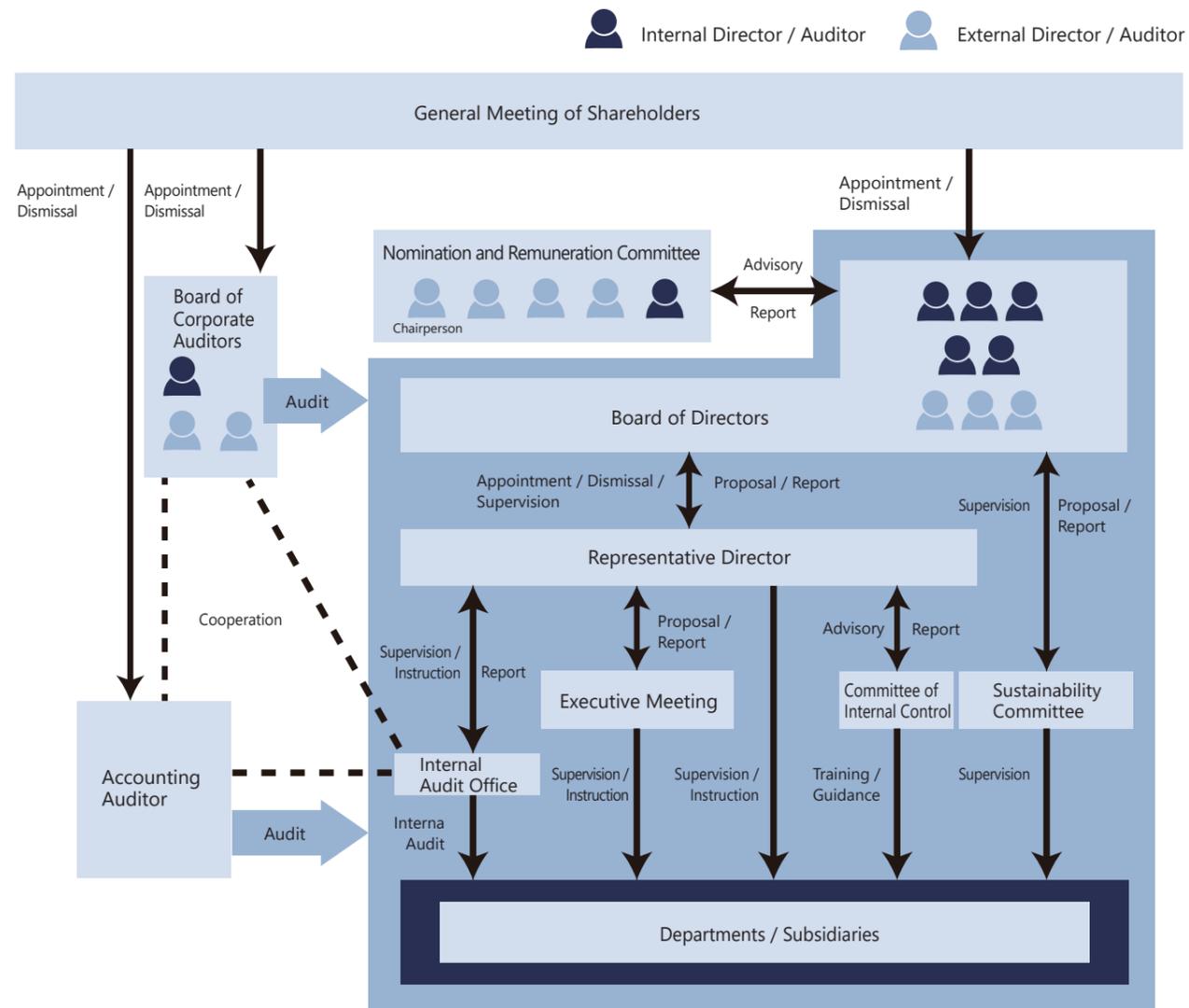
The Committee of Internal Control

In terms of internal control, the Committee of Internal Control plays a central role as an organization that promotes smooth and sophisticated internal control of the YUSHIN Group in accordance with the "Basic Policy for the Establishment and Operation of Internal Control".

The committee is chaired by Director Masahito Fukui. Department managers with extensive business experience are selected from each of the sales, purchasing, manufacturing, and administration divisions, who are appointed by the chairperson. The committee meets monthly to review the status and effectiveness of the Group's internal controls, and to discuss the establishment or revision of policies and rules and the effectiveness of risk controls. The committee also provides education and guidance on compliance, risk management, and information management to each division, department, and group company in cooperation with the Internal Audit Office and related departments.

Corporate Governance Structure

(as of the end of September, 2023)



In light of YUSHIN's management environment and business characteristics, and in order to achieve sustainable growth in the future, we have identified the skills (knowledge, experience, and ability) that our Board of Directors should possess in order to properly perform its decision-making and management oversight functions. The Company will continue to review the content of the experience and skills required for the Company's Board of Directors through dialogue with stakeholders.

The Company's Board of Directors is composed of members who ensure diversity in knowledge, experience, and skills. In order for the Board of Directors to make prompt and appropriate decisions and to realize a highly effective supervisory function, each Director and each Corporate Auditor will appropriately fulfill their roles and responsibilities.

Name	Position	Gender	Management	Development, Engineering, and Quality	Human resource Development and Sustainability	Sales and Marketing	Global	Finance and Accounting	IT and DX	Governance, Risk management and Compliance
Takayo Kotani	Representative Director and President	Female	✓	✓	✓		✓			✓
Kota Oda	Director and Executive Vice President	Male	✓		✓			✓	✓	✓
Yasushi Kitagawa	Executive Managing Director	Male	✓	✓			✓		✓	
Tomohiro Inano	Managing Director	Male	✓			✓	✓			
Masahito Fukui	Director	Male	✓				✓	✓	✓	
Yasuo Nishiguchi	External Director	Male	✓		✓	✓			✓	✓
Hiroshi Matsuhisa	External Director	Male		✓	✓				✓	
Reiko Nakayama	External Director	Female	✓					✓		✓
Katsumi Noda	Full-time Corporate Auditor	Male	✓	✓		✓				✓
Hiroho Kamakura	External Corporate Auditor	Male	✓					✓		✓
Tetsuya Nonaka	External Corporate Auditor	Male	✓							✓

This table shows the four primary skills of each personnel excluding "Management."
This table does not show all knowledge or experience of each director and auditor.

Directors, Auditors and Executive Officers

Nomination and Remuneration Committee

Representative Director and President

Takayo Kotani

Date of birth
August 26, 1977



Number of shares held:
1,968,532 shares

April 2008 Joined the Company
October 2008 Manager of R&D Section
April 2009 General Manager of R&D Department
April 2019 Executive Officer and General Manager of R&D Department
June 2019 Executive Officer and General Manager of R&D Division
June 2020 Managing Director and General Manager of R&D Division
October 2020 Director, Executive Vice President and General Manager of R&D Division
June 2021 Representative Director and President (to present)

Director and Executive Vice President
General Manager of Administration Division

Kota Oda

Date of birth
June 10, 1978



Number of shares held:
15,000 shares

October 2015 Joined the Company as General Manager of General Affairs Department
April 2019 Executive Officer and General Manager of General Affairs Department
June 2020 Director and General Manager of General Affairs Department
June 2021 Managing Director and General Manager of General Affairs Department
June 2022 Director and Executive Vice President and General Manager of Administration Division (to present)

External Independent Nomination and Remuneration Committee

External Director

Hiroshi Matsuhisa

Date of birth
August 5, 1947



Number of shares held:
15,000 shares

June 1976 Research Assistant of School of Precision Engineering in Faculty of Engineering at Kyoto University
October 1987 Assistant Professor
April 1994 Professor (transferred to graduate school of department of Mechanical Engineering and Science by a reorganization in 1995)
April 2012 Professor Emeritus at Kyoto University (to present)
June 2014 External Director of the Company (to present)
June 2016 Outside Corporate Auditor of Technology Seed Incubation Co., Ltd.
June 2018 Retired from Outside Corporate Auditor of Technology Seed Incubation Co., Ltd.

External Independent Nomination and Remuneration Committee

External Director

Reiko Nakayama

Date of birth
April 2, 1959



Number of shares held:
20,062 shares

April 1983 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.)
January 1997 Joined Marusan Securities Co., Ltd.
March 2000 General Manager of Investment Information
October 2004 General Manager of Underwriting
October 2008 Part-Time Director of LivTech, Inc.
February 2009 Director and Head of Administrative H.Q. of LivTech, Inc.
March 2013 Retired from the Office of Director of LivTech, Inc.
March 2015 Outside Director of LUCKLAND CO.,LTD
March 2016 Outside Director of LUCKLAND CO.,LTD (Audits Committee) (to present)
June 2018 External Director of the Company (to present)
June 2019 Outside Director of Mandom Corporation

Executive Managing Director
General Manager of Manufacturing Division and General Manager of Purchasing Division

Yasushi Kitagawa

Date of birth
August 12, 1958



Number of shares held:
11,000 shares

September 2007 Joined the Company
November 2007 Deputy General Manager of Manufacturing Division
April 2008 Deputy General Manager of Manufacturing Division and Quality Assurance Department
April 2009 Executive Officer, Deputy General Manager of Manufacturing Division and Quality Assurance Department
August 2009 Executive Officer, General Manager of Manufacturing Division and Quality Assurance Department
June 2010 Director and General Manager of Manufacturing Division and Quality Assurance Department
June 2013 Managing Director and General Manager of Manufacturing Division and Quality Assurance Department
June 2017 Executive Managing Director and General Manager of Manufacturing Division and Quality Assurance Department
July 2020 Executive Managing Director and General Manager of Manufacturing Division
June 2021 Executive Managing Director and General Manager of Manufacturing Division and General Manager of Purchase Division (to present)

Managing Director
General Manager of Sales Division

Tomohiro Inano

Date of birth
December 13, 1962



Number of shares held:
10,400 shares

June 1989 Joined the Company
August 2005 General Manager of YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.
April 2008 General Manager of Chinese Area and YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.
July 2009 Assistant to General Manager of Sales Division
February 2010 Deputy General Manager of Sales Division
March 2011 General Manager of Sales Division
March 2014 Executive Officer and General Manager of Sales Division
June 2017 Director and General Manager of Sales Division
June 2022 Managing Director and General Manager of Sales Division (to present)

Full-time Corporate Auditor

Katsumi Noda

Date of birth
October 19, 1959



Number of shares held:
9,014 shares

April 1982 Joined the Company
March 1999 Manager of Manufacturing Section 3
December 2001 Manager of Sales Engineering Department
April 2005 Manager of System Engineering Department
October 2010 General Manager of System Engineering Department
October 2019 Mandatory Retired
June 2020 Full-time Corporate Auditor of the Company (to present)

External Independent Nomination and Remuneration Committee

External Corporate Auditor

Hiroho Kamakura

Date of birth
January 27, 1947



Number of shares held:
10,500 shares

November 1971 Joined Tohmatsu Aoki & Co. (currently "Deloitte Touche Tohmatsu LLC")
May 1973 Registered as CPA
June 2012 Resigned from Deloitte Touche Tohmatsu LLC
July 2012 External Corporate Auditor of the Company (to present)
Outside Corporate Auditor of Trusco Nakayama Corporation (to present)
March 2013 Outside Corporate Auditor of FUJIO FOOD SYSTEM CO., LTD. (currently "FUJIO FOOD GROUP INC.") (to present)
February 2018 Outside Corporate Auditor of SymEnergy Inc. (to present)

Director and Corporate Management

Masahito Fukui

Date of birth
June 30, 1960



Number of shares held:
5,000 shares

October 2013 Joined the Company as General Manager of Internal Audit Office
July 2015 General Manager of Accounting Department
April 2017 Executive Officer and General Manager of Corporate Management Department and General Manager of Accounting Department
April 2020 Executive Officer and General Manager of Corporate Management Department
June 2020 Director and General Manager of Corporate Management Department
June 2022 Director and Corporate Management (to present)

External Independent Chairperson of Nomination and Remuneration Committee

External Director

Yasuo Nishiguchi

Date of birth
October 9, 1943



Number of shares held:
56,000 shares

March 1975 Joined Kyoto Ceramic Co., Ltd. (currently KYOCERA Corporation)
June 1987 Director
June 1992 Senior Managing Director and Representative Director
June 1997 Executive Vice president and Representative Director
June 1999 President and Representative Director
June 2003 President and Representative Director and President and Executive Officer
June 2005 Chairman of the Board and Representative Director, and Chief Executive Officer
April 2006 Advisor and Director
June 2009 Retired from the office of Director
June 2014 External Director of the Company (to present)
March 2015 Chairman and CEO of Socionext Inc.
June 2016 Outside Director of YAMADA Consulting Group Co., Ltd.
March 2018 Retired from Chairman and CEO of Socionext Inc.
April 2020 Chairman of YAMADA Consulting Group Co., Ltd. (to present)

External Independent

External Corporate Auditor

Tetsuya Nonaka

Date of birth
September 25, 1976



Number of shares held:
- shares

October 2004 Registered as attorney
October 2004 Joined Naniwabashi Law Office (currently "Naniwabashi Law Office LPC")
June 2022 Outside Corporate Auditor of TOYO SHUTTER CO., LTD. (to present)
April 2023 External Corporate Auditor of the Company (to present)
June 2023 Senior Partner of Naniwabashi Law Office LPC (to present)

NOTE: The number of shares is as of March 31, 2023

Miki Murata

Executive Officer
General Manager of Corporate Planning Office

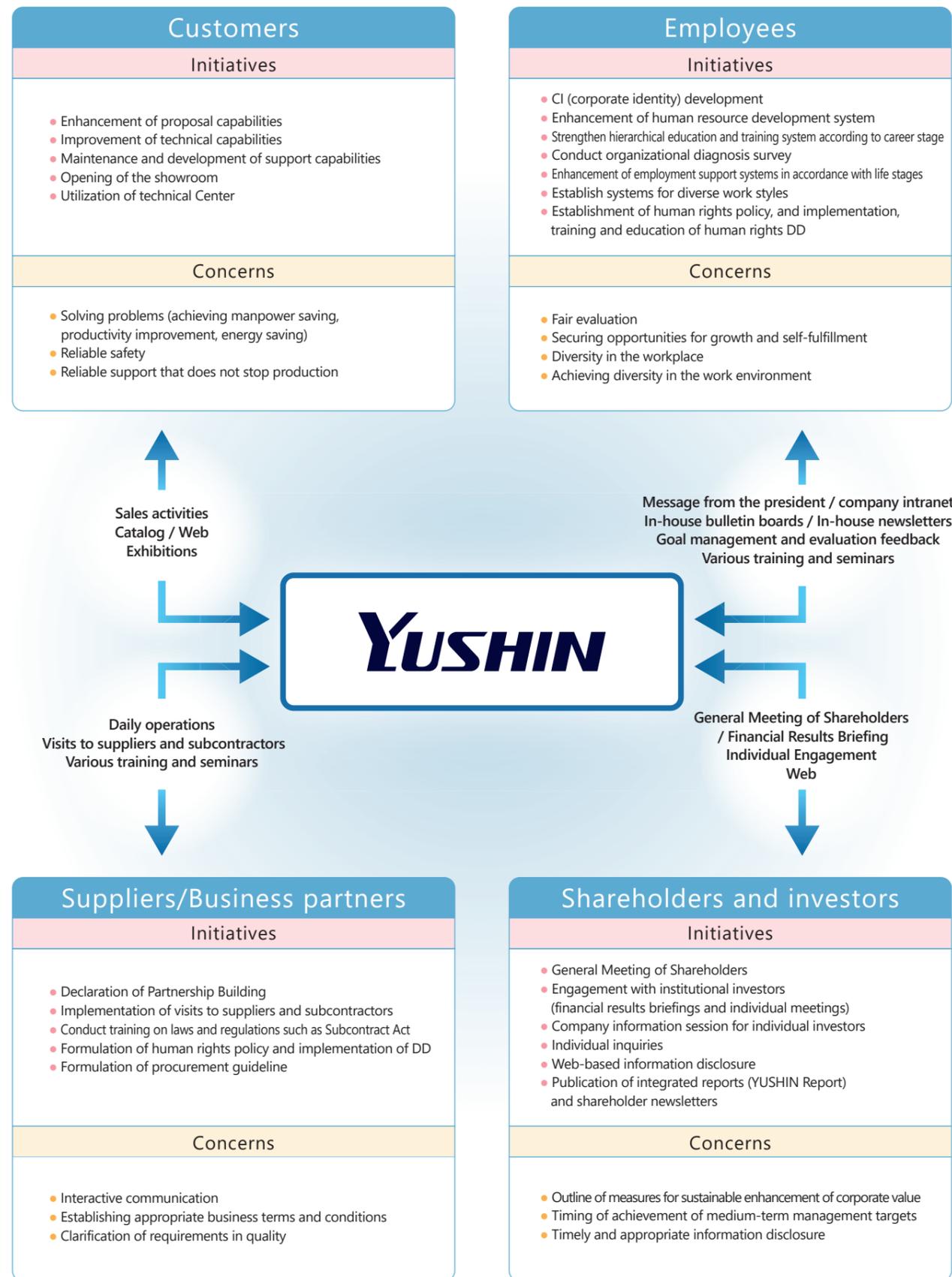
Naoki Tsuji

Executive Officer
General Manager of Palletizing Robot Sales Dept., and Public Relations Office

Mitsuharu Hamahata

Executive Officer
General Manager of R&D Division, Electric & Program Dept., and Technical Documentation Sec.

Dialogue and Engagement with Stakeholders



Data Collection

Financial Information

Key Indicators

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	17,909	17,799	21,148	19,346		20,878	21,833	20,011	18,473	20,874	22,373
Gross profit	7,640	7,277	8,442	7,666		8,461	8,741	8,020	7,875	8,991	9,573
Gross profit to net sales	42.7%	40.9%	39.9%	39.6%		40.5%	40.0%	40.1%	42.6%	43.1%	42.8%
Operating profit	2,792	2,304	3,086	2,112		2,358	2,760	2,309	2,522	2,890	2,639
Operating profit to net sales	15.6%	12.9%	14.6%	10.9%		11.3%	12.6%	11.5%	13.7%	13.8%	11.8%
Ordinary profit	3,095	2,542	2,921	2,058		2,432	2,791	2,205	2,608	3,085	2,787
Ordinary profit to net sales	17.3%	14.3%	13.8%	10.6%		11.7%	12.8%	11.0%	14.1%	14.8%	12.5%
Profit attributable to owners of parent	1,893	1,683	1,908	1,380		1,626	1,903	1,532	1,827	2,112	1,922
Profit attributable to owners of parent to net sales	10.6%	9.5%	9.0%	7.1%		7.8%	8.7%	7.7%	9.9%	10.1%	8.6%

Total assets	26,252	29,463	29,409	30,761		32,572	33,197	31,933	34,649	36,892	40,843
Return on assets	7.6%	6.0%	6.5%	4.6%		5.1%	5.8%	4.7%	5.5%	5.9%	4.9%
Interest-bearing debt	-	-	-	-		-	-	-	-	-	-
Net assets	21,875	23,970	24,715	25,451		26,472	27,117	27,471	29,171	31,047	32,586
Equity ratio	82.9%	80.6%	83.3%	82.1%		80.6%	80.9%	85.3%	83.5%	83.5%	79.0%
Return on equity	9.1%	7.4%	7.9%	5.5%		6.3%	7.2%	5.7%	6.5%	7.1%	6.1%

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Cash flows from operating activities	2,575	2,104	2,218	1,626		1,223	2,291	3,558	3,487	2,083	4,605
Cash flows from investing activities	(2,389)	(256)	(5,105)	(471)		(2,511)	(61)	(1,475)	(1,987)	(1,341)	(299)
Cash flows from financing activities	(569)	(560)	(677)	(678)		(659)	(1,316)	(946)	(561)	(763)	(695)
Cash and cash equivalents at end of period	7,506	9,089	5,297	5,690		3,763	4,669	5,652	6,846	7,055	10,815

Capital investment	1,924	682	4,754	546		652	256	198	125	846	319
Depreciation	282	277	268	474		924	778	703	643	585	521
R&D expenses	448	472	510	619		598	413	369	347	367	399

No. of shares issued (1,000 shares)	17,819	17,819	17,819	17,819		17,819	35,638	35,638	35,638	35,638	35,638
No. of treasury shares (1,000 shares)	330	330	331	331		331	1,333	1,602	1,602	1,602	1,603
Earnings per share (yen)	108.24	96.26	109.14	78.93		93.03	54.54	45.01	53.70	62.06	56.50
Book value per share (yen)	1,243.88	1,357.36	1,401.54	1,444.38		1,500.75	783.03	800.04	850.14	904.77	948.36
Dividends per share (yen)	30	30	36	36		33	17	18	18	19	30
Dividend payout ratio	27.7%	31.2%	33.0%	45.6%		35.5%	30.9%	40.0%	33.5%	30.6%	53.1%

Employees (persons)	589	601	636	663		683	683	689	681	692	715
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Financial Information

Consolidated Balance Sheets (Fiscal Year-End)

	(Millions of yen)				
	FY2019	FY2020	FY2021	FY2022	FY2023
ASSETS					
Current assets					
Cash and deposits	6,362	8,646	11,690	12,404	16,169
Notes and accounts receivable - trade	6,844	5,410	5,563	5,905	5,471
Merchandise and finished goods	717	772	1,007	1,074	1,288
Work in process	1,696	1,120	987	1,203	1,338
Raw materials and supplies	3,619	3,165	2,987	3,571	3,760
Consumption taxes receivable	34	19	71	87	87
Other	707	276	236	261	533
Allowance for doubtful accounts	(18)	(19)	(36)	(7)	(10)
Total current assets	19,964	19,391	22,509	24,500	28,638
Non-current assets					
Property, plant and equipment					
Buildings and structures, net	4,995	4,554	4,166	3,849	3,609
Machinery, equipment and vehicles, net	147	137	116	119	150
Land	6,130	6,107	6,129	6,812	6,821
Construction in progress	8	10	22	12	34
Other, net	126	96	97	132	130
Total property, plant and equipment	11,408	10,905	10,531	10,926	10,746
Intangible assets					
Other	429	358	254	186	192
Total intangible assets	429	358	254	186	192
Investments and other assets					
Investment securities	218	159	285	263	307
Retirement benefit asset	294	285	257	264	215
Deferred tax assets	705	658	621	647	649
Other	196	193	209	181	141
Allowance for doubtful accounts	(19)	(20)	(20)	(78)	(49)
Total investments and other assets	1,394	1,277	1,353	1,279	1,265
Total non-current assets	13,232	12,541	12,139	12,392	12,204
Total assets	33,197	31,933	34,649	36,892	40,843

	(Millions of yen)				
	FY2019	FY2020	FY2021	FY2022	FY2023
LIABILITIES					
Current liabilities					
Notes and accounts payable - trade	1,331	895	1,933	1,710	1,733
Electronically recorded obligations - operating	1,035	803	839	935	890
Accounts payable - other	492	418	542	519	586
Income taxes payable	523	137	400	560	275
Advances received	1,755	1,270	789	1,162	3,721
Provision for bonuses	273	267	282	300	310
Provision for bonuses for directors	37	23	42	32	29
Provision for product warranties	147	178	162	137	256
Other	262	256	328	310	210
Total current liabilities	5,860	4,250	5,321	5,668	8,012
Non-current liabilities					
Provision for retirement benefits for directors	66	66	-	-	-
Retirement benefit liability	65	62	87	100	164
Deferred tax liabilities	37	34	23	24	6
Other	49	46	43	51	73
Total noncurrent liabilities	219	210	155	176	244
Total liabilities	6,079	4,461	5,477	5,845	8,256
NET ASSETS					
Shareholders' equity					
Share capital	1,985	1,985	1,985	1,985	1,985
Capital surplus	2,023	2,023	2,024	2,024	2,024
Retained earnings	23,579	24,531	25,848	27,212	28,454
Treasury shares	(1,039)	(1,355)	(1,355)	(1,355)	(1,355)
Total shareholders' equity	26,549	27,185	28,503	29,866	31,108
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	56	16	103	88	118
Foreign currency translation adjustment	184	(34)	290	796	1,043
Remeasurements of defined benefit plans	69	62	37	41	5
Total accumulated other comprehensive income	311	44	431	927	1,168
Non-controlling interests	256	242	236	253	309
Total net assets	27,117	27,471	29,171	31,047	32,586
Total liabilities and net assets	33,197	31,933	34,649	36,892	40,843

Financial Information

Consolidated Statements of Income

	(Millions of yen)				
	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	21,833	20,011	18,473	20,874	22,373
Cost of sales	13,092	11,991	10,598	11,883	12,799
Cost to net sales	60.0%	59.9%	57.4%	56.9%	57.2%
Gross profit	8,741	8,020	7,875	8,991	9,573
Gross profit to net sales	40.0%	40.1%	42.6%	43.1%	42.8%
Selling, general and administrative expenses	5,980	5,710	5,353	6,100	6,934
Operating profit	2,760	2,309	2,522	2,890	2,639
Operating profit to net sales	12.6%	11.5%	13.7%	13.8%	11.8%
Non-operating income					
Interest income	5	6	6	6	6
Dividend income	5	6	5	6	8
Purchase discounts	13	10	6	7	8
Foreign exchange gains	-	-	34	96	99
Subsidy income	49	-	15	-	-
Other	36	22	19	78	27
Total non-operating income	109	46	88	195	150
Non-operating expenses					
Sales discounts	1	1	0	-	-
Foreign exchange losses	77	147	-	-	-
Other	0	1	0	1	3
Total non-operating expenses	79	150	1	1	3
Ordinary profit	2,791	2,205	2,608	3,085	2,787
Ordinary profit to net sales	12.8%	11.0%	14.1%	14.8%	12.5%
Extraordinary income					
Gain on sales of non-current assets	2	5	1	1	7
Gain on sales of investment securities	-	-	-	-	-
Total extraordinary income	2	5	1	1	7
Extraordinary losses					
Loss on sales and retirement of non-current assets	9	1	0	0	25
Other	0	1	-	-	-
Total extraordinary losses	10	2	0	0	25
Profit before income taxes	2,783	2,208	2,610	3,086	2,769
Total income taxes	819	629	752	952	790
Profit	1,963	1,579	1,857	2,133	1,978
Profit attributable to non-controlling interests	60	46	29	21	55
Profit attributable to owners of parent	1,903	1,532	1,827	2,112	1,922
Profit attributable to owners of parent to net sales	8.7%	7.7%	9.9%	10.1%	8.6%

Order, Backlog and Sales

	(Millions of yen)				
	FY2019	FY2020	FY2021	FY2022	FY2023
Order received by product					
Take-out robots	15,549	11,885	12,785	14,402	14,519
Custom-ordered equipment	3,679	2,997	2,784	3,910	8,444
Parts & maintenance services	3,418	3,168	3,145	3,519	3,806
Total	22,647	18,051	18,715	21,832	26,770
Backlog of orders by product					
Take-out robots	3,004	2,120	3,000	3,120	3,485
Custom-ordered equipment	3,120	2,061	1,423	2,209	6,247
Parts & maintenance services	225	208	207	259	253
Total	6,350	4,390	4,631	5,589	9,986
Sales by product					
Take-out robots	15,512	12,770	11,904	14,282	14,154
Custom-ordered equipment	2,880	4,056	3,422	3,124	4,406
Parts & maintenance services	3,440	3,185	3,147	3,467	3,812
Total	21,833	20,011	18,473	20,874	22,373
Sales by region					
Japan	9,304	8,159	6,936	8,262	8,851
China & Taiwan	2,816	2,395	2,753	3,318	2,799
Other Asia	4,876	3,504	3,032	3,622	4,060
Europe	939	2,079	1,782	1,075	1,333
North America	3,233	3,343	3,375	4,103	4,674
Others	663	527	593	492	653
Total	21,833	20,011	18,473	20,874	22,373
Sales by end-user categories					
Mobility ^{*1}	6,724	5,792	4,247	5,582	5,875
Medical ^{*1}	2,705	4,303	4,878	3,633	4,366
Electronics ^{*1}	3,698	3,617	3,305	4,653	5,444
Electrical appliance	3,195	2,110	1,653	1,873	1,782
Sundry products	2,229	1,966	1,764	2,471	2,298
Containers	1,916	1,276	1,496	1,350	1,314
Discs and optical instruments ^{*2}	704	465	624	650	-
Others	657	478	501	657	1,291
Total	21,833	20,011	18,473	20,874	22,373

^{*1} "Automotive", "Electronic parts", and "Medical products" have been renamed "Mobility", "Electronics", and "Medical" respectively.

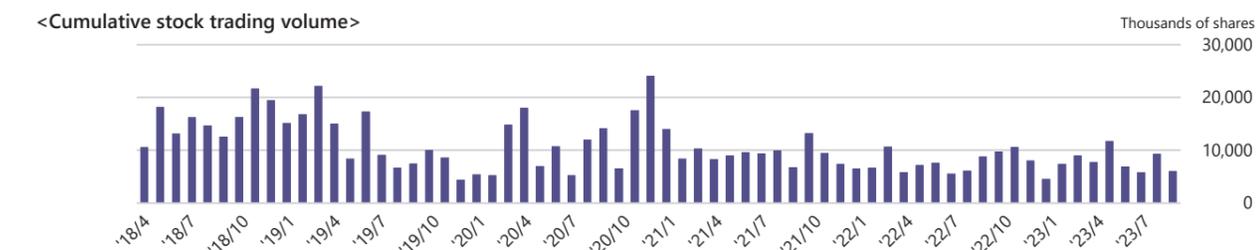
^{*2} "Discs and optical instruments" has been merged with "Electronics."

Stock Information

Stock Information

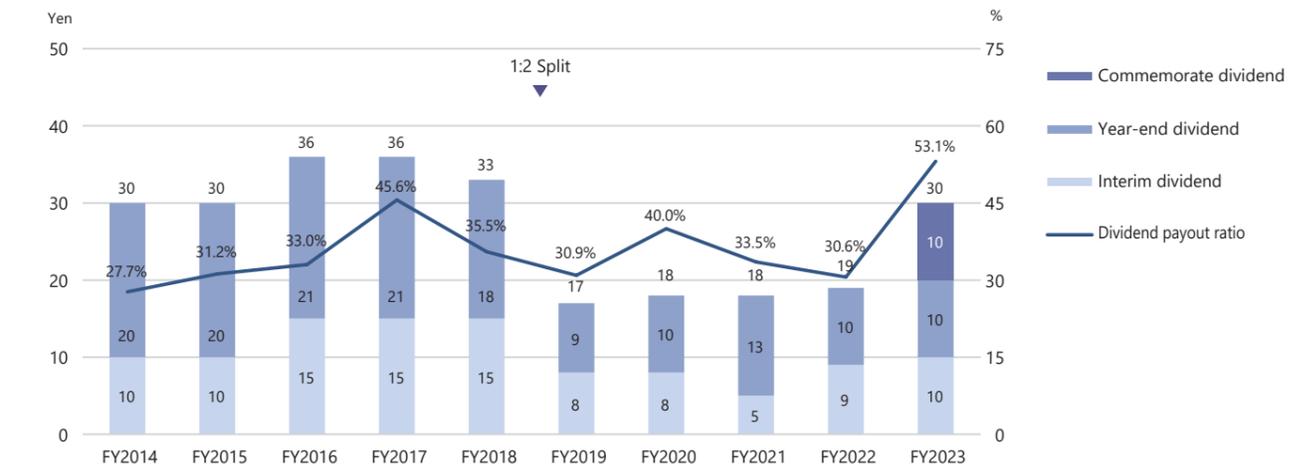
	FY2019	FY2020	FY2021	FY2022	FY2023
No. of shares issued (Shares)	35,638,066	35,638,066	35,638,066	35,638,066	35,638,066
No. of treasury shares (Shares)	1,333,548	1,602,454	1,602,518	1,602,804	1,603,076
No. of shareholders (Persons)	4,307	4,348	4,320	5,316	6,624
Cash dividends (Yen)	17	18	18	19	30
Dividend payout ratio	30.9%	40.0%	33.5%	30.6%	53.1%

Stock Price and Volume Trends



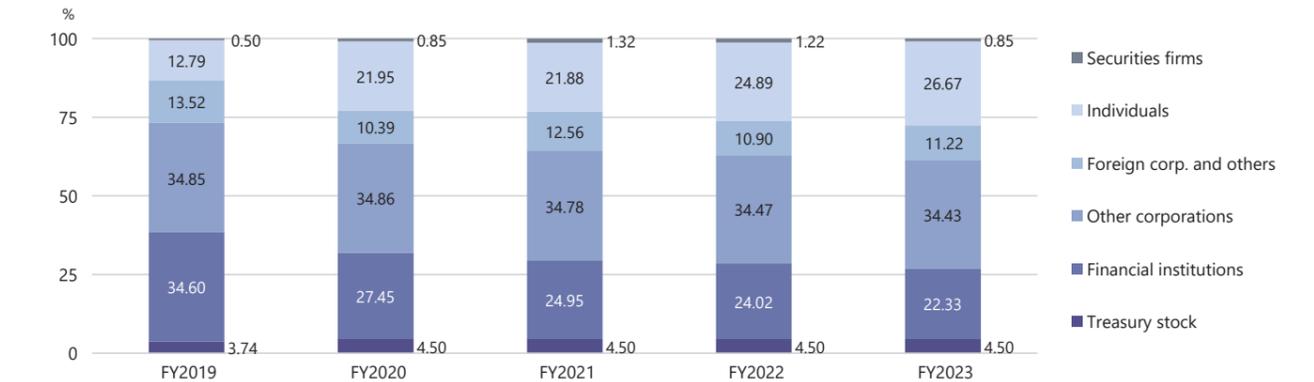
	FY2019	FY2020	FY2021	FY2022	FY2023
Highest price (Yen)	1,734	1,258	1,037	933	768
Lowest price (Yen)	774	645	593	641	623
Closing price (Yen)	1,005	673	891	672	759
Total market value of shares (Millions of yen)	35,816	23,984	31,754	23,949	27,049
Cumulative stock trading volume (1,000 shares)	19,684	11,242	14,810	10,683	9,048
Dividend yield	1.7%	2.7%	2.0%	2.8%	4.0%
Price earnings ratio<PER>	18.43	14.95	16.59	10.83	13.43
Price book-value ratio<PBR>	1.28	0.84	1.05	0.74	0.80

Dividends per Share ^{*1}



*1 The figures in the table show the actual dividend amount.

Distribution of Stockholders



Major Shareholders^{*2, *3}

Shareholder's name	No. of shares held (Thousands)	Percentage of shares held (%)
Yushin Industry Co., Ltd.	11,992	35.2
"The Master Trust Bank of Japan, Ltd.(Trust Account)"	2,592	7.6
Takayo Kotani	1,968	5.8
Miki Murata	1,847	5.4
Custody Bank of Japan, Ltd. (Trust Accounts)	1,253	3.7
The Kyoto Chuo Shinkin Bank, Ltd.	1,088	3.2
Mayumi Kotani	968	2.8
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	862	2.5
MUFG Bank, Ltd.	849	2.5
STATE STREET BANK AND TRUST COMPANY 505001	832	2.4

*2 As of March 31, 2023

*3 Excluding 1,603,076 of treasury stock from the above table.

Global Network (as of September 30, 2023)

With the widest global network in the industry, we deliver the best service to the customers' plant in the world.



USA



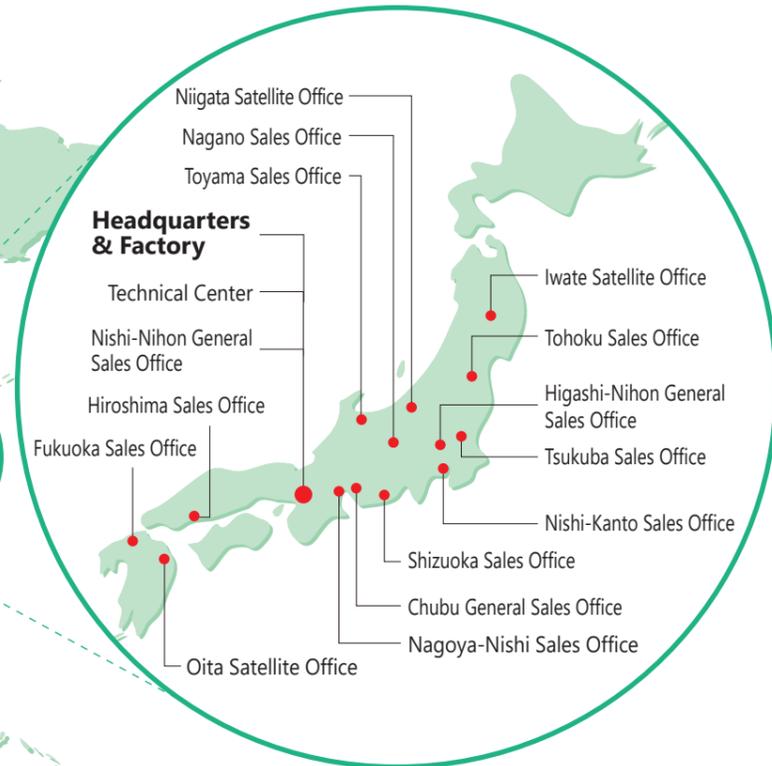
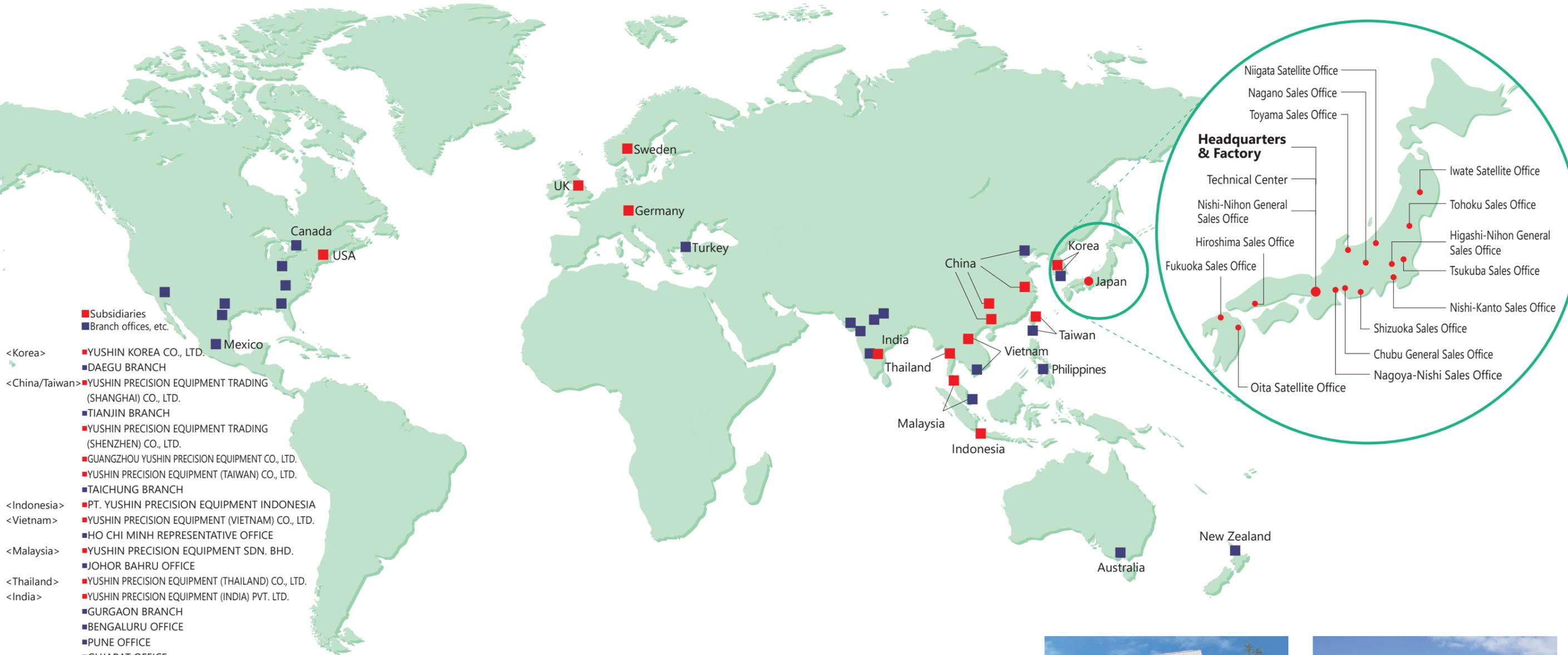
UK



Sweden **WEMO.**



Korea



- Subsidiaries
- Branch offices, etc.
- <Korea>
 - YUSHIN KOREA CO., LTD.
 - DAEGU BRANCH
- <China/Taiwan>
 - YUSHIN PRECISION EQUIPMENT TRADING (SHANGHAI) CO., LTD.
 - TIANJIN BRANCH
 - YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.
 - GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.
 - YUSHIN PRECISION EQUIPMENT (TAIWAN) CO., LTD.
 - TAICHUNG BRANCH
- <Indonesia>
 - PT. YUSHIN PRECISION EQUIPMENT INDONESIA
- <Vietnam>
 - YUSHIN PRECISION EQUIPMENT (VIETNAM) CO., LTD.
 - HO CHI MINH REPRESENTATIVE OFFICE
- <Malaysia>
 - YUSHIN PRECISION EQUIPMENT SDN. BHD.
 - JOHOR BAHRU OFFICE
- <Thailand>
 - YUSHIN PRECISION EQUIPMENT (THAILAND) CO., LTD.
- <India>
 - YUSHIN PRECISION EQUIPMENT (INDIA) PVT. LTD.
 - GURGAON BRANCH
 - BENGALURU OFFICE
 - PUNE OFFICE
 - GUJARAT OFFICE
 - HARIDWAR OFFICE
- <Germany>
 - YUSHIN EUROPE GMBH
- <UK>
 - YUSHIN AUTOMATION LTD.
- <USA>
 - YUSHIN AMERICA, INC.
 - NORTH CAROLINA OFFICE
 - GEORGIA OFFICE
 - OHIO OFFICE
 - TEXAS NORTH OFFICE
 - TEXAS OFFICE
 - CALIFORNIA OFFICE
- <Mexico>
 - MEXICO BRANCH

- <Philippines>
 - YUSHIN PRECISION EQUIPMENT CO., LTD. PHILIPPINES REPRESENTATIVE OFFICE
- <Sweden>
 - WEMO AUTOMATION AB **WEMO.**
 - Sole Agent
- <New Zealand>
 - TASMAN MACHINERY LTD.
- <Australia>
 - TASMAN MACHINERY PTY LTD.
- <Turkey>
 - TEKKAN PLASTIK SAN. ve TIC. A.S.
- <Canada>
 - EN-PLAS, INC.

YUSHIN PRECISION EQUIPMENT CO., LTD.

- Headquarters & Factory
555 Kuzetonoshiro-cho, Minami-ku, Kyoto, Japan 612-8205
- Technical Center
487 Kuzetsukiyama-cho, Minami-ku, Kyoto, Japan 601-8203



Headquarters & Factory



Technical Center

Corporate Information

Company name	YUSHIN PRECISION EQUIPMENT CO., LTD.	
President	Takayo Kotani	
Address	555 Kuzetonoshiro-cho, Minami-ku, Kyoto, 601-8205 JAPAN	
Established	October, 1973	
Capital	1,985.66 million yen	
No. of employees	715 persons <as of March 31, 2023>	
No. of shares issued	35,638 thousand shares	
Securities code	TSE Standard 6482	
Fiscal year	From April 1 to March 31 of the following year	
AGM	June	
Business description	Development, manufacture and sale of Cartesian robots and other industrial equipment and systems for factory automation.	
Main products	Take-out robots for injection-molded plastic products, automated stock systems and labor-saving automation equipment.	
Directors & Auditors <as of September 30, 2023>	Representative Director and President	Takayo Kotani
	Director and Executive Vice President	Kota Oda
	Executive Managing Director	Yasushi Kitagawa
	Managing Director	Tomohiro Inano
	Director	Masahito Fukui
	External Director	Yasuo Nishiguchi
	External Director	Hiroshi Matsuhisa
	External Director	Reiko Nakayama
	Full-time Corporate Auditor	Katsumi Noda
	External Corporate Auditor	Hiroho Kamakura
	External Corporate Auditor	Tetsuya Nonaka