



YUSHIN Report

**2024**

Integrated Report  
Year Ended March, 2024

**YUSHIN PRECISION EQUIPMENT CO., LTD.**

The company name (trade name) will change to Yushin Company as of April 1, 2025.

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[www.yushin.com](http://www.yushin.com)

2024.11



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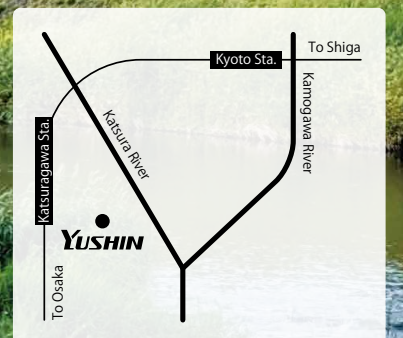
The impossible is the starting point for innovation.

Susumu Kotani, YUSHIN's Founder

As of April 2025, YUSHIN PRECISION EQUIPMENT CO., LTD. will become

## Yushin Company

We will take a new step forward with our global colleagues,  
carrying on the founder's desire to "become a trustworthy company."





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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, 2024 (April 1, 2023 to March 31, 2024). Some of the contents include information outside of this period.
Scope of report	This report covers YUSHIN PRECISION EQUIPMENT CO., LTD. and its 14 consolidated subsidiaries.
Notes on the forecast and outlook	The forecasts and outlooks contained in this YUSHIN Report 2024 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 2024.

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 2024" newly includes a growth story for the next 50 years, interviews with a subsidiary company executive, a dialogue between institutional investors and an External Director, and a roundtable discussion with employees.

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

Our business philosophy at Yushin is based on respect for people. It tells us to:

- Act fairly and judiciously with all our "strength, wisdom and courage" to remain always a trusted partner for our stakeholders.
- Look outward far and wide, constantly seek technological innovation and give back to society for all it has given us.
- Work cooperatively with our group members so that we grow as a company, contribute to a better world, and seek well-being in our lives.

(Revised October 2024)

Motto

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

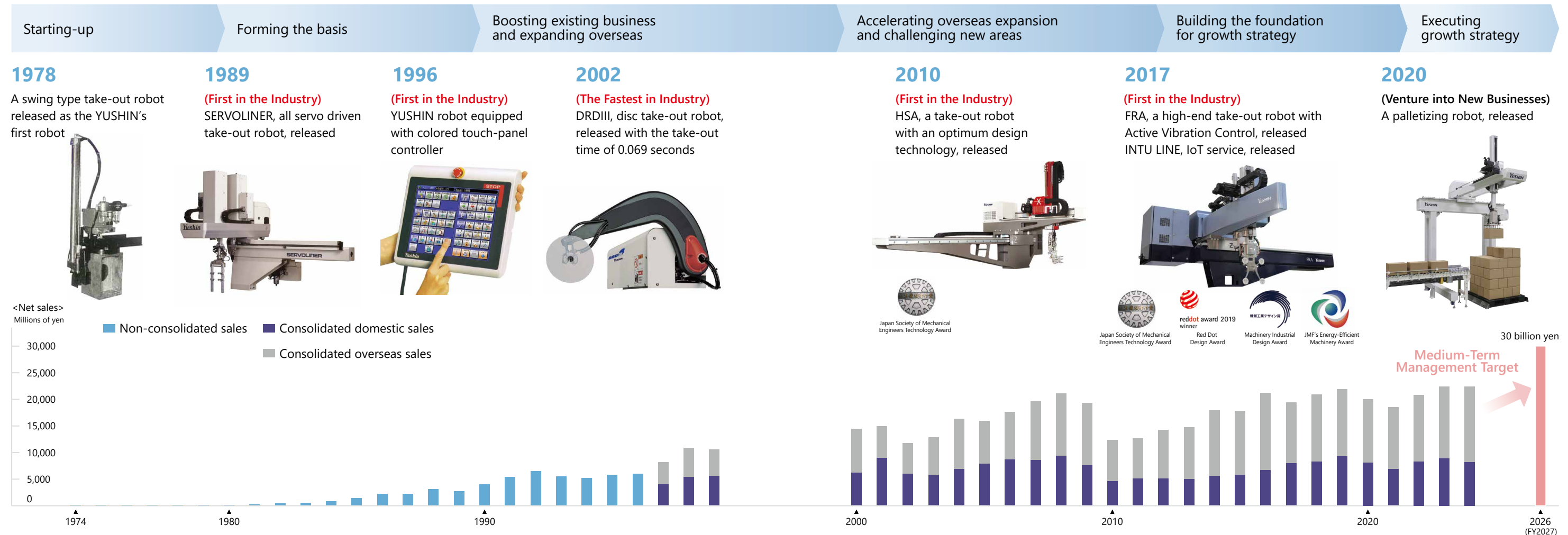
# History of Value-Creation

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】

We celebrated our 50th anniversary in October 2023. We created our 50th anniversary commemorative logo to express 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 our 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.



# YUSHIN Robots Contribute to Factory Automation

YUSHIN robots bring peace of mind and safety to customers' factories around the world, and by supporting manufacturing that is highly productive and has a low environmental impact, we are contributing to the creation of a sustainable society.

You can watch videos of YUSHIN robots here  
**YushinChannel**



## Take-out robots

These are YUSHIN's main products. They safely, quickly and accurately take out the molded products made by plastic injection molding machines.

## Automation equipment (custom-ordered equipment)

This equipment boxes. We also provide equipment that automates various processes before and after the taking out of molded products, such as stock, gate cutting, insertion and camera inspection. The need for productivity improvement and addressing the shortage of manpower is increasing year by year.

## Palletizing robots

This robot stacks cardboard boxes and bags containing products onto pallets in the shipping area of a factory. It is also used in industries other than plastic molding, such as the food industry.

# Top Message

***We will strengthen our system and organization to provide  
“products and services that delight our customers”  
and work together with our stakeholders to open up the future.***

## The Aim of the Planned Company Name Change in April 2025

Our company was established with the name “YUSHIN PRECISION EQUIPMENT” based on the founder’s desire to “become a trustworthy company,” and this name has been used to the present day. In order to carry on this desire, improve our brand power globally, and aim for sustainable growth and medium- to long-term improvement in corporate value, we have decided to change our company name (trade name) to “Yushin Company” from April 2025. The word “Company” has the meaning of “companion” and expresses our desire to grow as a trustworthy company together with our diverse colleagues working globally.

In 2023, we celebrated the 50th anniversary and we have taken a new step forward towards the next 50 years. Specifically, we are strengthening our R&D-oriented fab-light (minimum production facilities) management, which is one of our strengths, implementing a human resources investment strategy that will open up the next generation, and strengthening our sustainability management with a focus on identified materiality. We also did our first M&A to accelerate global expansion. We will continue to develop products that will delight our customers and provide value to society as a company that works as one team to do work that we can be proud of on the world stage, while working hard together with good colleagues under our new company name (trade name).

## Previous Period Results and Current Period Forecast

Consolidated Net sales for the fiscal year ended March 2024 were 23.6 billion yen, up 5.6% from the previous period, which was the highest ever. This was due to an increase in sales in Europe, which was the result of the impact of WEMO Automation AB (WEMO), which became a subsidiary, and large orders for custom-ordered equipment for medical-related products, despite a decrease in sales in Japan and Asia. Operating profit was down 7.7% to 2.4 billion yen (operating profit margin 10.3%) due to aggressive investment in human capital despite the rise in raw material prices. Profit attributable to owners of parent was down 12.0% to 1.6 billion yen.

Consolidated Net sales for the fiscal year ending March 2025 are expected to increase by 8.0% year-on-year to 25.5 billion yen, and we are on track to achieve record sales for the consecutive year. Although there is still some uncertainty in the Asian market, particularly in China, there is a steady flow of inquiries for custom-ordered equipment in Japan, and we are looking forward to expanding our market in Europe through WEMO and increasing sales of custom-ordered equipment for medical-related applications. In addition, we are promoting full-scale sales of palletizing robots from 2020, and we have launched a series of new models in 2023 and 2024, while also strengthening our internal systems. This demand is driven by the need to automate production sites against a backdrop of labor shortages, and the demand is expected to remain firm in the future. In addition, we expect sales of parts and maintenance services to grow steadily as the cumulative number of robots delivered increases.

Meanwhile, we expect Operating profit to increase by 6.7% year-on-year to 2.6 billion yen (operating profit margin 10.1%) as the effects of increased sales and other factors offset the effects of continued increases in material costs and the human capital investment for medium to long-term growth.

# YUSHIN



Representative Director and President,  
Ph.D. in Engineering

**Takayo Kotani**



## Medium- to Long-Term Management Plan with New Timeline

Our medium- to long-term management targets are to achieve consolidated Net sales of 30 billion yen, Ordinary profit ratio of 15% or more, and ROE of 8% or more. We have set the target date for achieving the consolidated Net sales target to be the fiscal year ending March 2027. For many years, it has been a challenge to develop our business in Europe, and the acquisition of WEMO in Sweden in May 2023 has provided a strong foundation for developing our sales in the European market. In Japan, North America and Asia, where we have been working to expand sales, we expect the need for automation to continue to grow against a backdrop of labor shortages in the manufacturing industry. In Japan in particular, we expect demand for palletizing robots to continue to grow steadily against a backdrop of worsening labor shortages and logistics issues. In light of this situation, we have judged that the likelihood of achieving consolidated Net sales of 30 billion yen has increased, and have set a new timeline.

To achieve this, and to continue to grow, it is important to strengthen our human capital. We are working on the ongoing dissemination of our Corporate Identity (CI) as

a guideline for our employees, and are reviewing our HR and training systems. Developing human resources is not an overnight process, but we are taking steps to build an organization that can grow steadily over the medium to long term, in line with our roadmap for strengthening human capital. Through these measures, we will develop high-value-added products, improve labor productivity, and develop new businesses, and as a result, we believe that we will be able to achieve consolidated Net sales of 30 billion yen and continue to grow beyond that.

## Progress in Sustainability Management Focused on Human Capital and Its Penetration into the Workplace

In August 2022, we established Sustainability Committee, which I chair, and in February 2023 we identified five materiality issues: "Promotion of occupational safety," "Productivity improvement of the customers' factory," "Tackling climate change," "Strengthening human capital" and "Strengthening corporate governance." By addressing these issues, we will work to enhance YUSHIN's economic and social value while contributing to the creation of a sustainable society and environment.

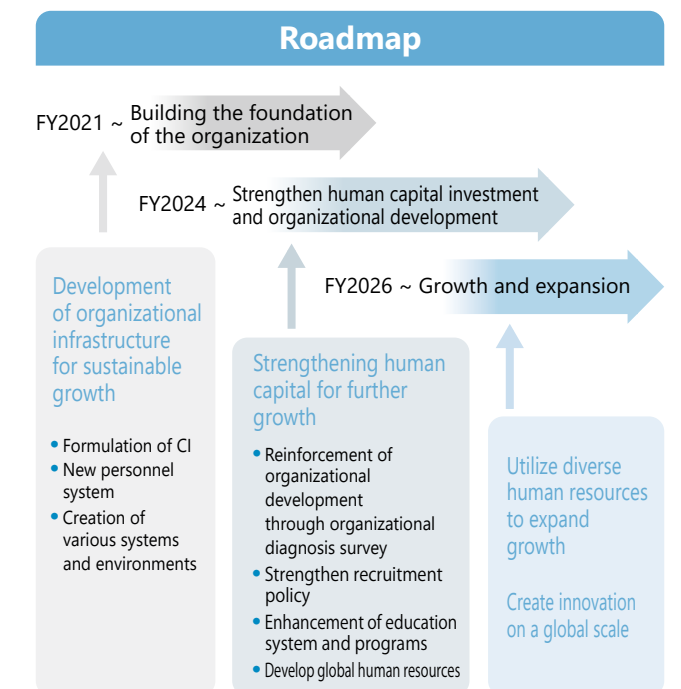
**Promotion of occupational safety:** We contribute to the safety and security of factories by having robots with high safety performance perform dangerous tasks in place of human workers. We also provide customers with safety training related to industrial robots. As for our own company, we are working to strengthen occupational safety through the ongoing efforts of our Health and Safety Committee. In the future, we will implement thorough occupational safety measures, including those for our suppliers, through human rights due diligence.

**Productivity improvement of the customers' factory:** In addition to developing high-speed, high-precision robots, we are also working to further strengthen our sales and service network to provide peace of mind to our customers.

**Tackling climate change:** We reduce GHG (greenhouse gas) emissions from our customers' manufacturing processes by developing energy-saving products. As part of our own initiatives, we are working to reduce Scope 1 and Scope 2 emissions by using renewable energy and switching to environmentally friendly vehicles. In the fiscal year ended March 2024, we began calculating emissions from our overseas sites and Scope 3 emissions.

**Strengthening human capital:** This is a particularly important materiality for us. We formulated Human Resource Development Policy in September 2023 and are driving initiatives based on five themes (see page 34 for details). We are beginning to see results from our efforts to strengthen human capital, and we expect this to contribute to medium- to long-term improvements in our business performance. As part of our efforts to create a culture that encourages innovation, we have set up a system for proposing innovation project activities, and we also conduct employee surveys and organizational diagnosis surveys. As part of our efforts to improve the working environment, we have, for example, held various seminars and distributed childcare handbooks to increase the rate of male employees taking childcare leave, which was 73% in FY2023 (compared to 40% the previous year). Many of our male employees take childcare leave for periods of one to several months, and the rate of female employees taking leave remains at 100%. We aim to create a workplace where employees can lead fulfilling lives and work together

## 【Roadmap for Strengthening Human Capital】



with their colleagues to create added value with sense of fulfilment.

**Strengthening corporate governance:** Three of the seven directors are external directors, and we have also established Nomination and Remuneration Committee, chaired by an External Director. We will continue to maintain and strengthen corporate governance by focusing on the balance of knowledge, experience and expertise, diversity and global perspective of the Board of Directors.

In addition, Sustainability Committee set materiality KPIs in FY2024, reviewed the results and discussed and implemented measures to strengthen risk management. We will continue to discuss and review materiality both internally and externally, and aim to improve sustainability by monitoring progress and implementing countermeasures. As a specific initiative for FY2024, we have formulated the "YUSHIN Group Procurement Guidelines." We have established standards of conduct for sustainable procurement (compliance, human rights, occupational health and safety, environment, information security, quality, and delivery) that we aim to implement with our business partners, who are very important in

## Exhibiting palletizing robots at trade shows

We exhibit our palletizing robots at various trade shows, including the International Robot Exhibition, FOOMA JAPAN, and Logis-Tech Tokyo. These robots are highly regarded for their high load capacity, high speed, smoothness of movement, and precision, and these exhibitions provide us with opportunities to be recognized by people from a wide range of industries and sectors. As a result of these exhibitions, we are steadily increasing the number of inquiries and orders we receive.



providing our customers with value-added products. In terms of business and human rights initiatives, we have conducted human rights training for all employees and identified human rights risks in our value chain.

## Our View on Our Stock Prices, and Our Future Goals

We are focusing our management resources on strategies for medium- to long-term growth. As we move forward with growth investments, we believe it is important to ensure an environment in which our shareholders and investors can hold and trade our shares with confidence over the long term, and we have therefore chosen to move to the Standard Market in September 2023. Even after the move to the Standard Market, we continue to strengthen our response to the Corporate Governance Code, sustainability management, and the “management that is conscious of the cost of capital and stock price” that the Tokyo Stock Exchange requires.

Currently, our stock price is hovering around a PBR of 0.7, and we believe that this stock price level is insufficient. The PER is around 14 times, due to factors such as the strengthening of sustainability management centered on human capital, but we believe that the main reason for the low PBR is the low ROE (5.1% in the fiscal year ended March 2024). We have set a medium-term ROE target of 8% or more, and we will make every effort to improve corporate and shareholder value by quickly improving profitability.

## To All Our Stakeholders

With your support, the YUSHIN Group was able to work to the best of its ability during the fiscal year ended March 2024. We would like to take this opportunity to express our gratitude. As the demand for automation increases in factories around the world, our Group is committed to providing automation equipment and services that will delight our customers in every region. In particular, we will contribute to society by providing high-precision, highly reliable products, which are our strength, and by promoting the development of robots that are safe and environmentally friendly, while helping to improve our customers’ productivity.

With the founding philosophy of “The impossible is the starting point for innovation,” we will continue to take on challenges with our colleagues as we move towards our 100th anniversary, so we ask for your continued support for YUSHIN.



# Vision and Medium- to Long-Term Management Targets

## 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- to Long-Term Management Targets

### FY2024

Consolidated Net Sales: 23.6 billion yen

Operating Profit Ratio: 10.3%

ROE: 5.1%

### FY2027 Management Target

Consolidated Net Sales: 30 billion yen

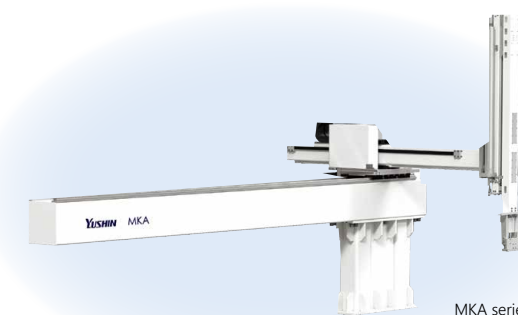
### Target Management Indices

Operating Profit Ratio: 15% or more

ROE: 8% or more

### Strategy 1 Increase Product Attractiveness

- Develop **environmentally-friendly** robots
- Contribute to energy savings with Smart ECO Vacuum (PAT.P)
- Product development that meets **regional needs**
- Expanding sales of the MKA series of high-speed take-out robots for large and extra-large molded products for North America



### Strategy 2 Strengthen Global Competitiveness

- Expand sales of WEMO robots in Europe and the United States
- Comply with global standards (expand products that fully comply with European safety standards)
- Support customers’ efforts to build **smart factories**
- Target the world’s leading companies / Attract more local customers

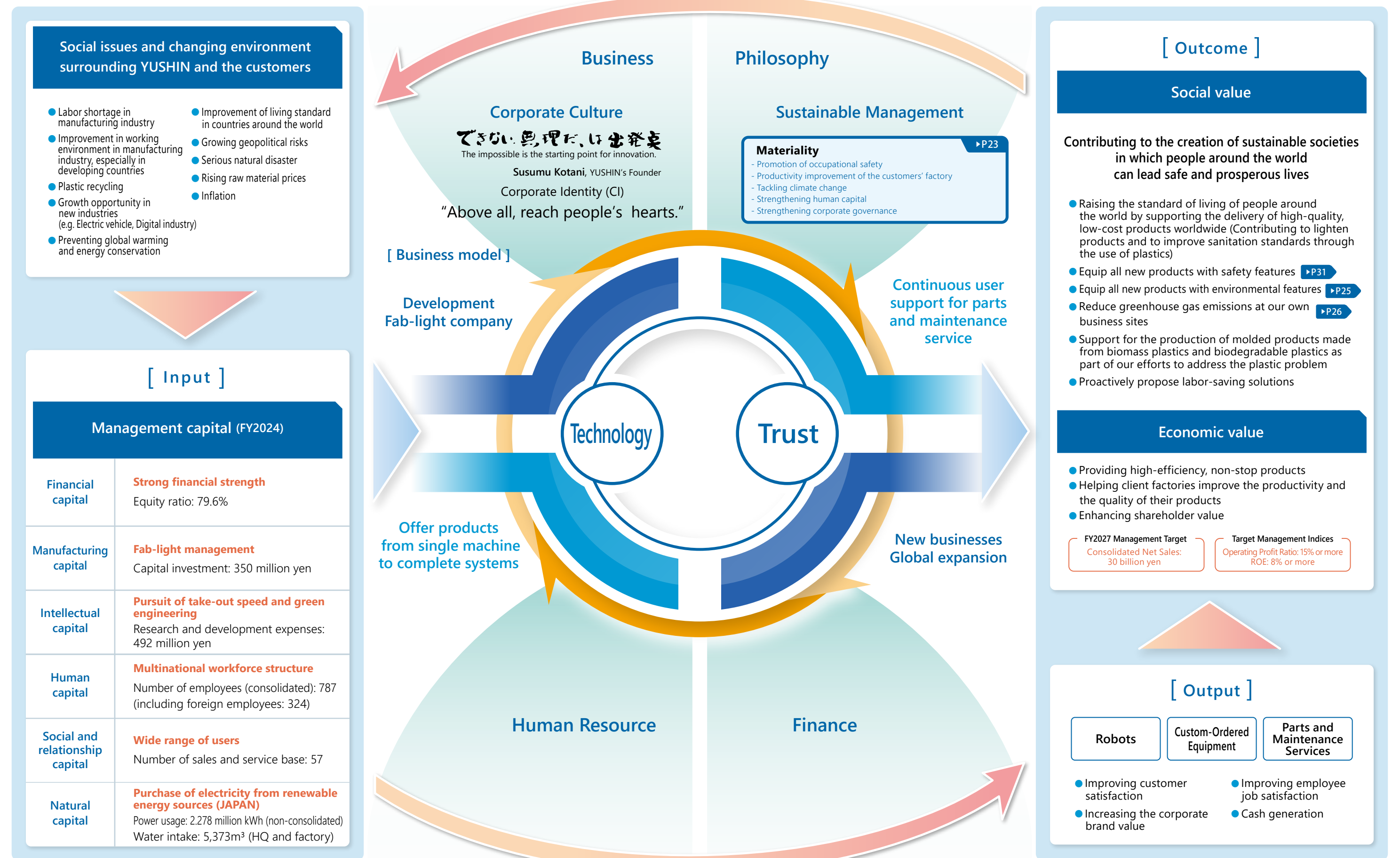
### Strategy 3 Cultivate a New Generation of Pioneers

- 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

### 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
- Low-height type released (August 2023)
- Dual-pallet type added (April 2024)
- Since its release, the sales growth rate has exceeded **50% per year**.





# Interview with the New President of Yushin America, Inc.

*We interviewed Michael R. Greenhalgh, who, on May 1st, 2024, ascended to the position of President of Yushin America, Inc., the Yushin subsidiary company which plays a central role in the North American market that accounts for about 20% of the Yushin Group's consolidated sales.*

## Please Introduce Yushin America, Inc.

Yushin America, Inc. was established in 1988 and currently has approximately 100 employees, making it the oldest and largest subsidiary of the Yushin Group. The company is headquartered in Cranston, Rhode Island, USA, where design, manufacturing, assembly, final inspection, and shipping are all performed. Yushin America also has five other sales offices in the United States (Ohio, Georgia, Texas, Missouri, and California) and one in Mexico (Guanajuato).

## What Are Some of Yushin America's Strengths?

Yushin America's strength is our quick turnaround time from design, manufacturing, assembly, and delivery. We can deliver a robot to a customer in a matter of weeks when it would take other companies several months. In addition, more than 30% of our staff has been with Yushin America for more than 10 years, giving them many years of experience and a wealth of knowledge. With a dedicated engineering staff, we are able to handle work in-house



Yushin America, Inc. Headquarters



## Michael R. Greenhalgh

### 【 Profile 】

Michael majored in Mechanical Engineering at university, followed by several years of work experience and an MBA in Operations Management. He has worked in engineering and operations and has over 20 years of experience with Yushin America.

that other companies outsource to vendors. Machining, welding, and painting are also performed in-house, allowing us to supply self-contained products that meet customer needs.

## Please Tell Us about the Recent Market Environment and Yushin America's Efforts.

As of August 2024, the capital investment environment in the U.S. remained unstable due to bank lending rates above 8%, the presidential election coming up in November 2024, uncertainty regarding the transition to

electric vehicles, and a surplus of medical device-related production equipment left over after heavy investment during the COVID-19 pandemic. In this environment, we are focusing on the steady implementation of various measures and the enhancement of our human resources for 2025 and beyond.

One of the areas we are focusing on is increasing our market share of large robots. With the introduction of the MKA series, developed for North America, we have doubled our market share of large robots over the past several years. We also aim to further increase sales of small traverse robots as a replacement for swing type robots, demand for which is declining throughout North America as factories become more automated and sophisticated. By now, stocking small traverse robot units on both the East and West coasts, we are focused on offering prices, delivery times, and features that exceed customer expectations. We also aim to further increase customer satisfaction through enhanced customer service, and are considering implementing a management system that would allow individual information to be registered on each robot, creating seamless communication for parts replacement, service history, and sales information.

Recently, the need for factory automation systems that go beyond simple take-out robots is expanding rapidly in North America. In order to meet these needs, we have steadily increased our engineering staff, and we believe it is necessary to further accelerate this process in the



Yushin America booth at NPE

future. We are also working to strengthen our partnerships with suppliers who can provide systems that include downstream. In May 2024, Yushin America exhibited several systems at the NPE The Plastics Show in Florida, one of the three largest plastics shows in the world, which were very well received.

## What Is Your Medium-Term Growth Strategy?

The goal is to raise sales from the current \$30 million annual level to \$50 million. To achieve this goal, we will develop new markets by strengthening sales of large robots and palletizing robots and by strengthening cooperation with our new sister company, WEMO. Specifically, we will further expand sales of the MKA series for the large robot market. In addition, we will develop new markets outside the injection molding industry, such as the packaging and logistics industries, with the PA series palletizing robots.

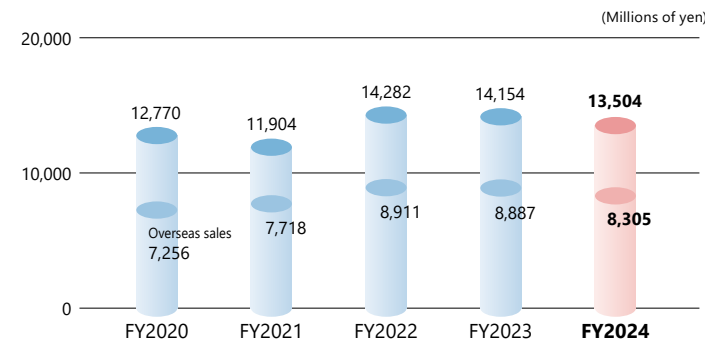
In terms of collaboration with WEMO, we completed sales and service training for WEMO robots at Yushin America, we exhibited three WEMO robots at the NPE exhibition in May 2024, and we have begun promotional sales activities for WEMO products. Customers have already begun placing orders for WEMO robots, and the addition of WEMO robots will strengthen the Group's product lineup and lead to further market share gains.

Internally, to further improve customer satisfaction, we will strengthen our sales, engineering, and manufacturing staff. Focusing on increasing efficiency throughout the organization, each employee will move independently and utilize the CRM (Customer Relationship Management) system to effectively share sales information and other information. We will also develop internal systems to diversify beyond the plastic injection molding industry (palletizing, automated systems, etc.).

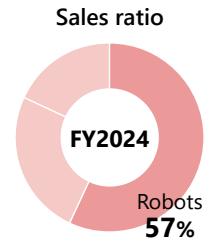


# Sales by Product Category

## Robots



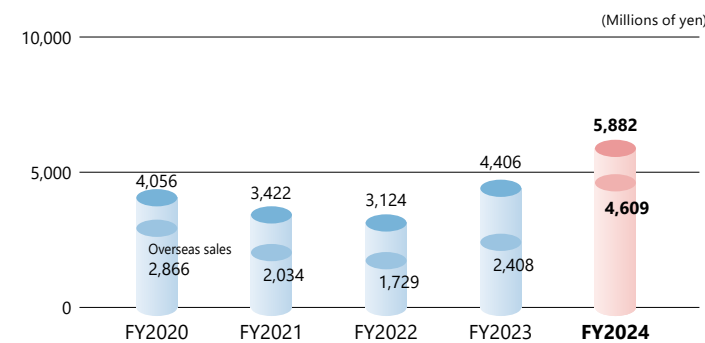
- Decreased 649 million yen(4.6%) year on year to 13,504 million yen.
- Sales decreased due to a slump in demand for injection molding machines.



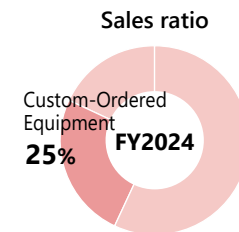
### Future Growth Strategy

We will continue to develop products that meet regional and industry requirements. We will also make further efforts to develop products that reduce the environmental impact and increase the added value of take-out robots. In Europe, we will work to increase our share of the take-out robot market through WEMO. With the palletizing robot, we also plan to expand our product range outside the plastics industry.

## Custom-Ordered Equipmen



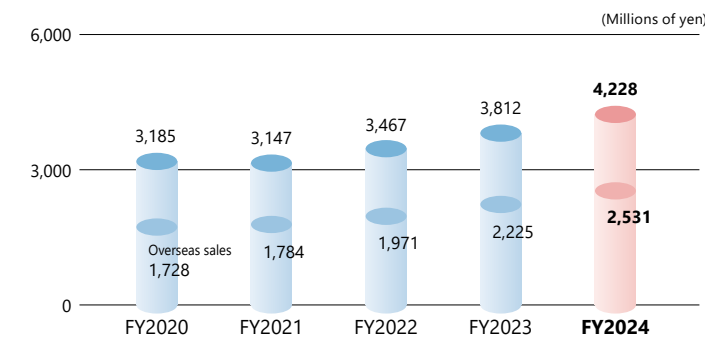
- Increased 1,476 million yen(33.5%) year on year to 5,882 million yen.
- In Europe, we had a large order for medical-related products, and sales increased.



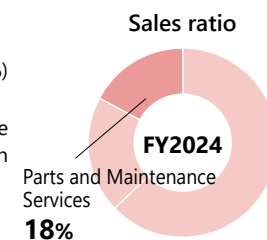
### Future Growth Strategy

Due to the shortage of human resources, the need for automation is increasing 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 415 million yen(10.9%) year on year to 4,228 million yen.
- Sales are growing in line with the increase in the number of units in operation worldwide.

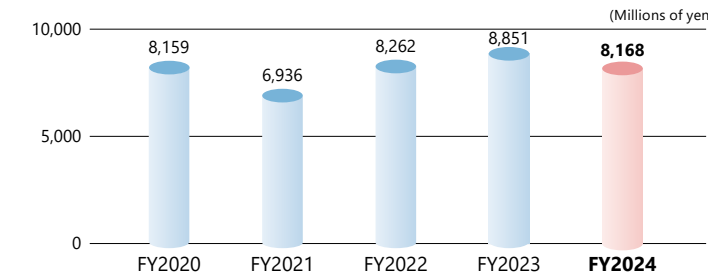


### Future Growth Strategy

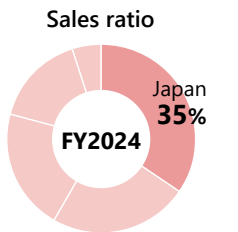
One of our competitive advantages over other companies is our service network, which is the best in the industry. We will continue to focus on attracting and training the people who will support our global expansion and develop high-quality services around the world.

# Sales by Region

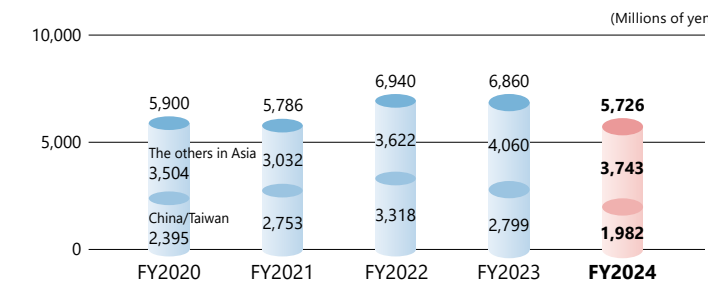
## Japan



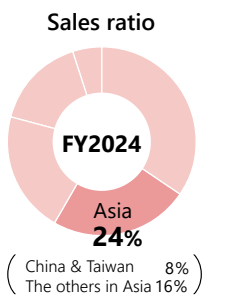
- Decreased 682 million yen(7.7%) year on year to 8,168 million yen.
- Sales were sluggish due to a slowdown in demand for capital investment, particularly in the electronics sector.



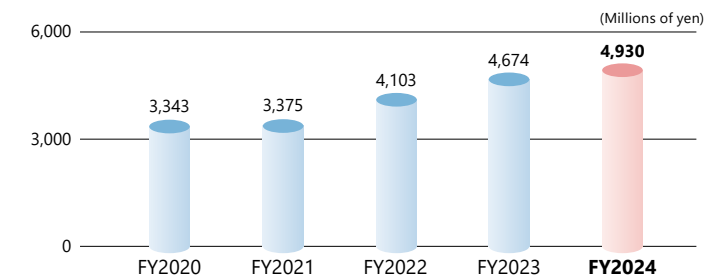
## Asia



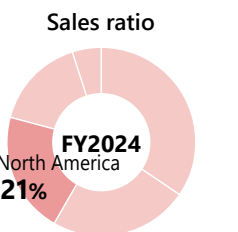
- Decreased 1,134 million yen(16.5%) year on year to 5,726 million yen.
- Sales declined due to the economic slowdown, particularly in China.



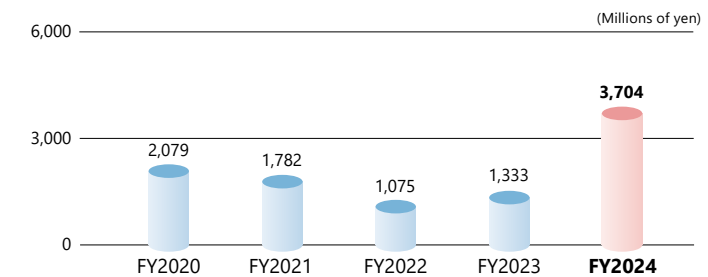
## North America



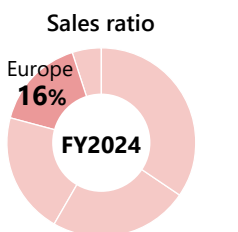
- Increased 255 million yen(5.5%) year on year to 4,930 million yen.
- Sales of take-out robots and custom-ordered equipment were strong, particularly for mobility and electronics-related applications.



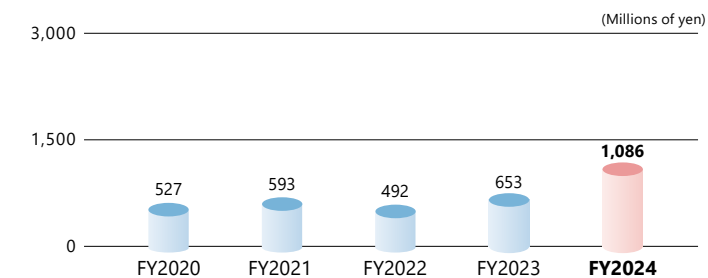
## Europe



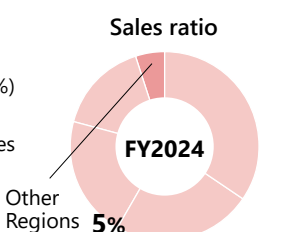
- Increased 2,371 million yen(177.9%) year on year to 3,704 million yen.
- Sales increased due to the acquisition of WEMO as a subsidiary and large orders for custom-ordered equipment for medical-related applications.



## Other Regions



- Increased 432 million yen(66.2%) year on year to 1,086 million yen.
- Sales to Mexico and other countries were strong.



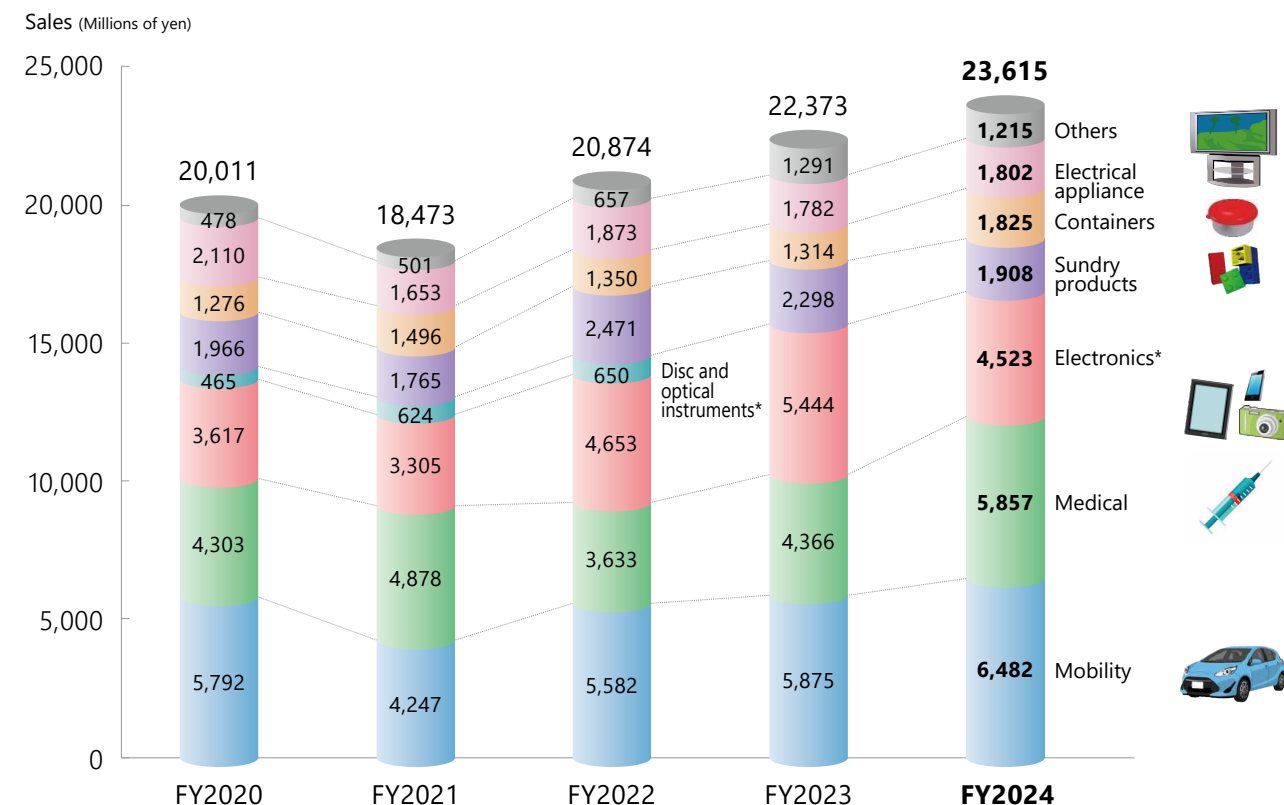
# Sales by End-User Industry

## YUSHIN Robots Are Used in a Wide Range of Industries

Our robots are used in factories that manufacture plastic injection molded products. We are therefore expanding our business into a wide range of industries that use plastics. The mobility industry, led by the automotive industry, is expected to continue to grow in the future, as many parts that were originally made of metal are now being replaced by plastic, and there is also a need for further weight reduction due to the shift to electric vehicles. In the medical industry, there is a large production of plastic products for hygiene reasons, and for our company, which has strengths in the speed and accuracy of robot operation, this is an industry with a high degree of affinity. In addition, we can also expect hardware growth in new areas, including generative AI.

In FY2024, sales in the medical field were strong in Europe and North America. The YUSHIN brand is becoming increasingly well known in the medical field, where our robots are valued for their speed and precision. Sales-in the medical field in the Chinese market have also been growing in recent years.

In mobility, sales remained strong in Japan and North America.



\*"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).

# YUSHIN's Strengths

## Technology

### High-speed take-out

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

### Energy saving ▶P25

- 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 ▶P21

- Mobility, electronics, medical and others

### Globalization ▶P65

- 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 ▶P31

- Compliance with international safety regulations
- 56 safety assessors (as of the end of March, 2024)

### Support capability

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

## Financial Strength

### Strong balance sheet

- Non-debt management

### High equity ratio

- 79.6% (FY2024)

### Fab-lite (Minimum production facility)

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



In order to realize a sustainable society and increase our corporate value over the medium to long term, we have established the YUSHIN Group's Sustainability Basic Policy and have identified materiality (important issues). In April 2024, we disclosed our targets, KPIs, results, and evaluations for the key measures of materiality.

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.

YUSHIN Group's Materiality

Solving social issues through business					
Materialities	Related SDGs	Why we think it is important	Main measures	Goals and KPIs	FY2024 results and evaluations
Promoting occupational Safety A		Because occupational safety is an important factor for us as a manufacturer of production equipment, and it leads to fundamental respect for human rights.	Develop products with enhanced safety performance ▶P31	Equip all new products with safety features	Equipped rate: 100%
			Provide customers with trainings for occupational safety ▶P31	Number of designers or design-related personnel who have obtained a Safety Assessor (or equivalent) qualification	3 more safety assessors (as of the end of March 2024: 56)
			Continuous efforts of the Health and Safety Committee ▶P40	Number of training participants	Internal target not achieved
			Thoroughly Implement YUSHIN Group Human Rights Policy and implement human rights due diligence ▶P29-33	Zero fatalities and zero lost-time injuries	Lost-time injury: 1 person
				Send procurement guidelines and questionnaires to all target suppliers (target for FY2024)	In April 2024, the guidelines were sent to all target companies
	All target business partners understand our human rights policy (target for FY2027)	In July 2024, questionnaires were sent to all target companies			
Improving customer factory productivity B		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.	Sell high-speed and high-precision robots	Increase the number of orders	Internal target not achieved
			Equip with functions to improve productivity	Equip all new products with productivity improvement functions	Equipped rate: 100%
			Enhance maintenance and services	Shorten response times for service calls	Internal target achieved
Tackling climate change C		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.	Develop products with improved environmental performance ▶P25	Equipped all new products with environmental features	Equipped rate: 100%
			Calculate and disclose GHG emissions ▶P26	Calculation and disclosure of GHG emissions for Scope 1 and 2 (Japan and overseas) and Scope 3 (Japan)	Scope 1 and 2 (Japan) data disclosed
				Scope 1 and 2 (Japan) GHG emissions to be reduced by 70% compared to FY2021 levels (target for FY2031)	Began calculating data for Scope 1 and 2 (overseas) and Scope 3 (Japan)
			Switch the electricity used at our company's offices to renewable energy ▶P26	Switch to 100% renewable energy at offices in Japan (target for FY2031)	Reduction rate: 59.1%
			Switch from gasoline-powered cars to environmentally friendly cars ▶P26	77% of gasoline-powered vehicles at offices in Japan to be replaced with eco-friendly vehicles (target for FY2031)	Switching rate: 93.8%
			Identify climate change risks at company sites and the supply chain and formulate BCPs	Formulating a BCP to deal with extreme weather	Switching rate: 36.0%
					Reviewed extreme weather BCPs and communicated them internally

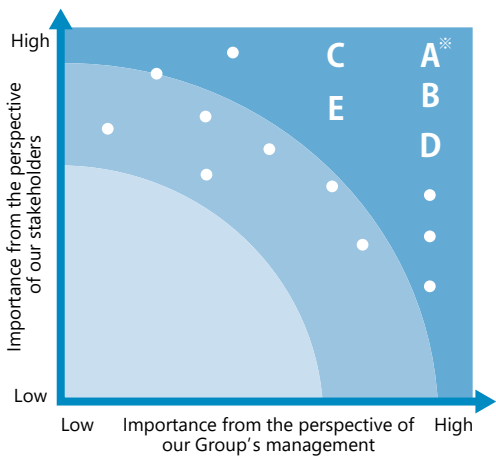
※Goals to achieve with customers

Materiality Identification Process



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

From now on, we will work to contribute to the creation of a sustainable society and environment and enhance our corporate value by achieving the goals and KPIs of the key actions for the identified materiality.

Materiality mapping



※A to E correspond to the materiality in the table below.

Strengthening the management base for the sustainable growth of YUSHIN Group					
Materialities	Related SDGs	Why we think it is important	Main measures	Goals and KPIs	FY2024 results and evaluations
Strengthening human capital D		Because the source of added value is people.	Thoroughly Implement YUSHIN Group Human Rights Policy and implement human rights due diligence ▶P29	Implementing Human Rights Training	Held twice (theme: Business and Human Rights, Considering Business and Human Rights from the SDGs)
			Create a culture and environment conducive to innovation	—	—
			Create a system that allows people to work continuously throughout their life stages	Male employees taking childcare leave: 20% or more (target for 2024)	Acquisition rate: 72.7%
			Create a good working environment	Annual paid leave acquisition rate of 60% or higher	Acquisition rate: 64.7%
			Provide effective training.	—	—
			Instill the corporate identity (CI) ▶P34	Implementation of programs to promote the penetration and practice of corporate philosophy	Participation rate: 97.7%
Strengthening corporate Governance E		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.	Appoints more than one-third of all directors as External Directors ▶P47	Ratio of External Directors on the Board of Directors: 1/3 or more	Achieved
			Establish a Nomination and Remuneration Committee (chaired by an External Director) ▶P47	Ratio of External Directors on the Nomination and Remuneration Committee: 2/3 or more	Achieved
			Evaluate the effectiveness of the Board of Directors ▶P47	Evaluation of effectiveness and improvements based on questionnaires	Evaluated
			Make employees attend compliance training	Number of compliance training sessions	Held twice (theme: Considering Business and Human Rights from the SDGs, the Subcontracting Law)
			Improve data security	Number of training sessions on information security and improving IT literacy	Held twice

# 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 CO<sub>2</sub> emissions

##### Details

- When building or expanding a factory, choose options that reduce environmental impact (e.g. use of LED lighting).
- Switching to renewable energy sources for electricity purchased by domestic offices
- Switching company cars at domestic offices from gasoline-powered to environmentally friendly vehicles
- Decreased frequency of company car use through active use of telecommuting and web conferencing

## Reduction of Environmental Impact

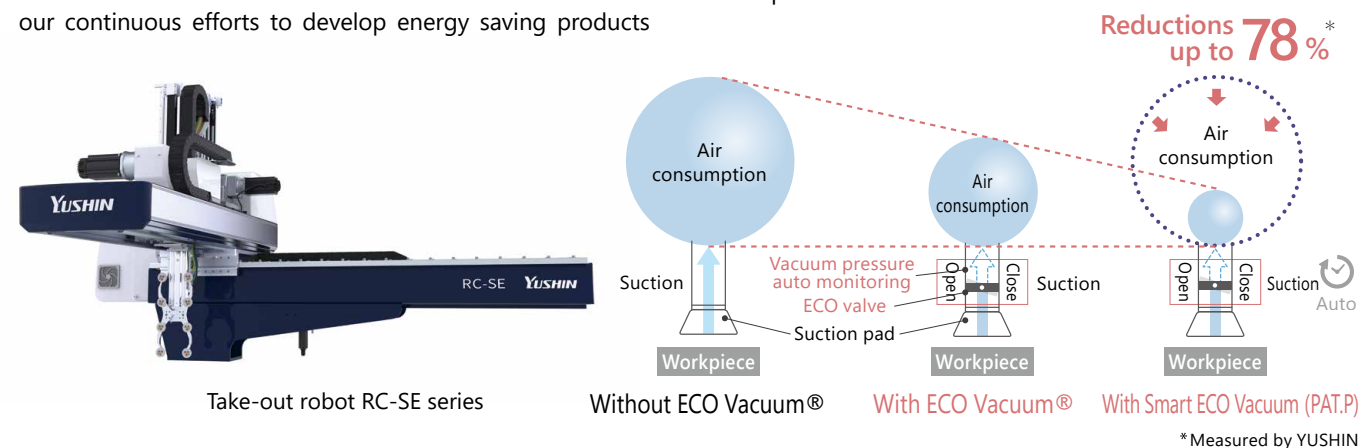
## Constant Effort to Develop Energy Saving Products

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 Greenhouse Gas

### Emissions

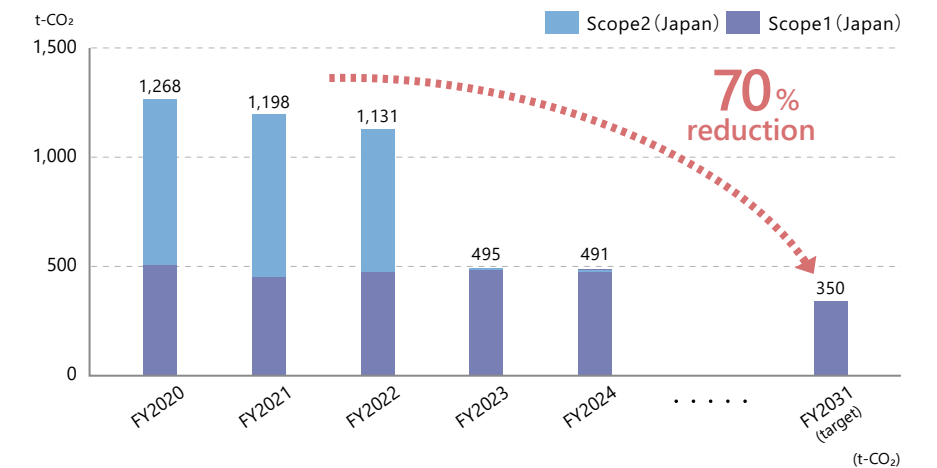
We aim at reducing the total of Scope 1 and 2 in Japan by 70%\* at the end of FY2031 compared to FY2021 levels. Scope 1 emissions are direct emissions from in-house fuel use. Scope 2 emissions are indirect emissions from electric power we buy and heat.

In FY2024, we began calculating data for Scope 3 (indirect emissions other than Scope 1 and 2 [emissions from other companies related to our business activities]) in Japan and Scope 1 and 2 overseas.

<\*Calculated based on the following assumptions>

- Scope 1: All vehicles in the domestic bases are hybrid.
- Scope 2: All domestic bases use the renewably generated powers.

## Greenhouse gas emissions



		FY2020	FY2021	FY2022	FY2023	FY2024
Scope1	Japan	512	456	480	493	489
	Overseas	-	-	-	-	614
Scope2	Japan	755	742	650	2	2
	Overseas	-	-	-	-	465

Calculations for overseas offices will begin in FY2024.

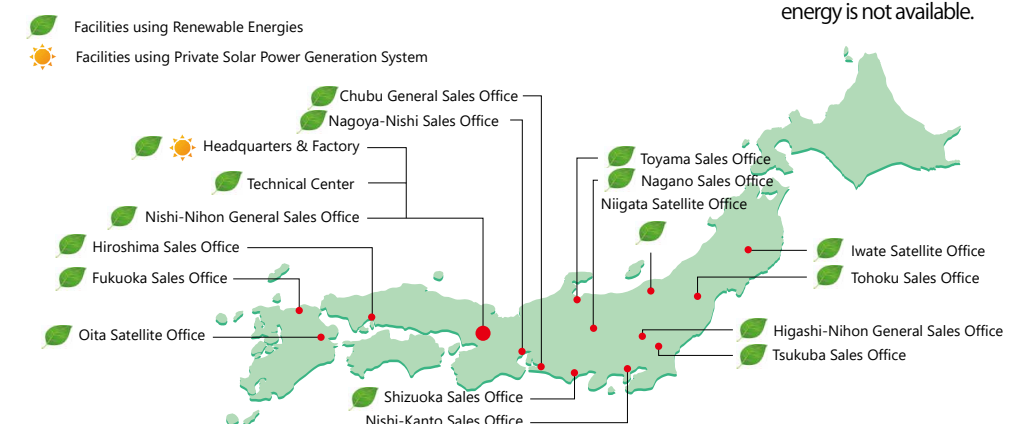
## Switching to Electricity Derived from Renewable Energies

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 CO<sub>2</sub> 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 company vehicles that are hybrids

Target 77% (FY2031)  
Actual 6% (FY2022)  
→36% (FY2024)



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

We take 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

Our “Environmental Action Policy” is that all employees are committed to contributing to the environment in product development and reducing environmental impact.

The global environmental movement is changing drastically every day, which needs to be properly addressed. We identify risks and opportunities related to climate change and assess the impact on the business.

We clarify the impact of climate change on energy and raw material sourcing risks, the risk of changing customer needs, the risk of extreme weather, average temperature rise, and sea level rise. We will mitigate these risks and turn them into 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
	Chronic	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.)
		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 <sub>2</sub> concentration control, and improving workplace environments for employees	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	Expanse development and sales of energy-saving and low-carbon products	• Sales increase due to increased demand for environmentally friendly robots	YES	YES	YES	High
	Cope with to average temperature rise	• Sales increase by increasing product value, including ECO Vacuum®, Smart ECO Vacuum(PAT.P), and Ecology mode		YES	YES	Low
Markets	Sales increase due to market demand increase for heat stroke control products or medical-related products	• Increase in service revenues due to the demand for long-life robots to reduce environmental impact	YES	YES	YES	Medium
	Worldwide shift from gasoline-powered vehicles to environmentally conscious vehicles	• Demand increase for YUSHIN products as capital expenditures increase for those products	YES	YES		Medium
	Relocation of customers' production sites due to climate change	• 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	Medium
Resilience	Establishment of multiple assembly partners and parts suppliers to observe delivery deadline strictly.	• Demand increase for YUSHIN products due to expansion of capital expenditures	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

We consider anything that interferes with our business operations to be a risk, and we analyze and assess the immediate risks of climate change as well as those that may arise in the future.

To manage such risks, we identify, analyze and evaluate the risks in all aspects of the business. Such information is compiled in a timely manner and shared with the Board of Directors and the executive meetings. Under the leadership of Representative Director and President, we take prompt and appropriate actions to mitigate the risks.

Indicators and Targets

End of FY2031: 70% reduction in greenhouse gas emissions compared to FY2021

Following the adoption of the Paris Agreement in 2015, the Japanese government announced that it aims to reduce greenhouse gases by 46% compared to FY2014 levels by 2030.

By the end of FY2031, we aim to reduce the sum of Scope1 and 2 (direct emissions from internal fuel use and indirect emissions from purchased electricity and heat) by 70% compared with FY2021. We will promote the purchase of electricity from renewable sources and introduce environmentally friendly vehicles.

We will review these targets in the medium and long term. In FY2024, we began calculating data for Scope 3 (indirect emissions other than Scope 1 and 2 [emissions from other companies related to our business activities]) in Japan and Scope 1 and 2 overseas. We will continue to work to reduce and disclose greenhouse gas emissions throughout the supply chain.

# S: Social - Human Rights

## YUSHIN Group Human Rights Policy

In July 2022, our Group established the “YUSHIN Group Human Rights Policy” (hereinafter referred to as “the Policy”).

In our business philosophy, we state that “Act fairly and judiciously with all our ‘strength, wisdom and courage.’”

In addition, we are a company that globally develops, manufactures and sells equipment and systems related to factory automation, centered on industrial Cartesian coordinate robots, and at the root of our business activities is the aspiration to reduce the number of people working in dangerous environments and to improve worker safety.

The Policy was decided by the Board of Directors based on the “United Nations Guiding Principles on Business and Human Rights” as a guideline for promoting respect for human rights throughout the Group and fulfilling our responsibilities, based on the “aspiration” in our business philosophy and business activities.

Please see our website for the full text of the “YUSHIN Group Human Rights Policy,” as well as information on risk identification and priority issues.

Web Link



## Identifying human rights risks in the value chain

We have been identifying human rights risks for each stakeholder, and we have been prioritizing “issues in the procurement and manufacturing processes” based on the idea that “our products, which mitigate human rights risks, should not be built on someone else’s human rights risks.”

In order to clarify which processes in the value chain should be prioritized for human rights due diligence, we re-examined human rights risks based on the flow of our business, as shown in the figure below. As a result, we were able to gain a more detailed understanding of how we interact with stakeholders and what human rights risks exist at each stage of our products, from development to disposal.

We will use the results of this study in internal training and other activities so that all departments can understand human rights risks.

### Human rights risks in the value chain

	Development	Procurement	Sales	Manufacturing	Logistics	Factories (install and support)	Product use	Disposal and recycle
Customers	•Impact on life, body, or property due to design problems		•Impact on life, body, or property due to problems in the process of determining specifications	•Impact on life, body, or property due to problems in the manufacturing process •Leakage of confidential customer information (e.g., samples)	•Influence on life, body, and property due to problems in the transportation process	•Leakage of business secrets and confidential information within the factory	•Violation of life/body/property when in use.	
Group employees	•Deterioration of working conditions and occupational health and safety, forced labor, inappropriate working hours and wages (living wages), discrimination and harassment (women, people with disabilities, foreigners, etc.), infringement of freedom of association and the right to collective bargaining, leakage of personal information, lack of access to redress					•Deterioration of the working environment and occupational health and safety		
Business partners	•Infringement of business secrets and intellectual properties •Inappropriate payment of consideration	•Inappropriate payment of consideration	•Infringement of business secrets and intellectual properties •Inappropriate payment of consideration	•Infringement of business secrets and intellectual properties •Inappropriate payment of consideration	•Infringement of business secrets and intellectual properties •Inappropriate payment of consideration	•Inappropriate payment of consideration		
Business partners (employees)	•Deterioration of working conditions and occupational health and safety due to excessive demands, forced labor, inappropriate working hours and wages (living wages), discrimination and harassment (women, people with disabilities, foreigners, etc.), infringement of freedom of association and the right to collective bargaining, leakage of personal information, lack of access to redress, human rights violations of foreign workers (including technical intern trainees)							
Local Residents	•Environmental impact due to environmental load during product use •Impact due to use of raw materials that have a significant impact on the environment and human rights •Environmental impact due to use of raw materials that cannot be recycled	•Impact due to use of raw materials that have a significant impact on the environment and human rights •Environmental impact due to use of raw materials that cannot be recycled	•The impact of participating in bribery and corrupt practices in countries with weak rule of law	•Environmental impact due to environmental load during manufacturing	•Environmental impact due to environmental load of logistics		•Environmental pollution caused by the environmental impact of use •Human rights violations caused by the use of products other than their intended purpose or in inhumane ways	•Environmental pollution caused by the release of chemical substances during disassembly and disposal •Environmental pollution caused by the use of raw materials that cannot be recycled

← This arrow indicates at what point the potential for human rights violations may occur.

## Human Rights Due Diligence

### Addressing issues in the procurement and manufacturing processes

Based on the “aspiration” that goes into our products, our Group believes that human rights violations such as excessive or unfair working conditions, child labor, infringement of the rights of foreign workers such as technical interns, and discrimination based on race, religion, gender, nationality, mental or physical disability, age, or sexual orientation are unacceptable, at the procurement sites for the parts that make up our products and at the sites where our products are manufactured.

In addition, based on the results of the “aspiration” and human rights risk identification, we are working to investigate the human rights risks of rights holders in the procurement and manufacturing processes.

In July 2024, we created a questionnaire on human rights and sent it to our business partners. The recipients were our business partners who make a significant contribution to the manufacture of our products, and we plan to continue to carefully examine the recipients and the content of the questions.

## Initiatives for Respecting Human Rights

### Initiatives within our Company

We hold internal training sessions for different levels and departments to ensure that employees not only understand the Group’s initiatives for human rights, but also recognize and understand that each employee is a “rights holder.”

Implementation year	Targets	Contents	Remarks
FY2023	•Directors •Executive employees of Purchasing and Manufacturing Division •Managers of General Affairs Section, Human Resources Section, and Internal Audit Office (Participation rate: 95.1%)	(1) Explanation of the need to address human rights as companies (2) Case studies at the workshop	We have implemented these measures because we believe that it is essential for directors and executives to understand human rights and human rights policies in order to promote efforts to address these issues in the future.
FY2024	Purchasing employees in Purchasing Department (Participation rate: 100%)	(1) Explanation of the need for our Company to address human rights (2) Case studies at the workshop	Training was provided for employees in charge of purchasing who have close relationships with suppliers in order to conduct human rights due diligence.
	•Directors •All employees (Japan and overseas seconded employees) (Survey response rate: 96.6%)	(1) Relationship between the SDGs and human rights (2) Questionnaire on human rights risks	The purpose of the training was to promote a broad understanding of human rights.
FY2025 (Scheduled)	Employees in charge of development and manufacturing departments	(1) Explanation of the need for our Company to address human rights (2) Identification of human rights risks	The purpose of this program is to help participants understand the relationship between the safety of our products and the human rights risks of stakeholders in the value chain.

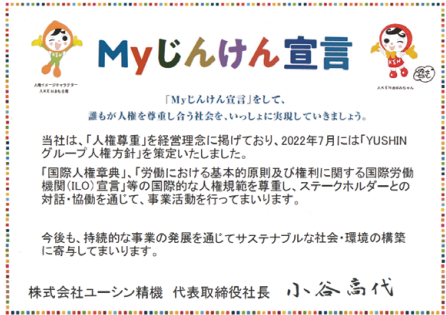
### Support for the Ministry of Justice’s “My Declaration of Human Rights”

In August 2023, we 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.

### Looking to the future

We will continue to promote initiatives to respect human rights, based on dialogue with external experts and stakeholders. Specifically, we will begin to address negative impacts identified through human rights questionnaires and to develop a grievance mechanism (such as a whistleblowing system within our Group).





# S: Social - Quality and Safety

品質は社運を決める  
Quality determines our future.

## 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.

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

## 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, 2024, the number of certified employees is 56. 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.

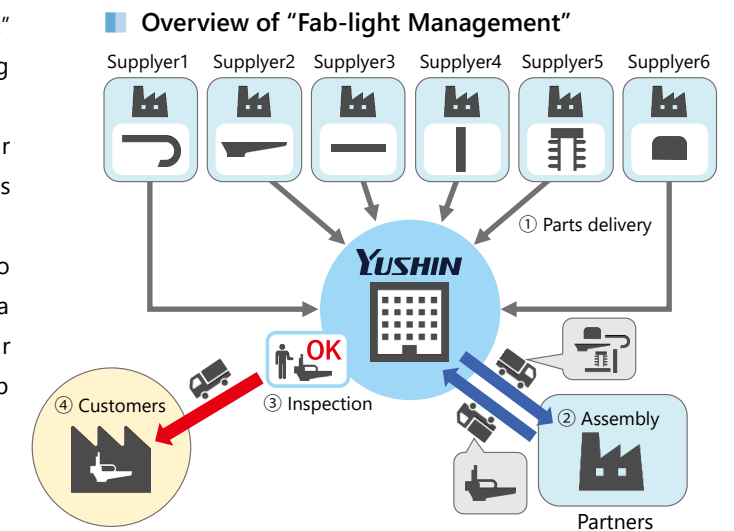


# S: Social - Supply Chain

Our Group adopts a so-called “fab-light management” approach, in which we outsource our manufacturing processes to external companies.

For this reason, the existence of all those involved in our business is extremely important in providing our customers with products that offer added value.

In order to deliver even higher value-added products to our customers and contribute to the realization of a sustainable society together with all those involved in our business, we have established the “YUSHIN Group Procurement Guidelines” .



## YUSHIN Group Procurement Guidelines

In February 2024, our Group established the “YUSHIN Group Procurement Guidelines” (hereafter, “the guidelines”). The guidelines set out the basic procurement policy of our Group and the standards of conduct (Compliance, Human Rights and Occupational Health and Safety, Environmental Considerations, Information Security, and Quality and Delivery) for sustainable procurement that we would like our business partners to follow in order to achieve our basic procurement policy.

## YUSHIN Group Basic Procurement Policy

### 1.Mutual trust and prosperity

We value mutual trust and prosperity by building partnerships with our suppliers.

### 2.Open and fair trade

Based on the principle of free competition, we provide open entry opportunities for new companies wishing to do business with us. We select suppliers based on fair evaluation and appropriate procedures in terms of their reliability as a company, technical capabilities, quality, price, delivery time, continuity and commitment to environmental protection.

### 3.Compliance

We shall comply with the social norms, relevant laws and regulations and the spirit of such norms, laws and regulations in each country, and shall also respect international codes of conduct to the maximum extent possible, and shall implement fair and clean procurement activities.

### 4.Human rights and labor

The human rights of all people involved in YUSHIN products shall be respected. In particular, we believe that occupational safety and working conditions at procurement and manufacturing sites for the components of YUSHIN products shall be properly ensured.

### 5.Environmental considerations

We recognize that the preservation of the global environment is one of the most important issues common to all humanity.

Aiming to create a society in harmony and co-existence with nature, We cooperate with its suppliers and practices environmentally friendly procurement activities.

### 6.Information security

We appropriately manage and protect trade secrets related to our suppliers.

## Code of Conduct for Sustainable Procurement (headings only)

### 1.Compliance

- 1.Compliance with laws and regulations of each country and region
- 2.Compliance with Competition Laws
- 3.Fair trade
- 4.Respect for intellectual property rights
- 5.Response to antisocial forces
- 6.Establishment of internal rules, internal training and internal education
- 7.Establishment of a contact point

### 2.Human Rights and Occupational Health and Safety

- 1.Prohibition of discrimination
- 2.Prohibition of harassment
- 3.Protection of freedom of association, right to organize and collective bargaining
- 4.Prohibition of forced labor

- 5.Elimination of child labor and consideration for young workers
- 6.Creating a safe and healthy working environment
- 7.Establishment of appropriate working conditions

### 3.Environmental Considerations

- 1.Compliance with environmental laws and regulations
- 2.Pollution prevention and resource conservation

### 4.Information Security

- 1.Prevention of information leakage and network management

### 5.Quality and Delivery

- 1.Compliance with laws, regulations, standards, safety, and YUSHIN requirements
- 2.Establishment of Quality Control System
- 3.Providing Accurate Information on Procured Goods

# S: Social - Employees

## Communication

In order to realize our Basic Procurement Policy, it is essential that we work together with all of our business partners. In order to achieve this, we will work closely with our business partners to ensure that they understand the purpose of these guidelines. We have also sent questionnaires to our business partners regarding human rights and occupational health and safety, and we are promoting human rights due diligence through dialogue.

## Contact

In order to gather feedback not only on communication, but also on the Group's procurement activities from across the entire supply chain, and to realize even better activities, we have set up a contact point on our website for inquiries about procurement activities.

We have also made this contact point known to all those involved in our business relationships through the guidelines, and we will continue to promote the building of partnerships.

Inquiries received are passed on to the relevant departments from the contact point, and are dealt with appropriately.

Contact us from  
our website.



Web Link

## Future Initiatives

In April 2024, we sent the Guidelines to all relevant business partners, and in July, we sent the questionnaire to all relevant business partners to ensure that they were aware of the content. We will check the level of cooperation with the standards of conduct required of business partners through on-site visits and analysis of the results of the questionnaire responses.

### <Future plans>

On-site visits by the procurement and quality departments  
Analysis of the results of the questionnaire on human rights, occupational health and safety  
Initiatives to mitigate human rights risks identified through the analysis of the results of the questionnaire

We will continue to promote awareness and understanding of the YUSHIN Group Procurement Guidelines among our business partners, and we will work to build a strong supply chain between our Group and our business partners, not only by improving our Group's procurement activities, but also by encouraging improvements among our business partners.

## Declaration of Partnership Building

In August 2022, we announced our Declaration of Partnership Building. We will build new partnerships by promoting collaboration, coexistence and co-prosperity with all parties involved in the supply chain and all businesses that aim to create value.



Aiming for sustainable growth together with our partners



General Manager of Purchasing Division,  
Purchasing Department  
Takumi Matsushita

We believe that our business partners, who support our company, are important partners, and that as our partners grow, our company can also grow together.

We will aim to grow together while contributing to the realization of a sustainable society, placing importance on dialogue and ensuring that we act in accordance with the "YUSHIN Group Procurement Guidelines" and the "Declaration of Partnership Building." To achieve this, we will work to develop human resources that our partners can trust, and we will strive to build an autonomous organization that is always positive and attracts members with high problem-solving skills.

We believe that innovation is born from activities that are based on a relationship of trust and in which we can feel that we are growing together.

## Human Capital Enhancement

Our Group 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.

We aim 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.

## Promote Corporate Identity (CI) Activities

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

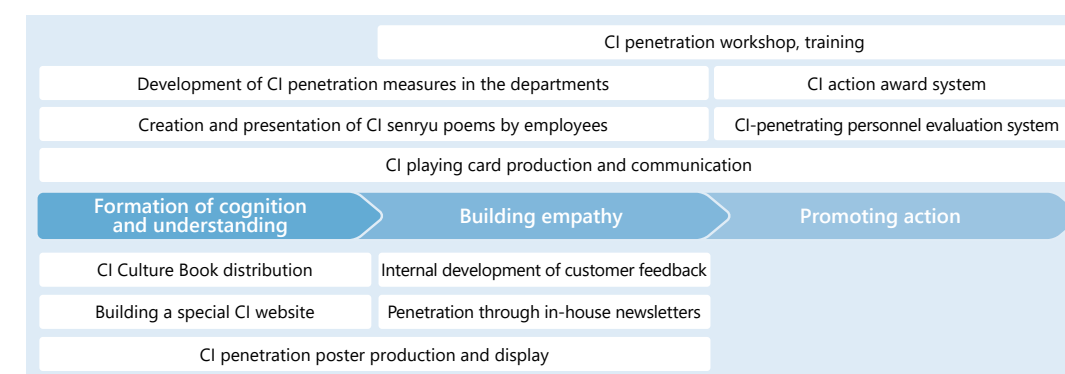
The entire Group is involved in CI penetration activities, including communication by top management and executives, dialog in the workplace, branding activities mainly by young employees, and sharing of best practices.

### < Achievements >

FY2021: CI development, new HR system launch, CI penetration survey  
FY2022: Brand ambassador development project  
FY2024: Branding training

In the branding training, we learn specific practical methods through case studies and group discussions that help us to put the content of CI into concrete action.

## CI Penetration Map



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

In the personnel system developed in conjunction with CI activities, we have 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, we encourage employees to make efforts and take on new challenges, and provides appropriate evaluation and treatment of results. We also promote 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 policy of enhancing human capital

- 1 Promote corporate identity (CI) activities
- 2 Establish a personnel system and a human resources development policy that instill YUSHIN ideals
- 3 Ensure diversity in human resources (Diversity Management)
- 4 Develop an education system that meets each career step
- 5 Create an Environment That Makes Work More Rewarding and Comfortable



Human Capital Enhancement

We Provide Products and Services  
That Reach People's Hearts and Contribute to Society

## 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, we place emphasis on respecting diverse attributes and values and making the most of its human resources, without being bound by conventional standards within society or our 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.”

In terms of promoting women’s empowerment, we have 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, we distribute the YUSHIN Childcare System Book to employees who are working parents, and holds lectures to promote childcare leave for men. We also hold 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, we have many overseas offices and promote localization, and we are actively working to utilize mid-career hires and foreign nationals.

As a cornerstone of these efforts, we have formulated the “YUSHIN Group Human Rights Policy” as a guideline for promoting respect for human rights and fulfilling responsibilities throughout the Group, and are working to disseminate this policy to all stakeholders.



YUSHIN Childcare System Book



Training for service employees of Indian subsidiary

## Enhancing the Education System According to Career Stage

### Revamping the education program

We provide education programs for each career stage, but we are expanding and reviewing the programs with the aim of enhancing the effectiveness of education and training to support individual growth and organizational development to support business growth. Specifically, we are promoting fundamental reforms such as redefining the ideal employee and behavioral characteristics required at each level, and then extracting the necessary training elements. We will work to enhance our educational programs in order to strengthen the development of human resources who can respond flexibly to changes in the business and market environments and who can play a role in value creation.

### 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		
Departmental education			Compliance education		
Thematic education			External training, seminars, internal study sessions		
Selective education			Overseas trainee system Elder training	Leader development program Overseas pre-appointment education Counselor training	
Self-development			Incentive program for correspondence education, Online English conversation education system Incentive program for the acquisition of qualifications e-learning		

## Training Results

In order to create an organization that will contribute to achieving medium- to long-term management goals and further sustainable growth beyond that, we held training sessions for department managers. They acquired the ability to formulate strategies on their own even after the training sessions, having learned about formulating strategies to become more proactively involved in management, move their own organizations, and realize the plans they have made.

We will also work on new training programs to build strong people and organizations that support business growth, such as training for section managers to strengthen their organizational management skills and training for general employees to encourage autonomous career development.



## 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, we are committed to providing targeted support to younger employees. We also conduct career surveys of our employees. Our goal is to increase the level of “human capital” that can contribute to the sustainable growth of our company by utilizing the strengths and abilities that each individual possesses.

### Encouraging Proposal/Challenge Activities

We support employee-led activities to make suggestions and take on challenges, and have established a system to encourage such activities.

- “Kaizen 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 / Project for the establishment of standards for the approval of side/secondary jobs

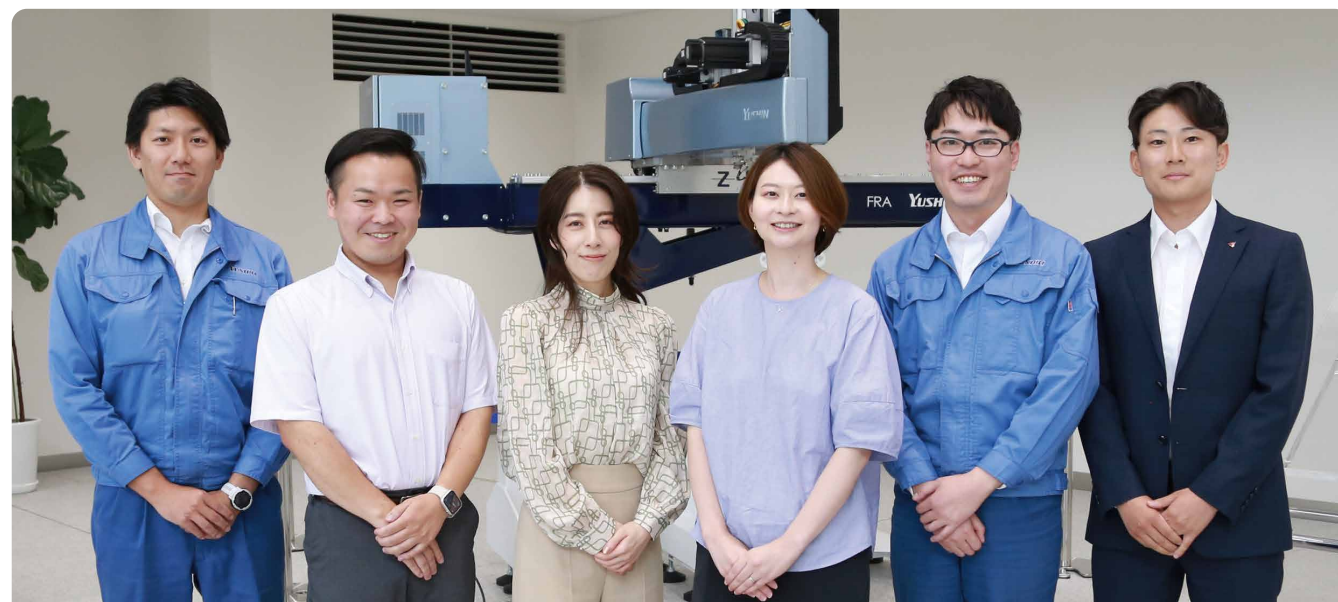
### Improving Job Satisfaction and Work-Life Balance

We proactively listen to its employees’ “aspirations” and work to improve work-life balance and enhance employee benefits by reforming the way they work. We also emphasize the creation of office and plant environments that encourage teamwork and communication.

### Occupational Safety and Health

We aim to create a work environment where employees can work in good health and vigor, and promote 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.

# Employee Roundtable Discussion - Improving Job Satisfaction



(From left to right) T(Control Design), H(General Affairs), Y(Human Resources), S(Production Control), M(R&D), H(Sales)

We have promoted various initiatives to strengthen human capital as a materiality for sustainability management. In a round table discussion, our employees discussed their views on these initiatives.

## A Culture That Encourages Challenge

**Y(Human Resources):** To strengthen our human capital, our company is promoting our corporate identity while fostering a culture that encourages employees to take on new challenges. I, as working in Human Resources section, can feel it. When I propose initiatives to increase engagement, I often get a positive response from the managers, who say: "Let's try it." What challenges have you faced?

**T(Control Design):** The biggest challenge I faced was a five-year stint in the United States. At that time, I had just finished the most difficult product development project and had almost lost sight of my goals when I was offered the opportunity to go to the US. Although my English was only at the second level of the English Proficiency Test, I decided to go

to the United States. I was part of a small elite team with only one Japanese supervisor and one Mexican member, and we covered all aspects of technology beyond control design, as well as sales. This experience of diving into the global business world was a great asset for me. I hope that the personnel and company systems will be further reformed so that more young employees can gain this kind of broad experience and improve their skills.

**H(General Affairs):** The challenge I experienced was working as the secretariat of the Sustainability Committee. The content of this work was to take various measures against business continuity risks, such as reducing greenhouse gas emissions, counteracting cyber-attacks and counteracting infectious diseases. The results are published in IR materials and I believe they contribute to the value of the company. Being able to work on this kind of work has increased my motivation.

**H(Sales):** The challenge for me is to "trust and be trusted." In my case, I am trusted with almost everything, including how to make sales and create proposal scenarios. Of course, I consult my superiors and ask for their help, but basically they respect my decisions and support me. I get to work proactively with my own ideas, which I find very rewarding.



**M(R&D):** The challenge for me was to produce a promotional video for a custom-ordered equipment. Many of our products are quite specialized, and custom-ordered equipment are even more so, being one-off products made to meet the requirements of the customer. This makes sales activities more difficult. So I decided to make a video showing the product in action, with the help of customers who had received custom-ordered equipment. I was in charge of everything from planning and deciding on the content to editing. The video was very well received, and the sales team were also pleased with it. I think we were able to follow the CI concept of "Above all, reach people's hearts."

**S(Production Control):** My challenge is to create a new career model in Production Control section. This was triggered by the birth of my child. Having a child is a very happy thing, but it is also true that it becomes difficult to work in the same way as before. While I was finding it difficult to balance work and childcare, there were several other mothers in the section who felt the same way, and we all started this initiative together. I am working hard to make our initiative a reference for the next generation.

## Good Working Environment of YUSHIN

**Y(Human Resources):** I think a good working environment is also important for a rewarding job, but what do you think is the best part about working at YUSHIN?

**H(Sales):** As a mid-career employee, I feel that our company has a good training system that teaches me the basics of products and sales. Even after the training, there is an environment where I can learn practically through on-the-job training, and the company provides a sales support website where I can look up case studies accumulated there for reference. In this way, I feel that the company is very supportive of my skills development.

**H(General Affairs):** It is that we are close to the management. The president works on the same floor as us, so it is easy to talk to her. I think it's good that we can work while knowing the background of how our work relates to the business, hearing directly about the company's policies and the management's ideas.

**S(Production Control):** I find it easy to work here because I can take paid time off and special paid time off, and there is a good system for working from home. For example, if my child is suddenly ill, I can take paid time off. When I tell my

colleagues in my section that I am going to take paid time off, they say, "We should help each other," and they even help me with my work. While I was bringing up my children, my paid leave started to run out, but I was able to take the special paid leave for childcare and nursing that is provided for five days a year, which was very helpful. Following the COVID-19 pandemic, a teleworking system was also set up. In principle, it can be used up to five times a month, and this can be increased if there is a special reason.

**M(R&D):** When my wife was about to give birth to our first child, I wondered when I should report to the company and who I should talk to. After talking to a colleague, I was told that there was a procedure for taking parental leave. It outlines how to prepare for the birth and take parental leave, and the process went smoothly. However, since R&D work is done with individual responsibility, I was at a loss about how to take parental leave, but my manager told me not to worry about my work and wrote down my tasks on a whiteboard and assigned them to the team members accordingly. I felt that having a team that understood maternity and childcare made it easier to work.

**T(Control Design):** I think a good working environment is one where you can design products efficiently. In the engineering department, the roles of the design staff are clearly divided into mechanical, software and hardware, which allows us to work efficiently. In addition, there is a culture of specialists from each area sharing their opinions across boundaries when creating a product that has no precedent. I think this allows us to improve existing products and take on new challenges in an efficient way. I think that if the workload can be spread even more evenly, it will be even easier to work.

**Y(Human Resources):** I felt that everyone was taking on different challenges in their own workplaces, using the systems put in place to improve working conditions. I would like to continue to foster a culture where people can work comfortably and feel fulfilled through positive human resources policies. Thank you all for being here today.





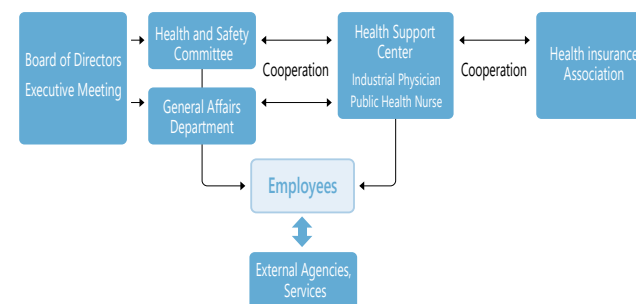
# S: Social - Health and Safety

## Health Promoting Actions

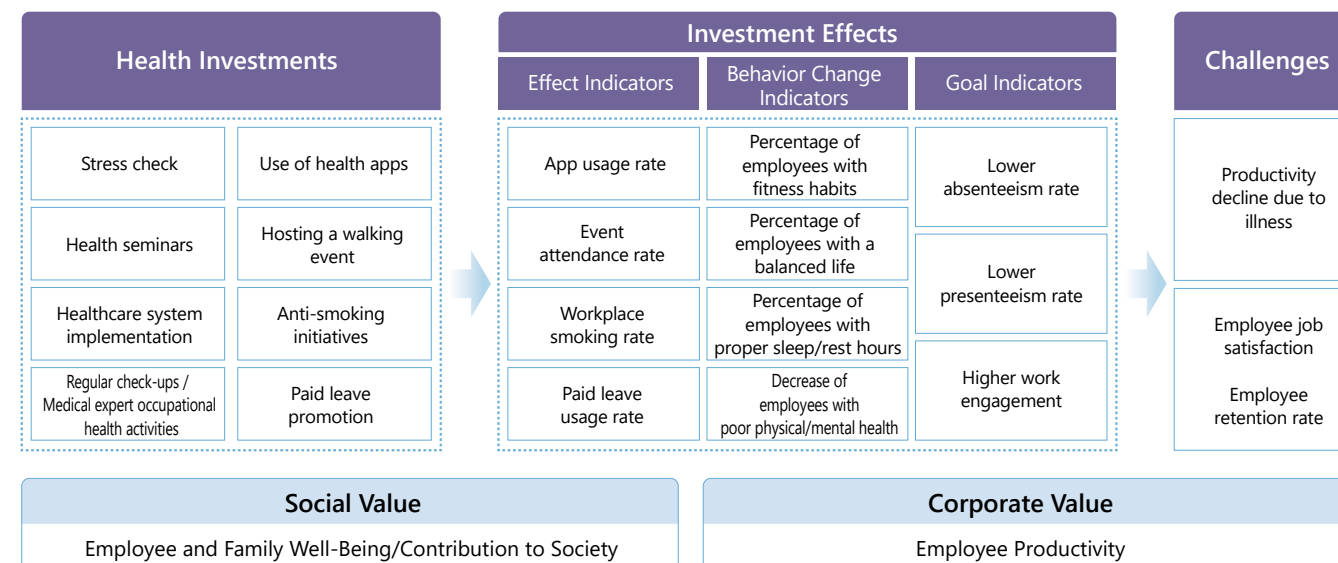
### Goal and System

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



### Primary Health and Productivity Management Indices - Scores in YUSHIN

Indices		Scores (FY2024)
Rate of regular health check-ups		100%
Stress check participation rate		87.6%
Average monthly overtime hour		19.6 hours
Average paid leave taken		64.7%
Absenteeism *1	The number of sick days / the total number of employees	0.6 days
Presenteeism *2	W-FUN score converted to percentages (75 - 100%) *3	91.1%
Work engagement *4	Rate job satisfaction on a 5-point scale using in-house questionnaire	Not yet calculated

\*1 Health-related absences from work

\*2 A condition in which an employee is not fully functional at work due to illness.

\*3 W-FUN is a questionnaire that measures the degree of impairment in work functioning due to illness. The total score will be between 7 and 35 points. The higher the points, the more severe the impairment.

\*4 A positive state of mind at work

### The 2024 Certified Health & Productivity Management Outstanding Organizations

We have been certified as the 2024 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.

## Initiative to Promote the Health and Productivity Management

### Health Support by ICT

To improve the quality of life of the employees, we provide them with health checkups. Based on the results, we give health guidance to the ones who have a risk of lifestyle-related diseases. We recommend 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. We are 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

We have 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, we have 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, we hold a walking event called "Walk, Talk and Work together!" with the aim of promoting employee health and improving communication among employees. Participants from Japan and overseas use a smartphone walking app to compete for the highest average number of steps per day.

### BLS (Basic Life Support) Training

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

### Health Apps

We have 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 We promote 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.

## Health and safety initiatives

### Establishing Internal Standards For "Heavy Lifting"

Heavy lifting is physically demanding for workers and a risk factor for various occupational injuries, including back pain and falls. For this reason, the Labor Standards Act places certain restrictions on the performance of such work.

We have set and begun to implement internal standards that are even stricter than these limits. We have also established "Guidelines for Safety Measures in the Transportation of Heavy Objects" to ensure the safety and protection of employees and to reduce work-related stress.

# S: Social - Social Engagement

## 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 2003.

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.

We have accepted high school students from Ritsumeikan Senior High School and other countries around the world ten times since 2012. Through plant tours and technical presentations, We hope 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 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.

### Research and Development Internship Programs

As one of our initiatives to support the career development of students, we offer them internships where they can experience the front lines of research and development.

Each section of the R&D department hosts students who are given a topic, perform experiments, simulations, programming, and structural analysis using software, present the results, and engage in group work that leads to an understanding of industries and companies.

Students experience a series of developmental assignments that integrate their university studies with their work experience. As a result, they can deepen their learning and develop a sense of professionalism. We will continue this program.



### Participation in Career Development Courses at a University

We participated in O/OCF-PBL (Project-Based Learning) at Kyoto Sangyo University.

In this course, which is a hands-on learning program designed to support the career development of university students, in FY2024 we posed the challenge: "What kind of training program would promote the solid growth of our employees?" For about six months, they worked with our employees in groups and in the field to solve the challenge, developing mindsets and skills they will need in the real world.

### Accepting Legal Interns

We support the objectives of the "in-house training" (internship) program offered by the Kyoto Bar Association as part of the legal intern training program, and have been accepting legal interns since FY2023.

Under the guidance of our in-house lawyer, we provide legal interns with a variety of work experiences focused on legal matters, so that they can gain an understanding of the perspectives required of those who will provide legal services to companies in the future. We also provide interns with the opportunity to learn about the mechanisms of corporate governance and experience communicating with corporate stakeholders.

### YUSHIN's Support to Rescue Robot Contest

The Rescue Robot Contest, a contest for robots featuring lifesaving activities in large-scale urban disasters, has been held since 2001 to educate society about disaster prevention and mitigation, and to develop human resources through improving robotics technologies. We have been sponsoring contest since 2016.

## Connecting with the Local Community

### 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.

### Showroom Tour

We held a tour of our showroom "IN→POSSIBLE" for cultural exchange groups in the neighborhood.

On the day of the event, visitors were able to experience our corporate stance and comprehensive technological capabilities through company introductions and robot exhibits. We will continue to make efforts from various perspectives in order to value communication with people in neighboring communities.



\*The showroom is open by appointment only. Please note that we may not be able to accommodate requests for tours.



# Dialogue “Kamakura Investment Management and an External Director”

## Expectations for master craftsmanship to solve social issues

Reiko Nakayama, an External Director, visited Kamakura Investment Management(Kamakura IM), which has invested in YUSHIN for many years, to exchange views on YUSHIN and issues for future growth.

### Investment Policy of KAMAKURA IM

**Nakayama:** Thank you very much for your time today. It is wonderful that your head office is a Japanese house

surrounded by mountains and a large garden. I feel that KAMAKURA IM is unique in having its head office in Kamakura, a place a little far from the center of the city. We have heard that KAMAKURA IM's investment policy is to



YUSHIN PRECISION EQUIPMENT CO., LTD.  
External Director –  
Reiko Nakayama

Kamakura Investment Management Co., Ltd.  
Representative Director and President –  
Yasuyuki Kamata

Kamakura Investment Management Co., Ltd.  
Head of Investment Group –  
Kazuhito Ikarashi

build trusting relationships with its mutual fund clients through direct dialogue and to act as a bridge between investors and the companies in which it invests. How does KAMAKURA IM select the companies it invests in?

**Kamata:** The first step is to define what a good company is. We believe that a good company is one that “solves social issues through its core business,” “creates social value which can be judged to be outstanding,” and “conforms to our key concepts of ‘people, symbiosis, and master craftsmanship.’”

**Ikarashi:** Finding such companies involves a series of steady activities. We visit about 400 companies a year through a series of simple tasks, such as reading “Shikiho” to pick out companies that look promising, manually inputting important figures after receiving earnings announcements to grasp the status of changes, and so on. Once there, we interview as many executives and employees as possible and visit their factories and other facilities. It is not unusual for an investment decision to take a year or two. These activities are costly, but in principle, if we continue to believe that a company is a good one, we do not sell its share and make a long-term investment that we believe is worth the cost. It also has the effect of maintaining close relationships with individual clients who hold our mutual fund through our investment policy.

**Nakayama:** Yes, it is a steady process. I did something similar when I was an analyst, and I agree that there are many things you can’t understand unless you do it yourself. I understand that KAMAKURA IM's investment policy is not to “buy the stock price” but to “buy the company.” Generally speaking, mutual fund for listed stocks are designed to achieve a certain return over a certain period of time, so short-term trading is unavoidable, but I realize KAMAKURA IM continues to invest slowly and achieve growth of the mutual fund as the company grows and reaps great rewards. I used to work for a venture capital firm when I was young, so I have a great deal of sympathy for such an investment approach. What were your reasons for selecting YUSHIN?

### What does KAMAKURA IM mean by “good companies”?



#### KAMAKURA IM's definition of “good companies”

We invest in companies that value their employees and their families, business partners, customers, local communities, the environment, shareholders, etc., and that grow while fostering a sustainable and prosperous society.

We select companies to invest in based on our own criteria, not just on company performance.

#### Evaluation criteria for “good companies”

We classify “good companies” into three categories based on the following criteria: people, symbiosis, and master craftsmanship.

- People:** Companies with excellent corporate culture and that make the most of their human resources
- Symbiosis:** Companies that create a circular society
- Master craftsmanship:** Companies that offer Japanese master craftsmanship and impressive services

### Reasons to Invest in YUSHIN

**Kamata:** Sometimes our peers and acquaintances who understand our investment policy will recommend companies that match our thinking. In fact, that is how we came to know YUSHIN. We established the mutual fund “Yui 2101” in March 2010, and invested in YUSHIN in June of the same year. We judged that YUSHIN possessed “master craftsmanship” technology, which means intellectual property and manufacturing capital, and that it had the ability to produce it on a sustainable basis. Stable growth is attractive, and I have the impression that the company is able to manage it well while expanding its business extensively on a global scale.





The company is also financially sound and has an excellent management structure that prevents losses. Deficits due to the effects of economic cycles can take several years to recover from, but the company has been able to grow sustainably even in the machinery industry, which is susceptible to the effects of economic cycles. It is an ideal company for this mutual fund, which is based on long-term investment. So, what is the source of the fact that the company has never recorded a loss? I believe that the founder's philosophy of "The impossible is the starting point for innovation" plays an important role in this. That is why YUSHIN has become the market leader despite being a latecomer because of its sincerity and carefulness in its products and services based on this philosophy. The flagship products, such as the FRA series, are excellent. This is due to the commitment to craftsmanship embodied in the company name "YUSHIN, being trusted," and the founder's words, "People should do what only people should do."

**Nakayama:** From an insider's viewpoint, the head office building has high ceilings in the offices, a garden in the cafeteria, and other features to provide comfort and convenience for employees, and at the same time, the company is making thorough efforts to keep fixed costs as

low as possible. I think that the company has a good balance between those two.

**Kamata:** The former president once told us that you should tighten its purse strings when the economy is good, and you should be more aggressive when the economy is bad. I think the land for the head office plant was purchased at the right time.

### Expectations of YUSHIN

**Nakayama:** Now, let's change the subject. For the past few years, our company's stock price has not grown as much as it could have. Last year, we acquired a Swedish company in the same industry, but the reaction from stock market was not very big. We have had various discussions in the Board of Directors regarding our business performance and stock price, but what do you think the issues are from the outside?

**Ikarashi:** In a word, I think it is important to explain more about the source of "earning power." I think the current stock price reflects this. As for the acquisition of a Swedish company last year, I think it would be good if the company could clearly present its long-term sales expansion strategy in



Europe and measures to improve the profitability of the entire Group as a result of the acquisition.

It is also important to reduce the cost of capital, and to this end, the company should also promote more efficient production processes and improved labor productivity. While you are actively working to improve the comfort and satisfaction of work, including improving the treatment of the employees, I think it is also important to further promote initiatives with an awareness of the need to improve labor productivity. Increasing labor productivity will create more room to increase labor costs.

Increasing dividends can temporarily boost a company's reputation, but it does not necessarily increase its value. The value of its products and services must be reconstructed.

**Nakayama:** I think that this is true in many ways. At our board meetings, we discuss measures to expand our product range and how to increase the value of our services, and at the same time, the stock price is also on the agenda. In this context, we have been focusing on a new palletizing robot product for the past few years. This is a product that has been in the market for some time, but with the COVID-19 pandemic and the shortage of human resources, many industries are expanding their investment in labor-saving products, and our sales have also grown. Since we opened a showroom near our head office the year before last, the growth has been particularly remarkable, and we still have high expectations for the future.

We are working to ensure diversity in our human resources and improve our education system, but continuing to improve the human infrastructure that drives growth is also an important perspective. It was said that there are few women in the company at general shareholders' meetings and company information sessions, and I have also suggested that more women should be recruited, but it is not easy to increase the number of women in development and design because there are so few women in science and engineering in the first place. On the other hand, the number of women in

the humanities is increasing, and the number of women in corporate and indirect operation departments is increasing, so it is important to manage diversity based on the characteristics of the organization and the type of job.

**Kamata:** In general, it is also a good idea to think flexibly and with a broader perspective, rather than focusing too much on what you are doing now. If you think about what the founding spirit of YUSHIN is, what kind of company you want to be, and what you want to do rather than what you want to make, I think you will come up with new ideas.

**Nakayama:** Since the current president took office, we have been focusing on revitalizing teamwork and communication. In that sense, your current proposals may be easier to implement.

**Kamata:** It is also important to promote creative approaches in the process of changing the corporate culture. It would be good to try something completely different, something like: "Let's talk about YUSHIN's dreams for the next 10 years!"

**Nakayama:** You are certainly right. Thank you very much for pointing out our challenges today from the outside and for your encouragement for the future.





Basic Views on Corporate Governance

Our Group 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.

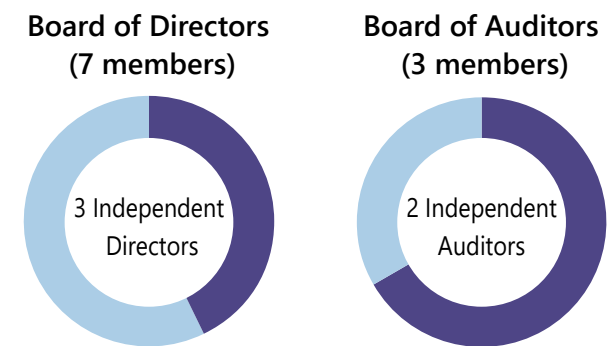
Ensuring Effectiveness of the Board of Directors and Board of Corporate Auditors

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 7 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 2024 identified areas for improvement in terms of agenda setting, and improvements are being made on an ongoing basis.



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. Right now, Yasuo Nishiguchi (External Director) chairs the committee where three members sit: Takayo Kotani (Representative Director and President), Hiroshi Matsuhisa (External Director), and Reiko Nakayama (External Director), which makes four in total. The committee was held three times during FY2024 in which executive appointment, executive evaluation and management personnel development plans were discussed.

The Board Members’ Compensation System

Our 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

Our company has established a Sustainability Committee, chaired by the Representative Director and President. The purpose of this committee is to contribute to the creation of a sustainable society and environment through our business activities, as well as to enhance our corporate value through sustainable business development. We have decided on our Sustainability Basic Policy and announced the materiality we have identified, and in April 2024 we disclosed our targets, KPIs, results and evaluations for the main measures for materiality.

# 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 Kota Oda, Director and Executive Vice President. Department managers with extensive business experience are selected as committee members 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

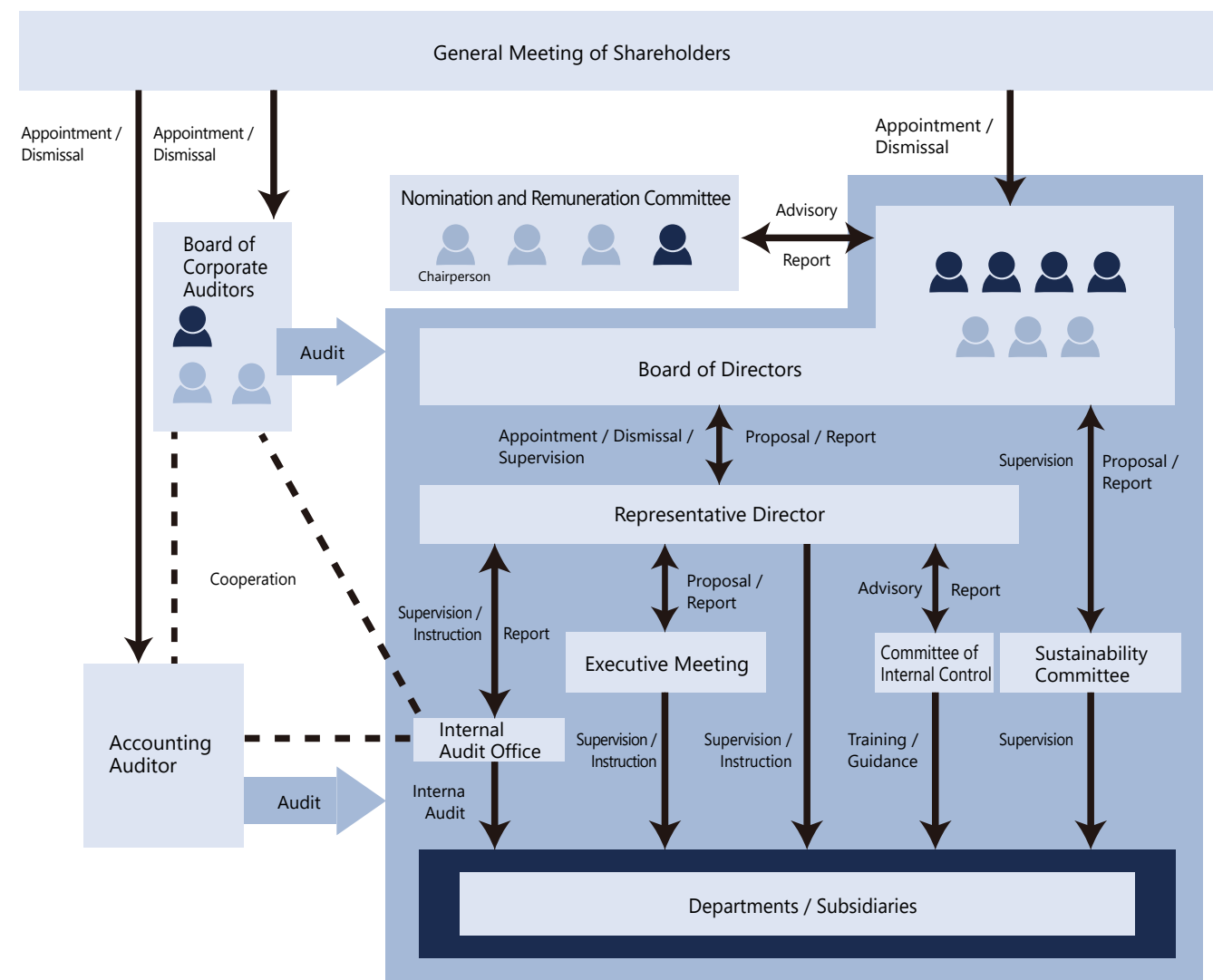
(as of the end of September, 2024)



Internal Director / Auditor



External Director / Auditor



In light of our 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. We will continue to review the content of the experience and skills required for our Board of Directors through dialogue with stakeholders.

Our 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	✓			✓	✓			
Yasuo Nishiguchi	External Director	Male	✓		✓	✓			✓	✓
Hiroshi Matsuhisa	External Director	Male		✓	✓				✓	
Reiko Nakayama	External Director	Female	✓					✓		✓
Masahito Fukui	Full-time Corporate Auditor	Male	✓				✓	✓	✓	✓
Tetsuya Nonaka	External Corporate Auditor	Male	✓							✓
Yoshiki Yamada	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

**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 March 2000 Joined Marusan Securities Co., Ltd. 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  
June 2023 Retired from Outside Director of Mandom Corporation

Full-time Corporate Auditor

**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  
June 2024 Full-time Corporate Auditor (to present)

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 November 2007 Joined the Company 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:  
14,300 shares

June 1989 August 2005 Joined the Company 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)

## External Independent

External Corporate Auditor

**Tetsuya Nonaka**

Date of birth  
September 25, 1976



Number of shares held:  
- shares

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

External Corporate Auditor

**Yoshiki Yamada**

Date of birth  
January 26, 1954



Number of shares held:  
- shares

October 1980 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)  
March 1985 Registered as a Certified Public Accountant  
July 1999 Appointed as a partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)  
July 2019 Opened and registered Certified Public Accountant Yoshiki Yamada Office  
June 2020 Outside Corporate Auditor of Konishi Co., Ltd.  
June 2021 Outside Director (Audits and Supervisory Committee member) of Konishi Co., Ltd. (to present)  
July 2021 Partner in Rutland Audit Corporation (to present)  
June 2024 External Corporate Auditor of the Company (to present)

## External Independent Chairperson of Nomination and Remuneration Committee

External Director

**Yasuo Nishiguchi**

Date of birth  
October 9, 1943



Number of shares held:  
59,400 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 Nomination and Remuneration Committee

External Director

**Hiroshi Matsuhisa**

Date of birth  
August 5, 1947



Number of shares held:  
25,000 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.

**Miki Murata**

Senior 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

NOTE: The number of shares is as of March 31, 2024

# 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"> <li>Capital expenditure in plastic injection molding industry</li> <li>Impact from exchange rate fluctuations (strong yen) on the yen equivalent of the overseas subsidiaries' business results</li> <li>Low-priced competition</li> </ul>	<ul style="list-style-type: none"> <li>Our business runs in multi-industry markets to prevent impacts from economic fluctuations in a particular industry</li> <li>We keep on developing new models and reducing manufacturing cost and SGA expenses</li> </ul>
External factor (purchasing)	<ul style="list-style-type: none"> <li>Price fluctuations in raw materials</li> <li>Parts supply restrictions from suppliers and discontinued parts</li> <li>Parts shortage due to demand rise in market</li> </ul>	<ul style="list-style-type: none"> <li>We attempt to manage minimizing purchase price fluctuation by setting up multiple and reliable supply routes</li> <li>We maintain system that enables flexible design changes</li> </ul>
External factor (natural disaster and others)	<ul style="list-style-type: none"> <li>Earthquake and storm damage</li> <li>Urban lockdown and stay-at-home order due to pandemic diseases around the world</li> </ul>	<ul style="list-style-type: none"> <li>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."</li> <li>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.</li> </ul>
Internal factor (accident)	<ul style="list-style-type: none"> <li>Warranty costs due to quality issue</li> <li>Labor accidents</li> <li>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)</li> <li>Operating system outage due to information technology system failure</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>We purchase Contractors' liability insurance and Product liability insurance</li> <li>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.</li> <li>We strictly maintain IT security status and strengthen IT security. We also train and enlighten management and employees</li> </ul>
Internal factor (human resources)	<ul style="list-style-type: none"> <li>Weakness in securing human resources for rapid business development</li> <li>Resignations and leaves of absence in the area of specialty</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>We improve working efficiency by IT technology</li> <li>We empower women</li> </ul>
Others	<ul style="list-style-type: none"> <li>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</li> <li>In the event that the profitability of a company acquired through a corporate acquisition declines due to changes in the business environment, etc., there is a possibility that an impairment loss will be recorded.</li> </ul>	

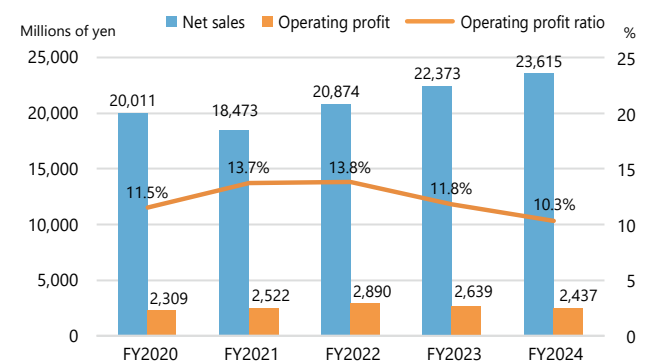
# Dialogue and Engagement with Stakeholders





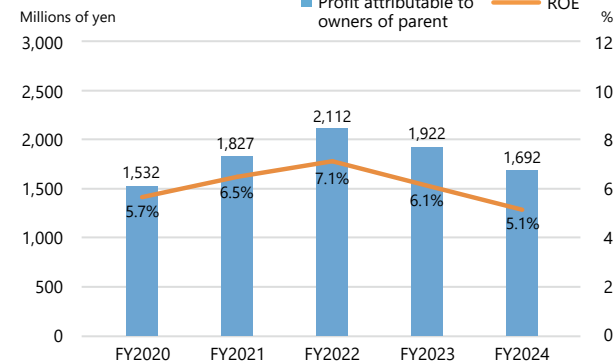
# Financial Highlights

## Net Sales, Operating Profit, Operating Profit Ratio



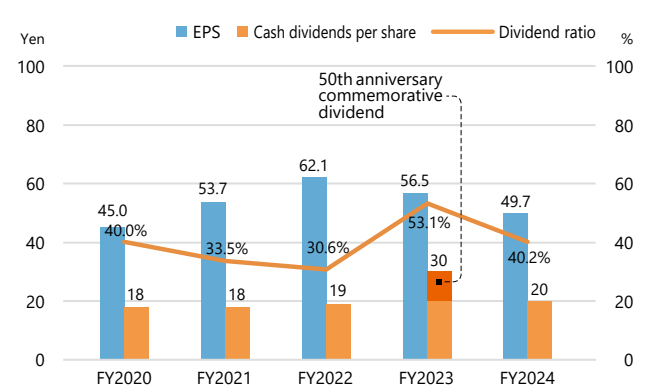
In FY2024, Net sales reached a record high of 23,615 million yen (up 5.6% year on year). This was due to large orders for custom-ordered medical equipment in Europe and the acquisition of WEMO as a subsidiary. Operating profit was 2,437 million yen (down 7.7% year on year) due to factors such as increased personnel costs and rising raw material prices.

## Profit Attributable to Owners of Parent, ROE



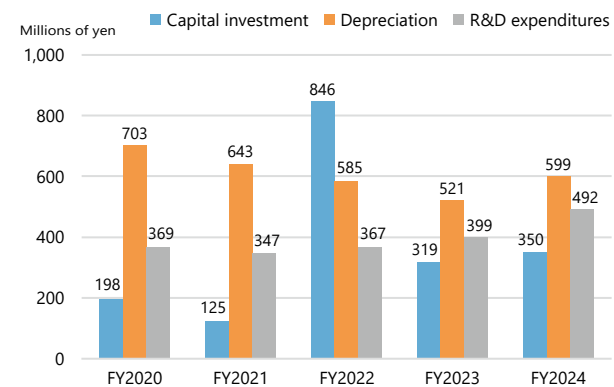
Profit attributable to owners of parent for FY2024 was 1,692 million yen (down 12.0% year on year) due to a decrease in Operating profit, and ROE was 5.1% (down 1.0 points year on year).

## EPS, Dividends, Dividend Ratio



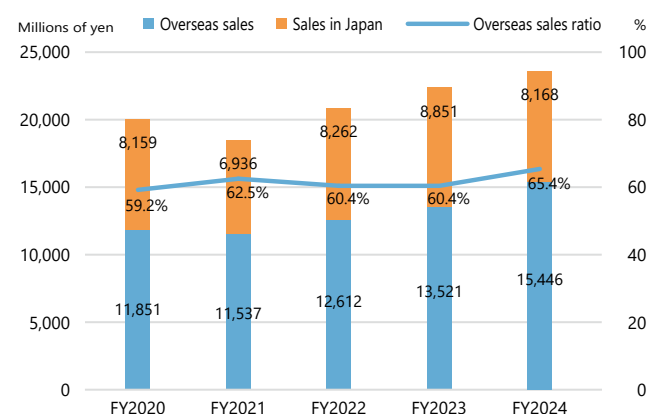
In order to provide stable and continuous shareholder returns, we aim for a consolidated dividend payout ratio of 30% or higher. We intend to increase the level of ordinary dividends by improving our consolidated performance. In FY2024, we paid a dividend of 20 yen per share.

## Capital Investment, Depreciation, R&D Expenditures



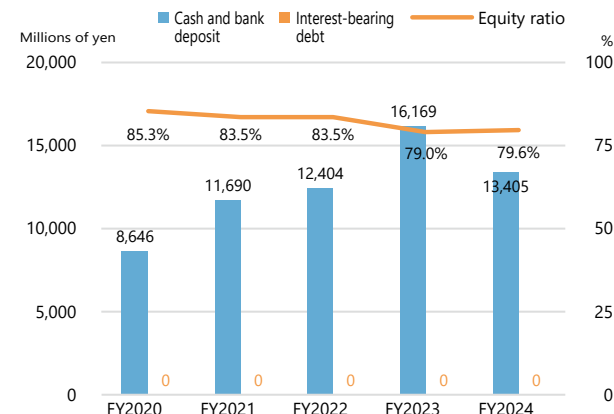
Recent capital investments include the renovation of the old headquarters plant in FY2024 and the opening of the showroom in FY2023. We have traditionally prioritized certain R&D expenditures in all economic conditions and continue to invest in our growth strategy.

## Overseas Sales Ratio



The ratio of overseas sales increased to 65.4% due to the acquisition of WEMO as a subsidiary and large orders for custom-ordered medical equipment. Our Group currently has a global network of 57 bases, and we are developing sales and after-sales services in countries and regions around the world.

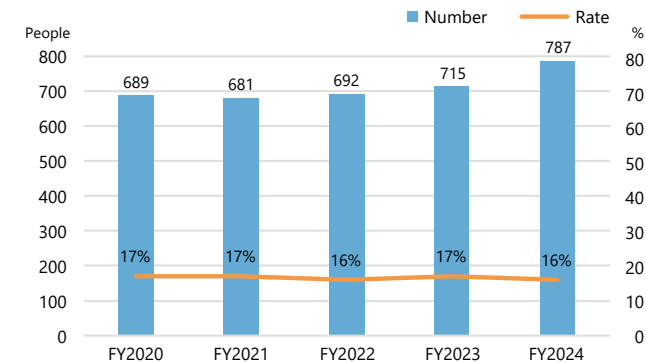
## Cash and Bank Deposit, Interest-Bearing Debt, Equity Ratio



In FY2024, cash and deposits decreased compared to the previous year due to a decrease in Advances received from the custom-ordered equipment business and the acquisition of subsidiaries. We will continue to prepare for future increases in demand and flexible investment at the right time.

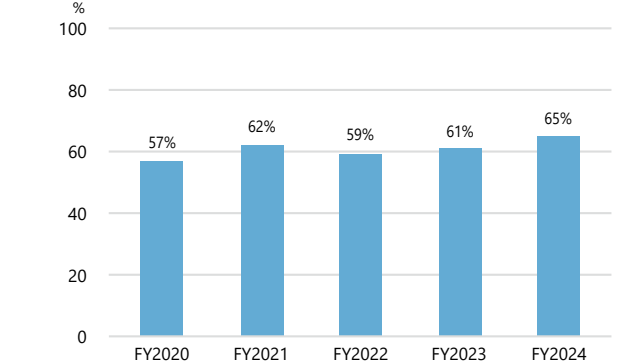
# Non-Financial Highlights

## Number of Employees / Rate of Female Employees



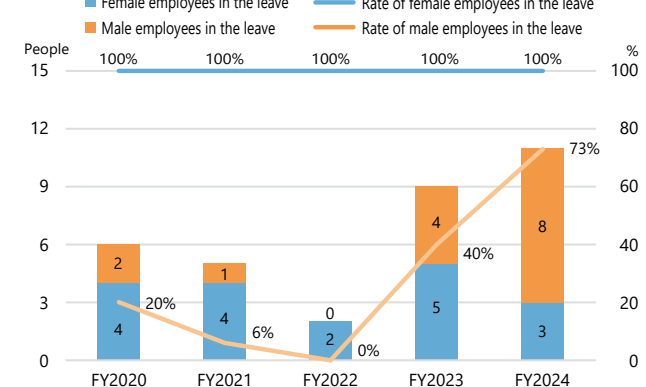
We are growing our workforce by aggressively investing in human resources around the world.

## Annual Paid Leave Acquisition Rate (Employees in Japan)



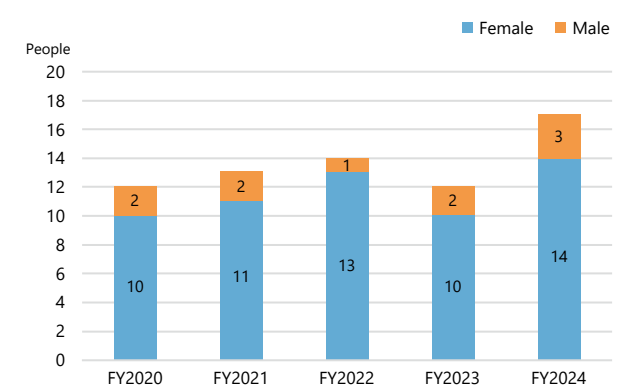
From FY2024, we introduced a system of annual paid leave in hourly units and a system of accumulating annual paid leave which increase the number of days of annual leave granted. As such we work to create an environment in which employees can more easily take paid leave.

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



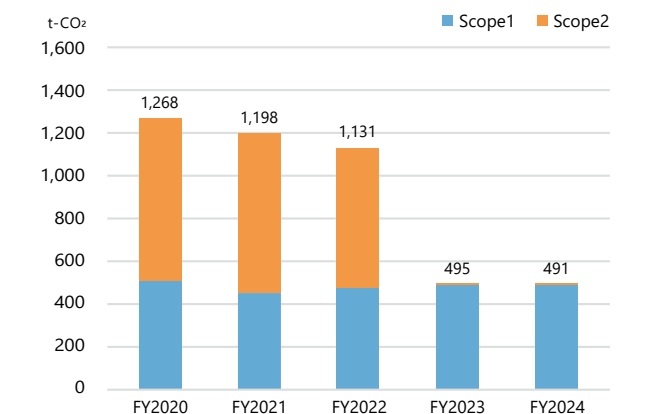
In addition to helping female employees take childcare leave and return to work, we are proactively taking measures to support male employees who are raising children, such as publicizing the contents of the system through lectures and roundtable discussions, sharing experiences with employees who have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

## The Number of Employees Who Take Shortened Working Hours System



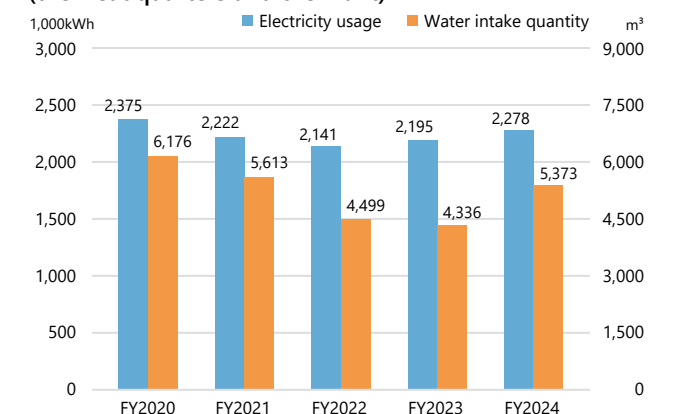
Short-time work is available to our employees while their children are in the third grade of elementary school or below, while it is required by law up to the age of three. In recent years, the number of male employees using the system has increased. Over the past few years, all eligible female employees 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.

## Greenhouse Gas Emissions (in Japan)



Continuing from FY2023, the switch to electricity derived from renewable energy has led to a significant reduction in greenhouse gas emissions from electricity use. In addition, we have installed solar panels on the roof of our headquarters plant, and are also working to reduce greenhouse gas emissions by consuming solar power generated on-site.

## Electricity Usage (in Japan), Water Intake Quantity (the Headquarters and the Plant)



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

# Financial Information

## Key Indicators

(Millions of yen)

	FY2015	FY2016	FY2017	FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	17,799	21,148	19,346	20,878		21,833	20,011	18,473	20,874	22,373	23,615
Gross profit	7,277	8,442	7,666	8,461		8,741	8,020	7,875	8,991	9,573	9,788
Gross profit to net sales	40.9%	39.9%	39.6%	40.5%		40.0%	40.1%	42.6%	43.1%	42.8%	41.5%
Operating profit	2,304	3,086	2,112	2,358		2,760	2,309	2,522	2,890	2,639	2,437
Operating profit to net sales	12.9%	14.6%	10.9%	11.3%		12.6%	11.5%	13.7%	13.8%	11.8%	10.3%
Ordinary profit	2,542	2,921	2,058	2,432		2,791	2,205	2,608	3,085	2,787	2,586
Ordinary profit to net sales	14.3%	13.8%	10.6%	11.7%		12.8%	11.0%	14.1%	14.8%	12.5%	11.0%
Profit attributable to owners of parent	1,683	1,908	1,380	1,626		1,903	1,532	1,827	2,112	1,922	1,692
Profit attributable to owners of parent to net sales	9.5%	9.0%	7.1%	7.8%		8.7%	7.7%	9.9%	10.1%	8.6%	7.2%

Total assets	29,463	29,409	30,761	32,572		33,197	31,933	34,649	36,892	40,843	42,821
Return on assets	6.0%	6.5%	4.6%	5.1%		5.8%	4.7%	5.5%	5.9%	4.9%	4.0%
Interest-bearing debt	-	-	-	-		-	-	-	-	-	-
Net assets	23,970	24,715	25,451	26,472		27,117	27,471	29,171	31,047	32,586	34,418
Equity ratio	80.6%	83.3%	82.1%	80.6%		80.9%	85.3%	83.5%	83.5%	79.0%	79.6%
Return on equity	7.4%	7.9%	5.6%	6.3%		7.2%	5.7%	6.5%	7.1%	6.1%	5.1%

(Millions of yen)

	FY2015	FY2016	FY2017	FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Cash flows from operating activities	2,104	2,218	1,626	1,223		2,291	3,558	3,487	2,083	4,605	119
Cash flows from investing activities	(256)	(5,105)	(471)	(2,511)		(61)	(1,475)	(1,987)	(1,341)	(299)	(2,519)
Cash flows from financing activities	(560)	(677)	(678)	(659)		(1,316)	(946)	(561)	(763)	(695)	(1,070)
Cash and cash equivalents at end of period	9,089	5,297	5,690	3,763		4,669	5,652	6,846	7,055	10,815	8,045

Capital investment	682	4,754	546	652		256	198	125	846	319	350
Depreciation	277	268	474	924		778	703	643	585	521	599
R&D expenses	472	510	619	598		413	369	347	367	399	492

No. of shares issued (1,000 shares)	17,819	17,819	17,819	17,819		35,638	35,638	35,638	35,638	35,638	35,638
No. of treasury shares (1,000 shares)	330	331	331	331		1,333	1,602	1,602	1,602	1,603	1,603
Earnings per share (yen)	96.26	109.14	78.93	93.03		54.54	45.01	53.70	62.06	56.50	49.72
Book value per share (yen)	1,357.36	1,401.54	1,444.38	1,500.75		783.03	800.04	850.14	904.77	948.36	1,001.03
Dividends per share (yen)	30	36	36	33		17	18	18	19	30	20
Dividend payout ratio	31.2%	33.0%	45.6%	35.5%		30.9%	40.0%	33.5%	30.6%	53.1%	40.2%

Employees (persons)	601	636	663	683		683	689	681	692	715	787
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# Financial Information

## Consolidated Balance Sheets (Fiscal Year-End)

	(Millions of yen)				
	FY2020	FY2021	FY2022	FY2023	FY2024
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and deposits	8,646	11,690	12,404	16,169	13,405
Notes and accounts receivable - trade	5,410	5,563	5,905	5,471	6,008
Merchandise and finished goods	772	1,007	1,074	1,288	1,039
Work in process	1,120	987	1,203	1,338	1,847
Raw materials and supplies	3,165	2,987	3,571	3,760	5,083
Consumption taxes receivable	19	71	87	87	215
Other	276	236	261	533	610
Allowance for doubtful accounts	(19)	(36)	(7)	(10)	(8)
<b>Total current assets</b>	<b>19,391</b>	<b>22,509</b>	<b>24,500</b>	<b>28,638</b>	<b>28,203</b>
<b>Non-current assets</b>					
Property, plant and equipment					
Buildings and structures, net	4,554	4,166	3,849	3,609	3,554
Machinery, equipment and vehicles, net	137	116	119	150	171
Land	6,107	6,129	6,812	6,821	6,851
Construction in progress	10	22	12	34	8
Other, net	96	97	132	130	163
Total property, plant and equipment	10,905	10,531	10,926	10,746	10,749
Intangible assets					
Goodwill	-	-	-	-	495
Customer-related intangible assets	-	-	-	-	1,579
Other	358	254	186	192	186
<b>Total intangible assets</b>	<b>358</b>	<b>254</b>	<b>186</b>	<b>192</b>	<b>2,261</b>
Investments and other assets					
Investment securities	159	285	263	307	547
Retirement benefit asset	285	257	264	215	274
Deferred tax assets	658	621	647	649	594
Other	193	209	181	141	254
Allowance for doubtful accounts	(20)	(20)	(78)	(49)	(63)
Total investments and other assets	1,277	1,353	1,279	1,265	1,607
<b>Total non-current assets</b>	<b>12,541</b>	<b>12,139</b>	<b>12,392</b>	<b>12,204</b>	<b>14,617</b>
<b>Total assets</b>	<b>31,933</b>	<b>34,649</b>	<b>36,892</b>	<b>40,843</b>	<b>42,821</b>

	(Millions of yen)				
	FY2020	FY2021	FY2022	FY2023	FY2024
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Notes and accounts payable - trade	895	1,933	1,710	1,733	2,011
Electronically recorded obligations - operating	803	839	935	890	522
Accounts payable - other	418	542	519	586	587
Income taxes payable	137	400	560	275	467
Advances received	1,270	789	1,162	3,721	3,062
Provision for bonuses	267	282	300	310	357
Provision for bonuses for directors	23	42	32	29	25
Provision for product warranties	178	162	137	256	284
Other	256	328	310	210	401
<b>Total current liabilities</b>	<b>4,250</b>	<b>5,321</b>	<b>5,668</b>	<b>8,012</b>	<b>7,719</b>
<b>Non-current liabilities</b>					
Provision for retirement benefits for directors	66	-	-	-	-
Retirement benefit liability	62	87	100	164	115
Deferred tax liabilities	34	23	24	6	387
Other	46	43	51	73	179
<b>Total noncurrent liabilities</b>	<b>210</b>	<b>155</b>	<b>176</b>	<b>244</b>	<b>682</b>
<b>Total liabilities</b>	<b>4,461</b>	<b>5,477</b>	<b>5,845</b>	<b>8,256</b>	<b>8,402</b>
<b>NET ASSETS</b>					
<b>Shareholders' equity</b>					
Share capital	1,985	1,985	1,985	1,985	1,985
Capital surplus	2,023	2,024	2,024	2,024	2,024
Retained earnings	24,531	25,848	27,212	28,454	29,125
Treasury shares	(1,355)	(1,355)	(1,355)	(1,355)	(1,355)
<b>Total shareholders' equity</b>	<b>27,185</b>	<b>28,503</b>	<b>29,866</b>	<b>31,108</b>	<b>31,779</b>
<b>Accumulated other comprehensive income</b>					
Valuation difference on available-for-sale securities	16	103	88	118	285
Foreign currency translation adjustment	(34)	290	796	1,043	1,958
Remeasurements of defined benefit plans	62	37	41	5	45
Total accumulated other comprehensive income	44	431	927	1,168	2,289
<b>Non-controlling interests</b>	<b>242</b>	<b>236</b>	<b>253</b>	<b>309</b>	<b>349</b>
<b>Total net assets</b>	<b>27,471</b>	<b>29,171</b>	<b>31,047</b>	<b>32,586</b>	<b>34,418</b>
<b>Total liabilities and net assets</b>	<b>31,933</b>	<b>34,649</b>	<b>36,892</b>	<b>40,843</b>	<b>42,821</b>

# Financial Information

## Consolidated Statements of Income

	(Millions of yen)				
	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Net sales</b>	<b>20,011</b>	<b>18,473</b>	<b>20,874</b>	<b>22,373</b>	<b>23,615</b>
Cost of sales	11,991	10,598	11,883	12,799	13,827
Cost to net sales	59.9%	57.4%	56.9%	57.2%	58.6%
<b>Gross profit</b>	<b>8,020</b>	<b>7,875</b>	<b>8,991</b>	<b>9,573</b>	<b>9,788</b>
Gross profit to net sales	40.1%	42.6%	43.1%	42.8%	41.5%
Selling, general and administrative expenses	5,710	5,353	6,100	6,934	7,350
<b>Operating profit</b>	<b>2,309</b>	<b>2,522</b>	<b>2,890</b>	<b>2,639</b>	<b>2,437</b>
Operating profit to net sales	11.5%	13.7%	13.8%	11.8%	10.3%
Non-operating income					
Interest income	6	6	6	6	25
Dividend income	6	5	6	8	10
Purchase discounts	10	6	7	8	4
Foreign exchange gains	-	34	96	99	90
Subsidy income	-	15	-	-	-
Other	22	19	78	27	19
Total non-operating income	46	88	195	150	151
Non-operating expenses					
Sales discounts	1	0	-	-	-
Foreign exchange losses	147	-	-	-	-
Other	1	0	1	3	2
Total non-operating expenses	150	1	1	3	2
<b>Ordinary profit</b>	<b>2,205</b>	<b>2,608</b>	<b>3,085</b>	<b>2,787</b>	<b>2,586</b>
Ordinary profit to net sales	11.0%	14.1%	14.8%	12.5%	11.0%
Extraordinary income					
Gain on sales of non-current assets	5	1	1	7	5
Gain on sales of investment securities	-	-	-	-	-
Total extraordinary income	5	1	1	7	5
Extraordinary losses					
Loss on sales and retirement of non-current assets	1	0	0	25	30
Other	1	-	-	-	-
Total extraordinary losses	2	0	0	25	30
<b>Profit before income taxes</b>	<b>2,208</b>	<b>2,610</b>	<b>3,086</b>	<b>2,769</b>	<b>2,561</b>
Total income taxes	629	752	952	790	800
<b>Profit</b>	<b>1,579</b>	<b>1,857</b>	<b>2,133</b>	<b>1,978</b>	<b>1,761</b>
Profit attributable to non-controlling interests	46	29	21	55	69
<b>Profit attributable to owners of parent</b>	<b>1,532</b>	<b>1,827</b>	<b>2,112</b>	<b>1,922</b>	<b>1,692</b>
Profit attributable to owners of parent to net sales	7.7%	9.9%	10.1%	8.6%	7.2%

## Order, Backlog and Sales

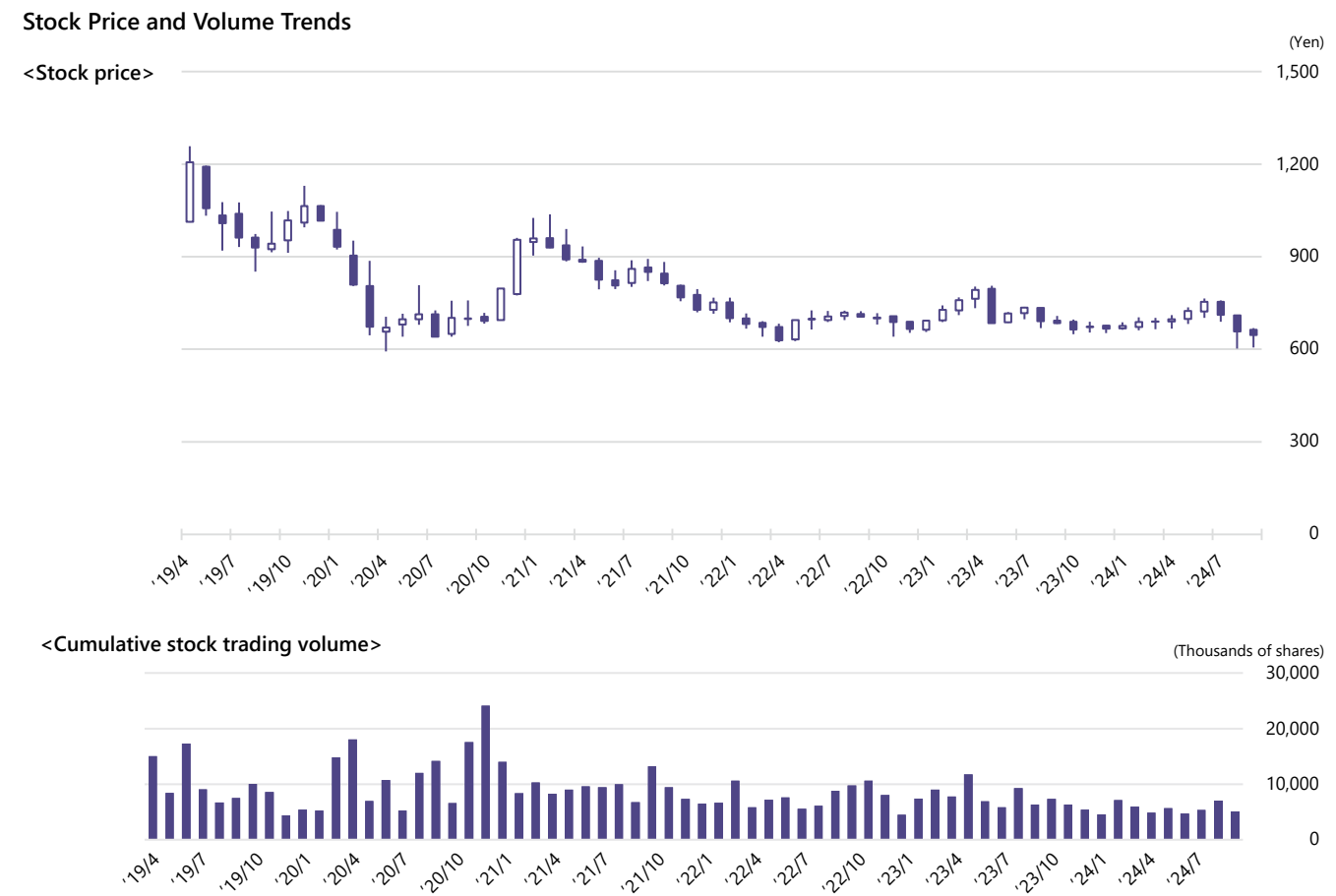
	(Millions of yen)				
	FY2020	FY2021	FY2022	FY2023	FY2024
Order received by product					
Robots	11,885	12,785	14,402	14,519	13,099
Custom-ordered equipment	2,997	2,784	3,910	8,444	4,887
Parts & maintenance services	3,168	3,145	3,519	3,806	4,402
<b>Total</b>	<b>18,051</b>	<b>18,715</b>	<b>21,832</b>	<b>26,770</b>	<b>22,389</b>
Backlog of orders by product					
Robots	2,120	3,000	3,120	3,485	3,081
Custom-ordered equipment	2,061	1,423	2,209	6,247	5,252
Parts & maintenance services	208	207	259	253	427
<b>Total</b>	<b>4,390</b>	<b>4,631</b>	<b>5,589</b>	<b>9,986</b>	<b>8,761</b>
Sales by product					
Robots	12,770	11,904	14,282	14,154	13,504
Custom-ordered equipment	4,056	3,422	3,124	4,406	5,882
Parts & maintenance services	3,185	3,147	3,467	3,812	4,228
<b>Total</b>	<b>20,011</b>	<b>18,473</b>	<b>20,874</b>	<b>22,373</b>	<b>23,615</b>
Sales by region					
Japan	8,159	6,936	8,262	8,851	8,168
China & Taiwan	2,395	2,753	3,318	2,799	1,982
Other Asia	3,504	3,032	3,622	4,060	3,743
Europe	2,079	1,782	1,075	1,333	3,704
North America	3,343	3,375	4,103	4,674	4,930
Others	527	593	492	653	1,086
<b>Total</b>	<b>20,011</b>	<b>18,473</b>	<b>20,874</b>	<b>22,373</b>	<b>23,615</b>
Sales by end-user categories					
Mobility	5,792	4,247	5,582	5,875	6,482
Medical	4,303	4,878	3,633	4,366	5,857
Electronics	3,617	3,305	4,653	5,444	4,523
Electrical appliance	2,110	1,653	1,873	1,782	1,802
Sundry products	1,966	1,765	2,471	2,298	1,908
Containers	1,276	1,496	1,350	1,314	1,825
Discs and optical instruments *	465	624	650	-	-
Others	478	501	657	1,291	1,215
<b>Total</b>	<b>20,011</b>	<b>18,473</b>	<b>20,874</b>	<b>22,373</b>	<b>23,615</b>

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

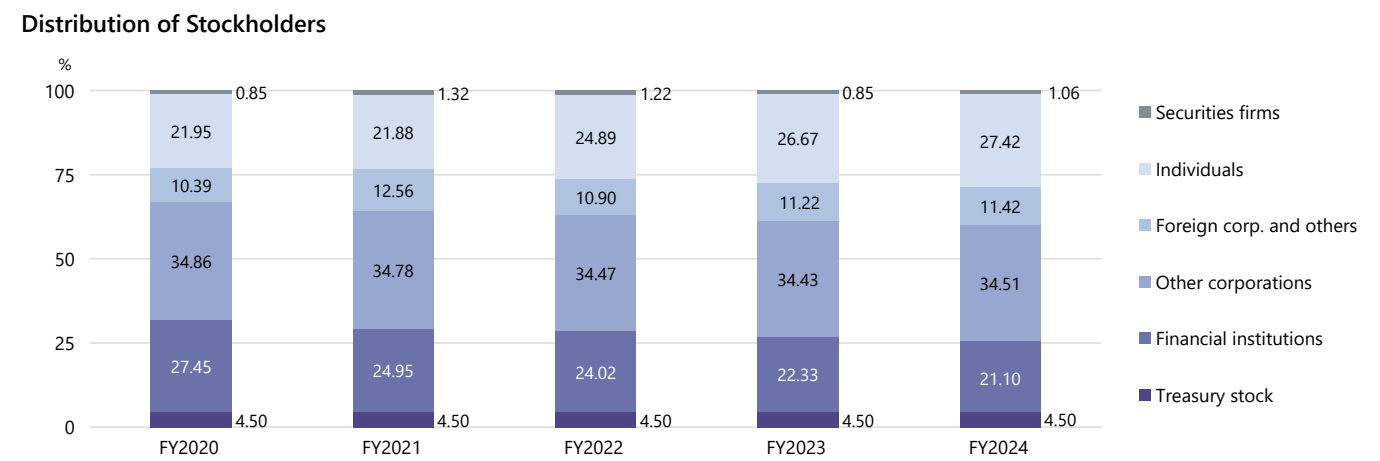
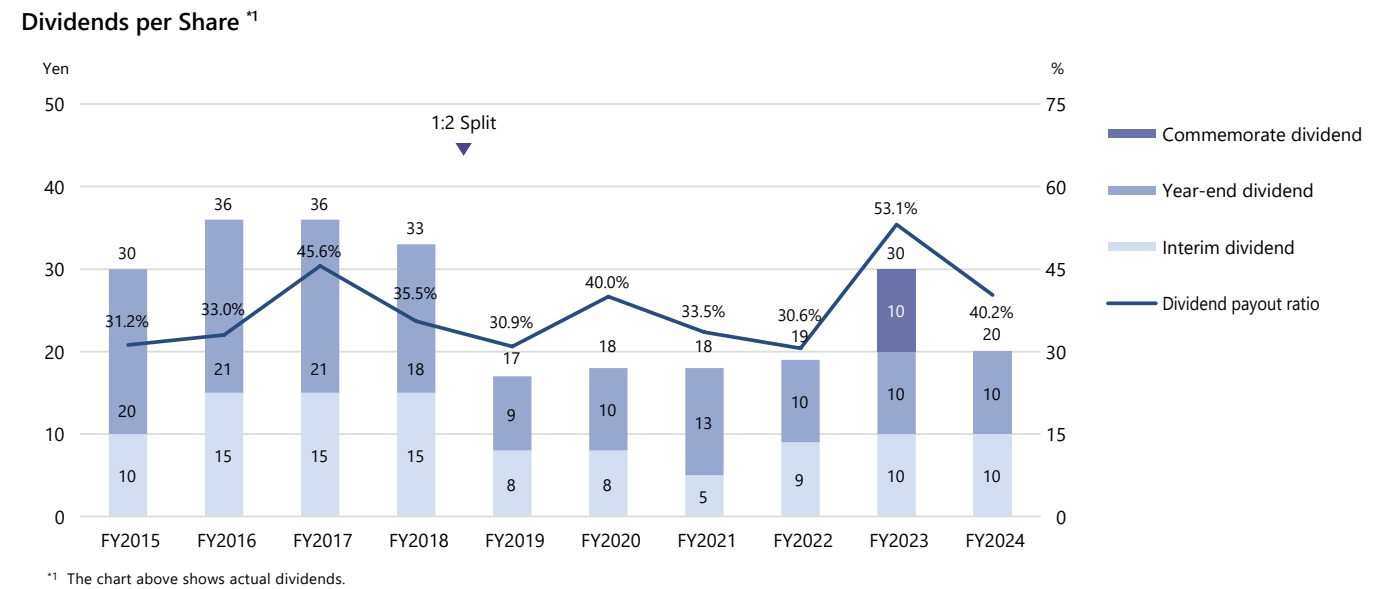


# Stock Information

Stock Information	FY2020	FY2021	FY2022	FY2023	FY2024
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)	1,602,454	1,602,518	1,602,804	1,603,076	1,603,219
No. of shareholders (Persons)	4,348	4,320	5,316	6,624	6,761
Cash dividends (Yen)	18	18	19	30	20
Dividend payout ratio	40.0%	33.5%	30.6%	53.1%	40.2%



	FY2020	FY2021	FY2022	FY2023	FY2024
Highest price (Yen)	1,258	1,037	933	768	806
Lowest price (Yen)	645	593	641	623	649
Closing price (Yen)	673	891	672	759	689
Total market value of shares (Millions of yen)	23,984	31,754	23,949	27,049	24,555
Cumulative stock trading volume (1,000 shares)	11,242	14,810	10,683	9,048	8,449
Dividend yield	2.7%	2.0%	2.8%	4.0%	2.9%
Price earnings ratio<PER>	14.95	16.59	10.83	13.43	13.86
Price book-value ratio<PBR>	0.84	1.05	0.74	0.80	0.69



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)	2,328	6.8
Takayo Kotani	1,968	5.8
Miki Murata	1,847	5.4
Custody Bank of Japan, Ltd. (Trust Accounts)	1,142	3.4
The Kyoto Chuo Shinkin Bank, Ltd.	1,088	3.2
Mayumi Kotani	968	2.8
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	877	2.6
MUFG Bank, Ltd.	849	2.5
STATE STREET BANK AND TRUST COMPANY 505001	845	2.5

<sup>\*2</sup> As of March 31, 2024  
<sup>\*3</sup> The Company's treasury stock of 1,603,219 shares is excluded from the table above.

# Global Network (as of September 30, 2024)

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



Headquarters &amp; Factory



Technical Center



# Corporate Information

Company name	YUSHIN PRECISION EQUIPMENT CO., LTD.※※The company name (trade name) will change to Yushin Company as of April 1, 2025.	
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	787 persons <as of March 31, 2024>	
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, 2024>	Representative Director and President	Takayo Kotani
	Director and Executive Vice President	Kota Oda
	Executive Managing Director	Yasushi Kitagawa
	Managing Director	Tomohiro Inano
	External Director	Yasuo Nishiguchi
	External Director	Hiroshi Matsuhisa
	External Director	Reiko Nakayama
	Full-time Corporate Auditor	Masahito Fukui
	External Corporate Auditor	Tetsuya Nonaka
	External Corporate Auditor	Yoshiki Yamada