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Securities Code: 6482
June 2, 2023

Dear Shareholders,

Notice of Convocation for the 50th Ordinary General Meeting of Shareholders

We would like to express our deepest appreciation for your continued support and patronage.

Notice is hereby given that the 50th Ordinary General Meeting of Shareholders of YUSHIN PRECISION EQUIPMENT CO., LTD. will be held as set out below:

This General Meeting of Shareholders has adopted electronic provision measures. Therefore, in accordance with Article 325-3 of the Companies Act, we have posted the electronic provision measure matters on our website on the Internet (<https://ir.ype.co.jp/en/stock/meeting.html>), where you can check the details.

In addition to our website, we have also posted the matters on the Tokyo Stock Exchange (TSE) website (<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>), where you can access the matters by 1) searching for “YUSHIN” in the issue name (company name) filed or “6482” in the code field, 2) selecting “Basic Information” – “Documents for Public Inspection/PR Information.”

If you do not intend to attend the meeting in person, you may exercise your voting rights in writing or by electromagnetic means (the Internet and others). Please refer to the enclosed Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5 p.m. on Tuesday, June 20, 2023 (JST.)

Details

1. **Date and Time:** Wednesday, June 21, 2023 at 10 a.m.
2. **Place:** Conference Room on the 6th Floor,
Head Office of YUSHIN PRECISION EQUIPMENT CO., LTD.
555 Kuzetonoshiro-cho, Minami-ku, Kyoto
3. **Objectives of the Meeting:**
Matters to be reported:
 - a) Business Report and Consolidated Financial Statements for the 50th Fiscal Year (from April 1, 2022 to March 31, 2023) as well as the audit reports from the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
 - b) Report on the Non-Consolidated Financial Statements for the 50th Fiscal Year (from April 1, 2022 to March 31, 2023)

Agenda for resolution:

Proposal: Election of Eight (8) Directors

Sincerely Yours,

Takayo Kotani
Representative Director and President
YUSHIN PRECISION EQUIPMENT CO., LTD.
555 Kuzetonoshiro-cho, Minami-ku,
Kyoto, Japan

Notes:

In the event of any modifications to electronic provision measures matters, the information before and after the modifications will be posted on the respective websites listed on the previous page.

Among electronic provision measures matters, “Consolidated Statements of Changes in Equity”, “Basis of Preparing Consolidated Financial Statements and other Notes”, “Statements of Changes in Equity” and “Significant Accounting Policies and other notes” are not included in the documents delivered to shareholders who have requested delivery of such documents, pursuant to the provisions of laws and regulations and Article 14, Paragraph 2 of the Articles of Incorporation of the Company.

Besides, “Consolidated Statements of Changes in Equity”, “Basis of Preparing Consolidated Financial Statements and other Notes”, “Statements of Changes in Equity” and “Significant Accounting Policies and other notes” were audited by the Accounting Auditor and the Corporate Auditor as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements in preparing the Audit Report.


Reference Documents for the General Meeting of Shareholders

Proposal: Election of Eight (8) Directors



The terms of all of the Directors (8 members) will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company is asking shareholders to vote for these eight (8) Director nominees.
The nominees are as follows.

No.	Name		Current position in the Company	Areas of responsibility, and representation of other organizations
1	Takayo Kotani	Reappointment	Representative Director and President	
2	Kota Oda	Reappointment	Director and Executive Vice President	General Manager of Administration Division
3	Yasushi Kitagawa	Reappointment	Executive Managing Director	General Manager of Manufacturing Division and General Manager of Purchasing Division
4	Tomohiro Inano	Reappointment	Managing Director	General Manager of Sales Division
5	Masahito Fukui	Reappointment	Director	Corporate Management
6	Yasuo Nishiguchi	Reappointment External Independent	Director	Chairman of YAMADA Consulting Group Co., Ltd.
7	Hiroshi Matsuhisa	Reappointment External Independent	Director	Professor emeritus at Kyoto University
8	Reiko Nakayama	Reappointment External Independent	Director	Outside Director of LUCKLAND CO., LTD. (Audits Committee) Outside Director of Mandom Corporation

No.	Name (Date of birth)	Career summary, position, areas of responsibility, and representation of other organizations
3	 <p>Yasushi Kitagawa (August 12, 1958)</p>	<p style="text-align: right;">Reappointment</p> <p>September 2007 Joined the Company November 2007 Deputy General Manager of Manufacturing Division April 2008 Deputy General Manager of Manufacturing Division and Quality Assurance Department April 2009 Executive Officer, Deputy General Manager of Manufacturing Division and Quality Assurance Department August 2009 Executive Officer, General Manager of Manufacturing Division and Quality Assurance Department June 2010 Director and General Manager of Manufacturing Division and Quality Assurance Department June 2013 Managing Director and General Manager of Manufacturing Division and Quality Assurance Department June 2017 Executive Managing Director and General Manager of Manufacturing Division and Quality Assurance Department July 2020 Executive Managing Director and General Manager of Manufacturing Division June 2021 Executive Managing Director and General Manager of Manufacturing Division and General Manager of Purchasing Division (to present)</p> <p>Number of shares held: 11,000 shares</p> <p>Reasons for appointment: Yasushi Kitagawa has been involved in the management and operation of production and purchasing, and thus has extensive experience and achievements in the business. The Company has nominated him for Director as he is expected to strengthen the decision-making and supervisory functions of the Board of Directors.</p>
4	 <p>Tomohiro Inano (December 13, 1962)</p>	<p style="text-align: right;">Reappointment</p> <p>June 1989 Joined the Company August 2005 General Manager of YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD. April 2008 General Manager of Chinese Area and YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD. July 2009 Assistant to General Manager of Sales Division February 2010 Deputy General Manager of Sales Division March 2011 General Manager of Sales Division March 2014 Executive Officer and General Manager of Sales Division June 2017 Director and General Manager of Sales Division June 2022 Managing Director and General Manager of Sales Division (to present)</p> <p>Number of shares held: 10,400 shares</p> <p>Reasons for appointment: Tomohiro Inano has been involved in the management and operation of sales and has extensive experience in the business. The Company has nominated him for as a Director because he is expected to strengthen the decision-making and supervisory functions of the Board of Directors.</p>

No.	Name (Date of birth)	Career summary, position, areas of responsibility, and representation of other organizations	
5	 Masahito Fukui (June 30, 1960)	October 2013 July 2015 April 2017	Reappointment Joined the Company as General Manager of Internal Audit Office General Manager of Accounting Department Executive Officer and General Manager of Corporate Management Department and General Manager of Accounting Department
		April 2020 June 2020 June 2022	Executive Officer and General Manager of Corporate Management Department Director and General Manager of Corporate Management Department Director, Corporate Management (to present)
Number of shares held: 5,000 shares Reasons for appointment: Masahito Fukui has been involved in the management and operation of group accounting and finance, IT system management, and auditing, etc., and has extensive experience in the business. The Company has nominated him for as a Director because is expected to strengthen the decision-making and supervisory functions of the Board of Directors.			
6	 Yasuo Nishiguchi (October 9, 1943)	March 1975 June 1987 June 1992 June 1997 June 1999 June 2003	Reappointment External Independent Joined Kyoto Ceramic Co., Ltd.(currently KYOCERA Corporation) Director Senior Managing Director and Representative Director Executive Vice president and Representative Director President and Representative Director President and Representative Director and President and Executive Officer
		June 2005 April 2006 June 2009 June 2014 March 2015 June 2016 March 2018 April 2020	Chairman of the Board and Representative Director, and Chief Executive Officer Advisor and Director Retired from the office of Director External Director of the Company (to present) Chairman and CEO of Socionext Inc. Outside Director of YAMADA Consulting Group Co., Ltd. Retired from Chairman and CEO of Socionext Inc. Chairman of YAMADA Consulting Group Co., Ltd. (to present)
Number of shares held: 56,000 shares Reasons for selection as a candidate for External Director and expected role: The Company has renominated Yasuo Nishiguchi as a candidate for External Director in order to continue to utilize his knowledge and experience in all aspects of management, which he has cultivated through his key positions as President and Representative Director and the Chairman of KYOCERA Corporation, in the management of the Company. He is expected to strengthen the functions of the Company's Board of Directors by advising and supervising management from an independent standpoint, utilizing his expertise as a person with management experience.			

No.	Name (Date of birth)	Career summary, position, areas of responsibility, and representation of other organizations
7	 Hiroshi Matsuhisa (August 5, 1947)	<div style="text-align: right;"> Reappointment External Independent </div> <p> 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. </p>
<p>Number of shares held: 15,000 shares</p> <p>Reasons for selection as a candidate for External Director and expected role: The Company has renominated Hiroshi Matsuhisa as a candidate for an External Director in order to continue to utilize his expertise as an academic expert in engineering in the management of the Company. He is expected to strengthen the functions of the Company's Board of Directors by advising and supervising management from an independent standpoint. Although he has no direct experience for business management, the Company believes that he has the ability to properly perform the duties as an External Director of the Company as described above.</p>		
8	 Reiko Nakayama (April 2, 1959)	<div style="text-align: right;"> Reappointment External Independent </div> <p> April 1983 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.) January 1997 Joined Marusan Securities Co., Ltd. March 2000 General Manager of Investment information October 2004 General Manager of Underwriting October 2008 Part-time Director of LivTech, Inc. February 2009 Director and Head of Administrative H.Q. of LivTech, Inc. March 2013 Retired from the office of Director of LivTech, Inc. March 2015 Outside Director of LUCKLAND CO., LTD. March 2016 Outside Director of LUCKLAND CO., LTD. (Audits Committee) (to present) June 2018 External Director of the Company (to present) June 2019 Outside Director of Mandom Corporation (to present) </p>
<p>Number of shares held: 20,062 shares</p> <p>Reasons for selection as a candidate for External Director and expected role: The Company has renominated Reiko Nakayama as a candidate for External Director to continue to apply her rich insight based on her experience as a general manager of an underwriting department of a securities company, an officer in charge of administration of an operating company, and an External Director to the management of the Company. She is expected to strengthen the functions of the Company's Board of Directors by advising and supervising management from an independent standpoint.</p>		

Notes:

1. The candidates for Directors have no special interests in the Company.
2. Takayo Kotani's registered name is Takayo Oda.
3. Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are candidates of External Directors.
4. Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are the present External Directors of the Company. Yasuo Nishiguchi and Hiroshi Matsuhisa, their term of office as an External Director of the Company is respectively nine (9) years at the conclusion of this General Meeting of Shareholders, Reiko Nakayama, five (5) years.
5. The Company has registered Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama as Independent Officers provided in the rules of the Tokyo Stock Exchange. If Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are reappointed, the Company plans to continue to make them Independent Officers.
6. The Company has concluded an agreement with Yasuo Nishiguchi, Hiroshi Matsuhisa, and Reiko Nakayama to limit their liabilities for damages under Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of Paragraph 1, Article 427 of the Companies Act. The maximum amount of liability for damages under such agreement shall be the minimum amount of liability under Paragraph 1, Article 425 of the Companies Act. If Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are reappointed, the agreement will be continued.
7. The Company has concluded an indemnification agreement with Takayo Kotani, Kota Oda, Yasushi Kitagawa, Tomohiro Inano, Masahito Fukui, Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama to guarantee the expenses set forth in Paragraph 1, Article 430-2 of the Companies Act and the loss set forth in Item 1 and 2 of that paragraph to the extent stipulated by laws and ordinances. If the reappointment of each candidate is approved, the Company plans to continue the agreement with each person.
8. The Company has concluded Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. The insurance will cover any damages, etc. (However, damages that fall under the reasons for exemption specified in the insurance contract are excluded.) that the Corporate Auditors, etc. are liable for damages due to their work. The Company bears the entire premium for D&O insurance. If Takayo Kotani, Kota Oda, Yasushi Kitagawa, Tomohiro Inano, Masahito Fukui, Yasuo Nishiguchi, Hiroshi Matsuhisa, and Reiko Nakayama are reappointed, they will continue to be insured by D&O insurance. The contract period for D&O insurance is one year, and it will be renewed after a resolution by the Board of Directors before the expiration of the period.

Reference information
Skills Matrix of Directors and Corporate Auditors

The following table set forth the list of Directors and Corporate Auditors, if Proposal is approved, and their skills.

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

This table shows the maximum four primary skills of each personnel except “Management.”
This table does not reflect all of the knowledge or experience of each Director and Auditor.

Business Report

(from April 1, 2022 to March 31, 2023)

1. Current Business Conditions

Net sales	Operating profit
22,373 million yen 7.2% Y/Y	2,639 million yen (8.7%) Y/Y
Ordinary profit	Profit attributable to owners of parent
2,787 million yen (9.7%) Y/Y	1,922 million yen (9.0%) Y/Y

(1) Progress and achievements

During the current consolidated fiscal year, the global economy showed a recovery trend toward positive growth, as business and economic activities go hand in hand, as the restriction on business activities is eased by the global progress in vaccination against COVID-19 infection. On the other hand, the outlook for the exchange rate is becoming increasingly uncertain, and there are concerns that the economic recovery will be delayed due to rising raw material and ocean transportation costs caused by geopolitical risks.

Under these circumstances, YUSHIN Group has continued to develop new customers on a global scale and expand the business of custom-ordered equipment for medical field.

As a result, orders received during the consolidated fiscal year increased significantly year on year due to the orders received for large scale custom-ordered medical equipment.

For the current consolidated fiscal year, Net sales of take-out robots decreased compared with the previous consolidated fiscal year, partly due to the impact of China lockdown, while sales of custom-ordered equipment increased due to the contribution of a large order for medical equipment. By region, Net sales in Japan, North America, and Europe remained strong, due in part to increased sales of custom-ordered equipment. As a result, the consolidated Net sales increased 7.2% from the previous period to 22,373 million yen.

In terms of profit, Operating profit decreased 8.7% from the previous period to 2,639 million yen, despite the increase in consolidated Net sales, due to higher labor costs and increases in material prices and ocean transportation costs.

Ordinary profit decreased 9.7% to 2,787 million yen despite foreign exchange gains, and Net income attributable to owners of parent decreased 9.0% to 1,922 million yen.

During the current consolidated fiscal year, the Company adopted the recommendations of “the Task Force on Climate-related Financial Disclosures (TCFD)”, established “YUSHIN Group Human Rights Policy”, formed a “sustainability committee”, identified sustainability “materiality”, and continued to promote sustainability activities throughout the year. We will continue to contribute to the creation of a sustainable society and environment through our business activities focused on providing labor-saving solutions, while striving for sustainable business development and increasing corporate value.

Consolidated net sales by product category

(Thousands of yen)

Years ended March 31	2022		2023		Y/Y
Product	Amount	%	Amount	%	%
Take-out robots	14,282,738	68.4	14,154,064	63.3	(0.9)
Custom-ordered equipment	3,124,841	15.0	4,406,207	19.7	41.0
Parts and maintenance services	3,467,065	16.6	3,812,917	17.0	10.0
Total	20,874,646	100.0	22,373,189	100.0	7.2

Reference information

Current Trend of Business Performances

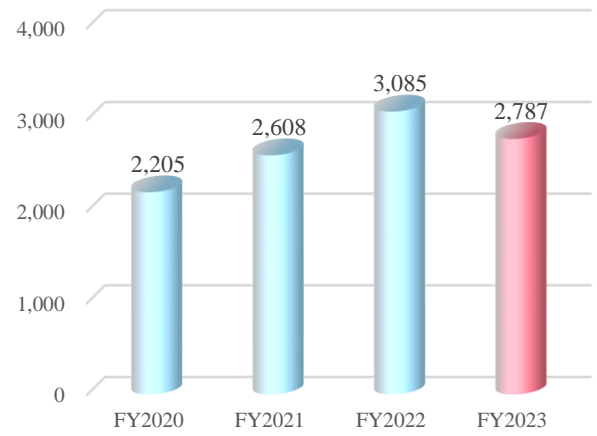
Net sales

(Millions of yen)



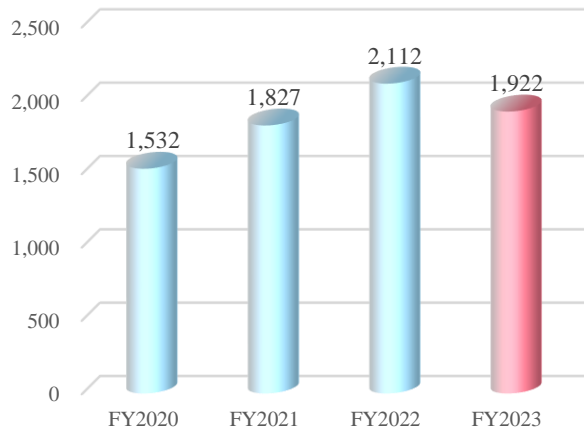
Ordinary profit

(Millions of yen)



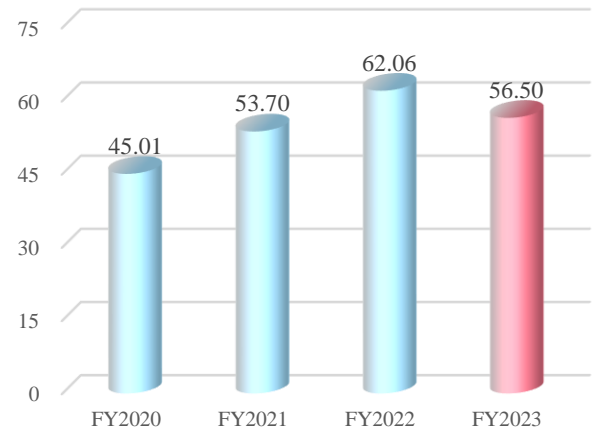
Profit attributable to owners of parent

(Millions of yen)



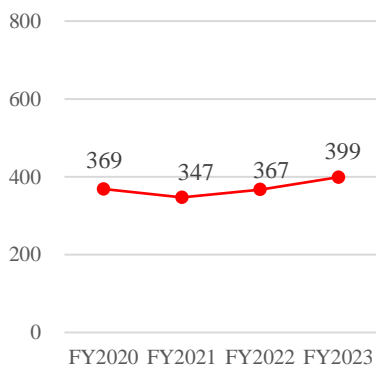
Earnings per share

(Yen)



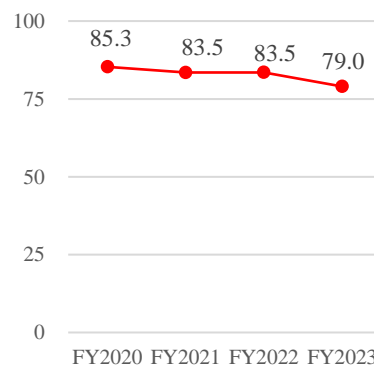
R&D expenses

(Millions of yen)



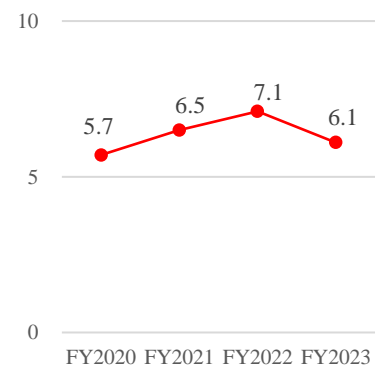
Equity ratio

(%)



ROE

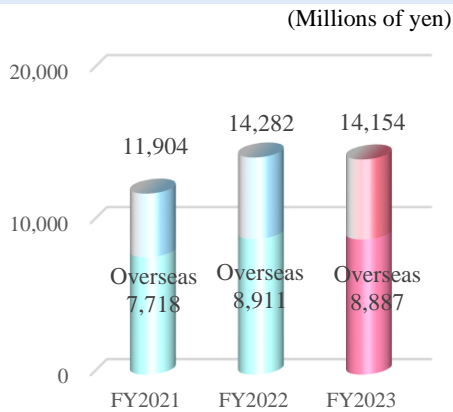
(%)



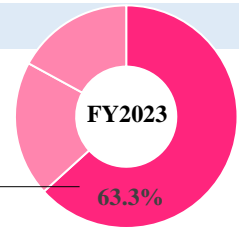
Reference information Sales Information

Sales by product category

Take-out robots

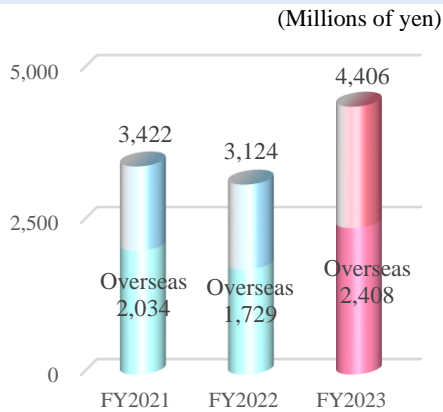


Sales Ratio
Take-out Robots

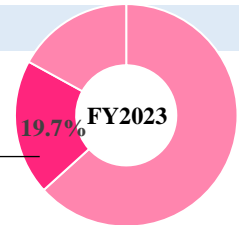


- decreased by 128 million yen (-0.9%) from the previous FY to 14,154 million yen.
- While sales in North America, Korea, and Thailand were strong, China was affected by the market slowdown due to the lockdown.

Custom-ordered equipment

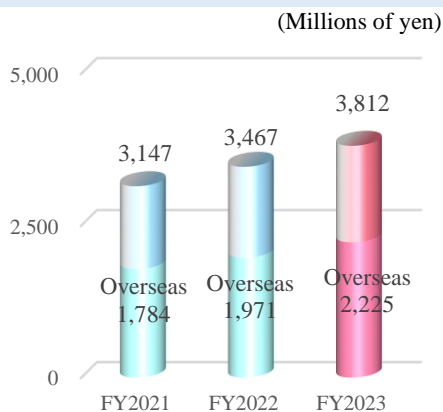


Sales Ratio
Custom-ordered Equipment

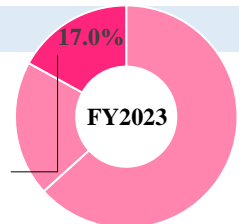


- increased by 1,281 million yen (+41.0%) from the previous FY to 4,406 million yen.
- Sales in Europe for medical applications grew, and sales in Japan and North America also remained strong.

Parts and maintenance services



Sales Ratio
Parts and maintenance services



- increased by 345 million yen (+10.0%) from the previous FY to 3,812 million yen.
- Sales increased in line with the global increase in the number of units in operation.

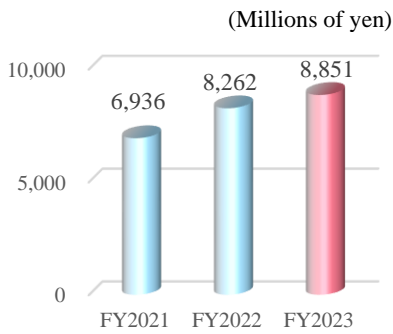
Reference information

Sales Information

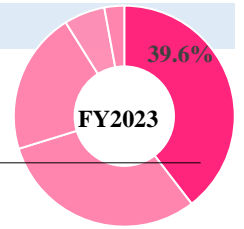
Sales by regions

● Network in Japan ● Subsidiaries, Branches and Representative office ● Sole Agents

Japan

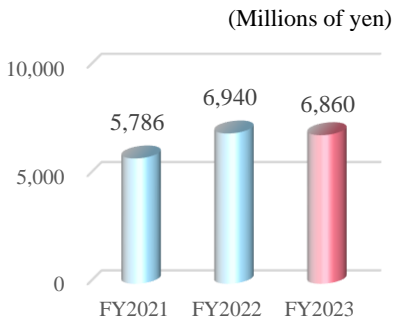


Sales Ratio
Japan

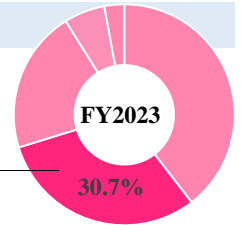


- increased by 589 million yen (+7.1%) from the previous FY to 8,851 million yen.
- Sales grew due to demand for capital investment, especially in the electronics industry.

Asia

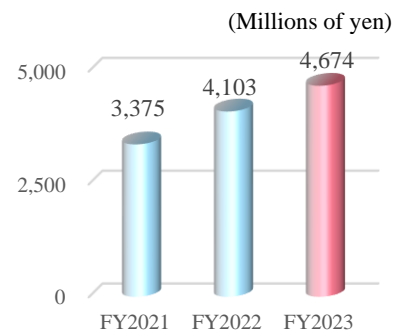


Sales Ratio
Asia

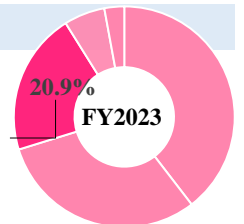


- decreased by 80 million yen (-1.2%) from the previous FY to 6,860 million yen.
- Sales in South Korea and South-east Asian countries remained strong, while sales in China were sluggish due to the impact of the lockdown.

North America

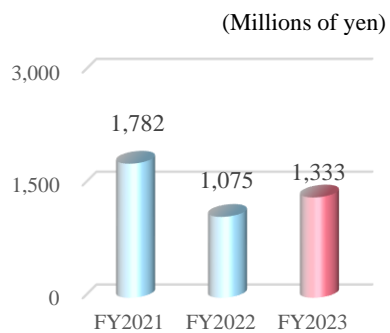


Sales Ratio
North America

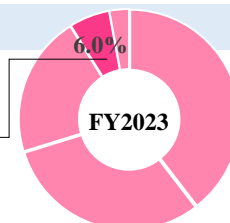


- increased by 571 million yen (+13.9%) from the previous FY to 4,674 million yen.
- Sales of take-out robots and custom-ordered equipment were strong, especially for mobility and medical related applications.

Europe

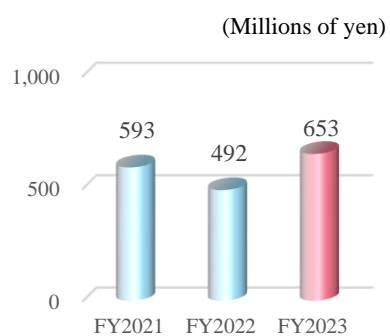


Sales Ratio Europe

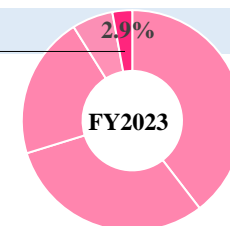


- increased by 257 million yen (+23.9%) from the previous FY to 1,333 million yen.
- Sales increased due to large orders for custom-ordered equipment for the medical market.

Others



Sales Ratio Others



- increased by 161 million yen (+32.7%) from the previous FY to 653 million yen.

(2) Capital investment

Capital investments made by YUSHIN Group during the current consolidated fiscal year ended March 31, 2023 totaled 319 million yen, mainly consisting of 150 million yen for the opening of the showroom in Technical Center.

(3) Financing activities

No material items to report.

(4) Assets and operating results FY2020 – FY2023

Years ended March 31,	FY2020	FY2021	FY2022	FY2023
Net sales (Thousands of yen)	20,011,700	18,473,964	20,874,646	22,373,189
Ordinary profit (Thousands of yen)	2,205,033	2,608,925	3,085,275	2,787,011
Profit attributable to owners of parent (Thousands of yen)	1,532,851	1,827,868	2,112,238	1,922,822
Earnings per share (Yen)	45.01	53.70	62.06	56.50
Total assets (Thousands of yen)	31,933,368	34,649,136	36,892,986	40,843,235
Net assets (Thousands of yen)	27,471,961	29,171,922	31,047,712	32,586,298
Book value per share (Yen)	800.04	850.14	904.77	948.36

Notes:

Earnings per share are calculated based on the average number of shares outstanding during the fiscal year and Book value per share, on the number of shares outstanding at the end of the year.

(5) Issues to address

With regard to the external environment surrounding our company, while the uncertainty surrounding the COVID-19 infection has subsided and the economic growth rate is expected to improve in some regions, including China, the growth rate is expected to remain low in some regions due to rising interest rates to curb inflation and the impact of geopolitical risks. In the medium to long term, the global trend toward production automation is expected to continue, with attention to labor safety and improving production efficiencies.

In this environment, YUSHIN Group will continue to quickly take advantage of changes in the business environment and strive for further development as a leading company in take-out robot industry, based on the management philosophy of “Look outward far and wide, constantly seek technological innovation and give back to society for all it has given us.”

To this end, YUSHIN Group will work to expand sales of the robots by enhancing product appeal and strengthening global sales development. We will collect accurate market information to increase our global market share. For custom-ordered equipment, in response to increasing demand for automation at home and abroad due to labor shortages and rising labor costs, YUSHIN Group will continue to work to expand sales and develop new business.

At the same time, we will promote measures to address the five material issues identified for the fiscal year ending March 31, 2023: “Promotion of occupational safety”, “Productivity improvement of customers’ factory”, “Tackling climate change”, “Strengthening human capital”, and “Strengthening corporate governance.” In addition, we will increase productivity by strengthening our organization, human capital development, and IT systems with a focus on CI penetration, and by improving the quality, efficiency, and speed of our operations.

(6) Status of major subsidiaries

Name	Location	Capital stock	Percentage of shareholding	Major operations
YUSHIN KOREA CO., LTD.	Siheung-Shi, South Korea	KRW350 million	100%	Sales and maintenance & repair of the Company products. Manufacturing, sales and maintenance & repair of Custom-ordered equipment
YUSHIN PRECISION EQUIPMENT TRADING (SHANGHAI) CO., LTD.	Shanghai, China	US\$200,000	100%	Sales and maintenance & repair of the Company products
YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.	Shenzhen, Guangdong, China	US\$400,000	100%	Sales and maintenance & repair of the Company products
YUSHIN PRECISION EQUIPMENT (TAIWAN) CO., LTD.	Taipei City, Taiwan (R.O.C.)	NT\$5 million	100%	Sales and maintenance & repair of the Company products
PT. YUSHIN PRECISION EQUIPMENT INDONESIA	Bekasi, Indonesia	IDR2,841 million	99%	Sales and maintenance & repair of the Company products
YUSHIN PRECISION EQUIPMENT (VIETNAM) CO., LTD.	Hanoi, Vietnam	US\$300,000	100%	Sales and maintenance & repair of the Company products
YUSHIN PRECISION EQUIPMENT SDN. BHD.	Selangor, Malaysia	MYR1 million	100%	Sales and maintenance & repair of the Company products
YUSHIN PRECISION EQUIPMENT (THAILAND) CO., LTD.	Bangkok, Thailand	THB8 million	49%	Sales and maintenance & repair of the Company products. Manufacturing, sales and maintenance & repair of Custom-ordered equipment
YUSHIN PRECISION EQUIPMENT (INDIA) PVT. LTD.	Chennai, India	INR17.4 million	97.9%	Sales and maintenance & repair of the Company products
YUSHIN EUROPE GMBH	Bayern, Germany	EUR25,000	100%	Sales and maintenance & repair of the Company products
YUSHIN AUTOMATION LTD.	Worcestershire, U.K.	GBP150,000	95.6%	Sales and maintenance & repair of the Company products
YUSHIN AMERICA, INC.	Rhode Island, U.S.A.	US\$8,000	100%	Sales and maintenance & repair of the Company products. Manufacturing, sales and maintenance & repair of Custom-ordered equipment
GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.	Guangzhou, Guangdong, China	RMB13.742 million	100%	Manufacturing of the Company products

(7) Major operations (as of March 31, 2023)

Development, manufacture and sale of Cartesian robots and other industrial equipment and systems for factory automation.

(8) Main sales offices and factories (as of March 31, 2023)

Name	Location
Head Office	Minami-ku, Kyoto-city
Fushimi Factory	Fushimi-ku, Kyoto-city
Technical Center	Minami-ku, Kyoto-city
Higashi-Nihon General Sales Office	Kita-ku, Saitama-city
Nishi-Kanto Sales Office	Atsugi-city, Kanagawa
Nagano Sales Office	Shiojiri-city, Nagano
Tohoku Sales Office	Fukushima-city, Fukushima
Tsukuba Sales Office	Tsukuba-city, Ibaraki
Chubu General Sales Office	Toyokawa-city, Aichi
Shizuoka Sales Office	Suruga-ku, Shizuoka-city
Nagoya-Nishi Sales Office	Kuwana-city, Mie
Nishi-Nihon General Sales Office	Minami-ku, Kyoto-city
Toyama Sales Office	Toyama-city, Toyama
Hiroshima Sales Office	Asaminami-ku, Hiroshima-city
Fukuoka Sales Office	Onojo-city, Fukuoka
Philippines Representative Office	Makati City, Philippines

(9) Employees (as of March 31, 2023)

Number of employees	Increase and decrease from the end of previous consolidated FY
715 (62)	23 increase

Note:

The number of employees represents full-time employees only (including those seconded to the Company). Part-time and other irregular employees are shown separately with their average annual number indicated in brackets ().

(10) Major creditors (as of March 31, 2023)

No items to report.

(11) Other important matters relating to the status of other business group

No items to report.

2. Matters Relating to the Company's Shares (as of March 31, 2023)

(1) Number of shares authorized:	80,000,000
(2) Total number of issued shares:	35,638,066
(3) Number of shareholders:	6,624
(4) Major shareholders:	

Name	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Yushin Industry Co., Ltd.	11,992	35.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,592	7.6
Takayo Oda	1,968	5.8
Miki Murata	1,847	5.4
Custody Bank of Japan, Ltd. (Trust Account)	1,253	3.7
The Kyoto Chuo Shinkin Bank, Ltd.	1,088	3.2
Mayumi Kotani	968	2.8
RBC IST 15 PCT NON LENDING ACCOUNT-CLIENT ACCOUNT	862	2.5
MUFG Bank, Ltd.	849	2.5
STATE STREET BANK AND TRUST COMPANY 505001	832	2.4

Notes:

1. The Company holds 1,603,076 shares of treasury stock, but is not included in the above major shareholders.
2. Shareholding ratio is calculated excluding the treasury stock.

3. Matters Relating to Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2023)

Position	Name	Responsibilities and representation of other organization
Representative Director and President	Takayo Kotani	
Director and Executive Vice President	Kota Oda	General Manager of Administration Division
Executive Managing Director	Yasushi Kitagawa	General Manager of Manufacturing Division and General Manager of Purchasing Division
Managing Director	Tomohiro Inano	General Manager of Sales Division
Director	Masahito Fukui	Corporate Management
Director	Yasuo Nishiguchi	Chairman of YAMADA Consulting Group Co., Ltd.
Director	Hiroshi Matsuhisa	Professor emeritus of Kyoto University
Director	Reiko Nakayama	Outside Director of LUCKLAND CO., LTD. (Audits Committee) Outside Director of Mandom Corporation
Full-time Corporate Auditor	Katsumi Noda	
External Corporate Auditor	Hiroho Kamakura	Certified Public Accountant Outside Corporate Auditor of TRUSCO NAKAYAMA Corporation Outside Corporate Auditor of SymEnergy Inc.
External Corporate Auditor	Naohiro Tsuda	Attorney Senior Partner of Naniwabashi Law Office LPC

Notes:

1. Directors, Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are External Directors defined in Item 15, Article 2 of the Companies Act.
2. Corporate Auditors, Hiroho Kamakura and Naohiro Tsuda are External Corporate Auditors defined in Item 16, Article 2 of the Companies Act.
3. Corporate Auditor, Hiroho Kamakura is a Certified Public Accountant with expertise in finance and accounting.
4. The Company has designated Director, Yasuo Nishiguchi, Director, Hiroshi Matsuhisa, Director, Reiko Nakayama, Corporate Auditor, Hiroho Kamakura and Corporate Auditor, Naohiro Tsuda as Independent Officers as required by the Tokyo Stock Exchange and reported to the Exchange.
5. Due to the retirement of Naohiro Tsuda upon his death on April 4, 2023, Tetsuya Nonaka, Substitute Auditor, was appointed as an External Corporate Auditor as of April 5, 2023.

6. Change of Directors and Corporate Auditor during the period under review

Name	Before change	After change	Date of change
Kota Oda	Managing Director and General Manager of General Affairs Department	Director and Executive Vice President and General Manager of Administration Division	June 22, 2022
Tomohiro Inano	Director and General Manager of Sales Division	Managing Director and General Manager of Sales Division	June 22, 2022
Masahito Fukui	Director and General Manager of Corporate Management Department	Director, Corporate Management	June 22, 2022
Hiroho Kamakura	Outside Corporate Auditor of FUJIO FOOD GROUP INC.	Resigned	March 30, 2023
Naohiro Tsuda	Outside Corporate Auditor of TOYO SHUTTER CO., LTD.	Resigned	June 23, 2022

7. The Company has concluded an agreement with Yasuo Nishiguchi, Hiroshi Matsuhisa, Reiko Nakayama, Katsumi Noda, Hiroho Kamakura and Naohiro Tsuda to limit their liability for damages under Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of Paragraph 1, Article 427 of the Companies Act. The maximum amount of liability for damages under such agreement shall be the minimum amount of liability under Paragraph 1, Article 425 of the Companies Act.
8. The Company has concluded an indemnification agreement with Takayo Kotani, Kota Oda, Yasushi Kitagawa, Tomohiro Inano, Masahito Fukui, Yasuo Nishiguchi, Hiroshi Matsuhisa, Reiko Nakayama, Katsumi Noda, Hiroho Kamakura and Naohiro Tsuda to guarantee the expenses set forth in Paragraph 1, Article 430-2 of the Companies Act and the loss set forth in Item 2 of that paragraph to the extent stipulated by laws and ordinances.
9. The Company has concluded Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. The scope of insured persons under the D&O insurance is Directors, Corporate Auditors, Executive Officers and Employees. The insurance will cover the damages, etc. (However, damages that fall under the disclaimer stipulated in the insurance contract are excluded) when the insured persons become liable for damages due to business operations. The Company bears the entire premium for D&O insurance.

(2) Policy for determining the content of remuneration and others for Directors

At a meeting of the Board of Directors held on March 7, 2022, the Company reviewed the remuneration system for Directors and resolved a policy for determining the details of remuneration, etc. for individual Directors in accordance with the resolution of the General Meeting of Shareholders. In passing such resolutions at the meeting of the Board of Directors, the details to be resolved are deliberated by the Nomination and Remuneration Committee in advance.

The new system enhances objectivity and fairness in the remuneration decision-making process and clarifies the policy to concretize a medium- to long-term performance-linked remuneration system based on the degree of achievement of the medium-term management plan and improvement in corporate value, while promoting the formulation and implementation of the plan.

The Board of Directors has confirmed that the method of determining the content of remuneration, etc. and the content of remuneration, etc. determined are consistent with the relevant decision policy and that the report from the Nomination and Remuneration Committee has been respected, and has determined that the content of remuneration, etc. for individual Directors for the relevant fiscal year is in line with the relevant decision policy.

- [1] Policy for determining the amount of remuneration, etc. for each Director and the method of calculation thereof

Remuneration for Directors of the Company consists of monthly remuneration, short-term performance bonuses, and medium-term performance and stock price-linked bonuses.

Monthly remuneration is determined by the Representative Director and President, who is delegated by the Board of Directors, based on the evaluation of Directors determined through deliberations by the Nomination and Remuneration Committee within the monthly remuneration range (upper and lower limits) for each position.

Short-term performance bonuses and medium-term performance and stock price-linked bonuses are determined by the Representative Director and President delegated by the Board of Directors based on a formula determined by the Nomination and Remuneration Committee and the Board of Directors, and based on the evaluation of executives determined through deliberations by the Nomination and Remuneration Committee.

Remuneration, etc., for External Directors consists of fixed remuneration, and it is our policy not to pay performance-linked remuneration from the viewpoint of independence for business execution.

- [2] Details of the performance indicators pertaining to the performance-linked remuneration, etc. and the method of calculating the amount or number of such performance-linked remuneration, etc.

Short-term performance bonuses are determined by multiplying the basic amount by a performance coefficient based on the achievement of consolidated ordinary profit by position, and by reflecting the Director evaluation, who are evaluated on their overall contribution based on target management evaluation and qualitative evaluation.

The medium-term performance and stock price-linked bonuses are determined based on the basic amount by position, reflecting the medium-term performance coefficient based on the growth rate of "Earnings Per Share (EPS)" and the stock price-linked coefficient based on the growth rate of the stock price.

- [3] Policy on determining the ratio of remuneration, etc. to the amount of remuneration, etc. for each Director

The ratio of remuneration to the amount of remuneration, etc., is set by position with reference to the external standards of 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%).

- [4] Policy on determining the timing and conditions of remuneration, etc. to be paid to Directors

As for the timing of payment of remuneration, monthly remuneration is paid monthly, and short-term performance bonus is paid once a year based on the basic amount for each position, reflecting the performance coefficient and Director evaluation. The medium-term performance and stock price-linked bonus is paid once a year, reflecting the medium-term performance coefficient and the stock price-linked coefficient, based on the basic amount for each position.

- [5] Matters concerning the delegation of decision on the details of individual remuneration, etc. of Directors

The amount of remuneration, etc. for Directors is determined by the Representative Director and President, who is delegated by the Board of Directors, based on the Director evaluation determined through deliberations by the Nomination and Remuneration Committee, which serves as an advisory body to the Board of Directors. The authority of the Representative Director and President is to determine "the amount of each Director's monthly remuneration and the evaluation and distribution of bonuses based on performance. The Nomination and Remuneration Committee deliberates in advance on important policies, and the Representative Director and President makes decisions on the delegated matters based on the Committee's deliberations. The Company believes that this constitutes a measure to ensure that authority is exercised appropriately.

The Nomination and Remuneration Committee is chaired by Yasuo Nishiguchi, an External Director, and its other members are Takayo Kotani, Representative Director and President; Hiroshi Matsuhisa, an External Director; Reiko Nakayama, an External Director; Hiroho Kamakura, an External Corporate Auditor; and Naohiro Tsuda, an External Corporate Auditor.

No other non-monetary remunerations are paid to the Directors.

(3) Total remuneration and others of Directors and Corporate Auditors

Classification	Total remuneration and other payments (Thousands of yen)	Total amount by type of remuneration and other payments (Thousands of yen)			Number of target Directors/ Corporate Auditors
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (Excluding External Directors)	172,580	142,740	29,840	-	5
External Directors	16,800	16,800	-	-	3
Subtotal	189,380	159,540	29,840	-	8
Corporate Auditor (Excluding External Corporate Auditors)	12,000	12,000	-	-	1
External Corporate Auditors	8,400	8,400	-	-	2
Subtotal	20,400	20,400	-	-	3
Total	209,780	179,940	29,840	-	11

Notes:

- The 48th Ordinary General Meeting of Shareholders held on June 22, 2021 resolved total remuneration for all Directors within 700,000 thousand yen per year (including remuneration for External Directors within 100,000 thousand yen.) At the end of the General Meeting of Shareholders, the number of Directors was eight (8) (including three (3) External Directors.) There are currently no Directors who have concurrent employment positions.
- The 43rd Ordinary General Meeting of Shareholders held on June 20, 2016 resolved total remuneration for all Corporate Auditors within 100,000 thousand yen per year. At the end of the General Meeting of Shareholders, the number of Corporate Auditors was four (4.)
- Short-term performance bonuses are determined by multiplying the basic amount by a performance coefficient based on the achievement of consolidated ordinary profit, based on the position-by-position basis, and by reflecting the Director evaluation, who are evaluated on their overall contribution based on target management and qualitative evaluation. In addition, medium-term performance and stock price-linked bonuses are determined based on the basic amount by position, reflecting a medium-term performance coefficient based on the growth rate of "net earnings per share (EPS)" and a stock price-linked coefficient based on the growth rate of the stock price. The performance indicators are selected because they are indicators that are important to YUSHIN Group and should be considered in both the short and medium term. (The target for the consolidated ordinary profit index, which is the main index for performance-linked remuneration in the current fiscal year, is 3,100,000 thousand yen, and the actual amount is 2,787,011 thousand yen.)
- As for the procedure for determining the amount of remuneration, etc., for Directors, within the monthly remuneration range (upper and lower limits) for each position, monthly remuneration is determined by Takayo Kotani, Representative Director and President, who is delegated by the Board of Directors, based on the Director evaluation determined through deliberations by the Nomination and Remuneration Committee. The short-term performance bonus and the medium-term performance and stock price-linked bonus are determined by Takayo Kotani, Representative Director and President, as delegated by the Board of Directors, based on the calculation formula determined by the Nomination and Remuneration Committee and the Board of Directors, and based on the evaluation of the executives as determined through deliberations by the Nomination and Remuneration Committee. The reason for the delegation was that the Company determined that Representative Director and President was the most appropriate person to evaluate the duties of each Director in charge, while taking into consideration the Company's overall performance and other factors.

(4) External Directors and External Corporate Auditors

[1] Important position at other organizations and the relationship between the Company and other organizations.

- Yasuo Nishiguchi is the Chairman of YAMADA Consulting Group Co., Ltd. The Company has no special relationship with YAMADA Consulting Group Co., Ltd.
- Hiroshi Matsuhisa is a professor emeritus at Kyoto University. The Company has no special relationship with Kyoto University.
- Reiko Nakayama is an Outside Director of LUCKLAND CO., LTD. (Audits Committee) and an Outside Director of Mandom Corporation. The Company has no special relationship with LUCKLAND CO., LTD. and Mandom Corporation.
- Hiroho Kamakura is an Outside Corporate Auditor of TRUSCO NAKAYAMA Corporation and SymEnergy Inc. He was an Outside Corporate Auditor of FUJIO FOOD GROUP INC. but resigned as of March 30, 2023. The Company has no special relationship with TRUSCO NAKAYAMA Corporation, SymEnergy Inc., and FUJIO FOOD GROUP INC.
- Mr. Naohiro Tsuda was an Outside Corporate Auditor of TOYO SHUTTER CO., LTD. and resigned as of June 23, 2022. He was also a senior partner of Naniwabashi Law Office LPC. The Company has no special relationship with TOYO SHUTTER CO., LTD. and Naniwabashi Law Office LPC.

[2] Major activities during the fiscal year

Title and Name	Attendance Records, Comments, Remarks and Outline of Duties Performed with Respect to the Roles Expected of External Directors
Director, Yasuo Nishiguchi	During the period under review, Yasuo Nishiguchi attended all 13 Meetings of Board of Directors. He supervises and advises management from a professional and independent standpoint, based on his extensive knowledge and experience in all aspects of corporate governance, which he has gained by holding prominent corporate positions such as President and Representative Director, and Chairman of the Board and Representative Director of KYOCERA Corporation. He plays an appropriate role in ensuring the appropriateness of decision making. In addition, as a member of the Nomination and Remuneration Committee, he attended all 3 Committee Meetings held during the current fiscal year and leads the supervisory function in the process of selecting executive candidates and determining executive remuneration, etc. from an objective and neutral standpoint.
Director, Hiroshi Matsuhisa	In the period under review, Hiroshi Matsuhisa attended all 13 Meetings of Board of Directors. He supervises and advises management from a professional and independent standpoint, based on the expertise of the person with academic standing in engineering. He plays an appropriate role in ensuring the appropriateness of decision making. In addition, as a member of the Nomination and Remuneration Committee, he attended all 3 Committee Meetings held during the current fiscal year and performs the supervisory function in the process of selecting executive candidates and determining executive remuneration, etc., from an objective and neutral standpoint.
Director, Reiko Nakayama	During the period under review, Reiko Nakayama attended all 13 meetings of Board of Directors. Based on her experience of as an underwriter at a security firm and as an executive officer and outside officers of operating companies, she supervises and advises management from a professional and independent standpoint. She plays an appropriate role in ensuring the appropriateness of decision making. In addition, as a member of the Nomination and Remuneration Committee, she attended all 3 Committee meetings held in the current fiscal year and takes on the supervisory function in the process of selecting executive candidates and determining executive remuneration, etc., from an objective and neutral standpoint.
Corporate Auditor, Hiroho Kamakura	During the period under review, Hiroho Kamakura attended 10 out of 13 meetings of Board of Directors and all 6 meetings of the Board of Corporate Auditors. Based on his expertise as a Certified Public Accountant, he asked questions to clarify ambiguities that arose with respect to matters reported or resolved and provided opinions. In addition, he reviewed reports on the results of internal audits, exchanged opinions on audits, and participated in joint discussions on important matters. In addition to receiving the detailed report of Accounting Auditor on a regular basis, he also exchanged opinions with top management on a regular basis. In addition, as a member of the Nomination and Remuneration Committee, he attended all 3 Committee meetings held during the current fiscal year and expressed his opinion on the legality.
Corporate Auditor, Naohiro Tsuda	During the period under review, Naohiro Tsuda attended 10 out of 13 meetings of Board of Directors and 5 out of 6 meetings of the Board of Corporate Auditors. Based on his expertise as a lawyer, he asked questions to clarify ambiguities that arose with respect to matters reported or resolved and provided opinions. In addition, he reviewed reports on the results of internal audits, exchanged opinions on audits, and participated in joint discussions on important matters. In addition to receiving the detailed reports of the Accounting Auditor on a regular basis, he also exchanged opinions with top management on a regular basis. In addition, as a member of the Nomination and Remuneration Committee, he attended 2 out of 3 Committee Meetings held during the current fiscal year and expressed his opinions the on the legality.

Note:

In addition to the frequency of convening meetings of the Board of Directors described above, there were 5 times of written resolutions adopted, deeming that there have been resolutions of the Board of Directors Meetings pursuant to Article 370 of the Companies Act and Article 24 of the Articles of Incorporation.

4. Matters Relating to Accounting Auditor

(1) Name of Accounting Auditor: Grant Thornton Taiyo LLC

(2) Amount of remuneration and other payments for Accounting Auditor

The amount of remuneration and other payments payable to the Accounting Auditor for the reporting year	29,000 thousand yen
Total amount of monetary and other property benefits payable by the Company and its subsidiaries	29,000 thousand yen

Notes:

1. In the audit contract between the Company and the Accounting Auditor, audit fees pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act are not clearly separated and this separation is practically impossible. Therefore, the amount of remuneration and other payments to the Accounting Auditor is represented as the total payment.
2. Upon receipt of the necessary materials and reports from the Directors, in-house related departments and Accounting Auditor, the Board of Corporate Auditors acknowledged the details of the audit and status of the course of accounting duties by the Accounting Auditor, the grounds for calculation of the estimated remuneration for auditing, and re-views of the audit calculation. As a result, the Board of Corporate Auditors believes that the audit remuneration presented by the Accounting Auditor was appropriate and gave consent under Paragraph 1, Article 399 of the Companies Act.
3. In addition to the above, the Company paid 1,750 thousand yen in the current fiscal year as additional remuneration for the previous fiscal year.
4. Overseas subsidiaries of the Company's significant subsidiaries are audited by certified public accountants or auditing firms other than the Company's Accounting Auditor (including those with qualifications equivalent to such qualifications in foreign countries.)

(3) Policy for making decisions regarding the dismissal or non-reappointment of Accounting Auditor

The Board of Corporate Auditors will determine the content of the proposals relating to the dismissal or non-reappointment of the Accounting Auditor, to be submitted to the General Meeting of Shareholders, should the execution of the Accounting Auditor's duties be impeded, is deemed necessary by the Board of Corporate Auditors,

The Board of Corporate Auditors will dismiss the Accounting Auditor should it determine that same corresponds to the provisions in each item of Paragraph 1, Article 340 of the Companies Act, with the agreement of all the members of the Board of Corporate Auditors. In such a case, a Corporate Auditor appointed by the Board of Corporate Auditors will report the fact of and the reason for the dismissal of the Accounting Auditor to the first General Meeting of Shareholders called after the dismissal.

(4) Outline of the contents of the contract for limitation of liability

Based on the provisions of Paragraph 1, Article 427 of the Companies Act, Grant Thornton Taiyo LLC, which is an Accounting Auditor, has entered into a contract for limitation of liability for damages under Paragraph 1, Article 423, of the Companies Act. The maximum amount of liability for damages based on the contract is the minimum amount stipulated by law.

5. Matters Relating to the Development of Systems to Ensure Proper Operations

The Company has established the basic policy of Internal Control System for the development of a system to ensure that the performance of duties by Directors complies with laws and regulations, and the Articles of Incorporation as well as other systems to ensure the propriety of the Company's operations, as follows. (Board of Directors Resolution on June 12, 2015) The main points of the basic policy are as follows.

(1) System to ensure that the conduct of business by Directors and employees complies with laws and regulations and the Articles of Incorporation.

The Company provides legal compliance awareness and training to increase compliance awareness and has established "Whistle-Blowing Regulations" that outlines the process for reporting violations.

(2) System for keeping and managing the information on the business activities of the Company's Directors.

Information is maintained and managed in accordance with laws and regulations, and internal policies ("Document Regulations," "Contract management rules," "Internal Information Management Regulations," "Basic policy on information security", "Information System Management Regulations", "Personal Information Management Regulations", "Personal Information Protection Policy (Privacy Policy)", "Regulations for the Proper Handling of Specific Personal Information", etc.)

(3) Policies and other systems for managing the risk of loss to the Company and our subsidiaries.

The risk of currently estimated losses is managed by setting up a committee and discussing them according to their importance.

Events resulting in losses to the Company would be reported by the responsible officer to Directors and Corporate Auditors and discussed and managed by all officers.

(4) System to ensure the effective conduct of business by Directors of the Company and our subsidiaries.

The effective conduct of business by Directors is ensured by the following.

- [1] The Board of Directors determines significant matters and oversees the conduct of business by Directors.
- [2] Information is shared among Directors, Executives, and Corporate Auditors at executive meetings.
- [3] Notification of significant matters on management, understanding of status and business instructions are conducted at management meetings and YSM management meetings.
- [4] At subsidiary meetings, the information regarding the Company and its subsidiaries is shared and important matters are discussed at the Company's Board of Directors, etc. to resolve issues.

(5) Systems to ensure the proper operation of the corporate group consisting of the Company and its subsidiaries and to report to the Company on matters concerning the conduct of business by Directors of subsidiaries.

The Internal Control System is developed as well as "Subsidiaries Management Regulations" which require subsidiaries to provide regular reports relating on the business results, financial conditions and other important information of subsidiaries.

Subsidiary meetings are held to share information about the Company and its subsidiaries, and the Company's Board of Directors, etc. discusses and resolves important matters.

(6) System to ensure effective audit by Corporate Auditors

Corporate Auditors attend the meetings of Board of Directors and necessary important meetings including the management conference, etc., and read important approval documents and other important documents concerning the conduct of business and receive explanation from Directors and employees of the Company and Directors of subsidiaries as necessary.

(7) System on employees assisting works of the Company's Corporate Auditors if Corporate Auditors require the assignment of the assisting employees.

Employees assisting the work of the Company's Corporate Auditors may be assigned as needed. Corporate Auditor shall have the authority to issue instructions and orders to the staff of Corporate Auditor.

(8) System for ensuring that persons reporting to the Board of Corporate Auditors and Corporate Auditors, etc., are not treated unfavorably on the basis of reporting

The Company shall ensure that executives and employees who report to Board of Corporate Auditors and Corporate Auditors, etc. are not treated unfavorably as a result of the report and shall thoroughly inform the entire company of this.

The "Whistle-Blowing Regulations," shall prohibit dismissal and give other adverse treatment for the reason of reporting.

(9) Matters concerning the policy for handling expenses or debts resulting from business execution of the Company's Corporate Auditors.

The Company shall, if Corporate Auditors require the Company to make advance payment for the execution of business in accordance with Article 388 of the Companies Act, immediately deal with the related expenses and debts unless it is deemed unnecessary to make advance payment.

(10) Systems on eliminating anti-social forces

The Company takes a firm stance against anti-social forces that threaten the order and safety of civil society, and closely exchanges information and cooperates with the relevant specialized agencies, including the police, against anti-social forces, and thoroughly informs employees of the above policy.

In order to improve the effectiveness and efficiency of operations, to ensure the reliability of financial reports, and to expand the operations of the internal control system aimed at safeguarding assets and complying with laws and regulations pertaining to business activities in accordance with the Basic Policy for Internal Control System, the Internal Control Regulations and the Committee of Internal Control Operations Regulations have been enacted.

The scope of responsibility of the Board of Directors and Corporate Auditors, the system of implementation and details of activities for executives and employees, and the procedures for evaluation and reporting have been clarified in the internal control Regulations. In addition, a basic policy on the maintenance and operation of Internal Control is formulated. The structure of the committee aimed at facilitating internal control, as well as how to promote its mission and activities has been clarified in the Committee of Internal Control Operations Regulations, and the activities are being promoted.

6. Overview of the Business Operations of the Systems to Ensure Proper Operations

Main operating status of the Internal Control System implemented by YUSHIN Group in the current consolidated fiscal year is as follows.

(1) Status of compliance management

The Company is committed to strengthening and ensuring compliance through the establishment of the following policies and activities.

- [1] In terms of corporate rules and regulations, the Company provides information on the latest trends in relevant laws and regulations, and implements and ensures company regulations (“YUSHIN Group Human Rights Policy”, “Office Regulations”, “Harassment Prevention Regulations”, “Contract management rules”, “Internal Information Management Regulations”, “Basic policy on information security”, “Information System Management Regulations”, “Personal Information Management Regulations”, “Personal Information Protection Policy (Privacy Policy)”, “Regulations for the Proper Handling of Specific Personal Information”, etc.) And the Company also compiled “YUSHIN Organizational Knowledge Book” (Y-Book) as an organizational knowledge collection to improve the quality of operations, maintain disciplines, and instill compliance awareness.
- [2] With regard to education and training, the Company conducts education and training on the prevention of insider trading, the Subcontracting Act, trade secrets, the whistle-blowing system, and human rights, and works to raise awareness of compliance.
- [3] To prevent compliance violations from occurring, to detect violations at an early stage, and to respond promptly and effectively when a violation is discovered, the Company has established internal and external point of contact to provide reporting opportunities and to strengthen their operation.
- [4] In addition, in response to the revision of the Electronic Book Maintenance Act, the Company has implemented and started operation of an electronic transaction data storage system.

(2) Status of risk management of losses

For overall risk management, the Committee of Internal Control provide advice on the implementation of company-wide measures. In the event of an incident that may cause damage to the Company, the responsible Director will immediately report to Board of Directors and Board of Corporate Auditors, and all executives will offer consultations to take action, while efforts to prevent risks are also strengthened by having the Corporate Auditors conduct inspections and hearings on any incident that may cause damage.

In addition, to minimize risks that may arise, the Company has prepared the "Yushin Disaster Prevention and Business Continuity Plan (BCP Manual)", and regularly conducts drills on disaster and personal safety confirmation systems, etc. to confirm operations.

In addition, the Company has put in place appropriate policies and training to protect information assets and personal information.

(3) Status of commitment to the proper and efficient performance of assigned duties

The assigned duties of the Directors are carried out effectively as described below.

- [1] Board of Directors decides on important matters and supervises the conduct of business by Directors.
- [2] The Nomination and Remuneration Committee has been established as an advisory body to enhance the objectivity, appropriateness and transparency of the composition of the Board of Directors and the nomination and remuneration of Directors, etc. in order to link the medium- to long-term growth of the Company group and increase its corporate value. The selection of candidates of Directors and Corporate Auditors and the remuneration system for Directors are discussed by the Nomination and Remuneration Committee, and a report or opinion is submitted to the Board of Directors
- [3] In order to further improve the functions of the Board of Directors, the Company is conducting an internal questionnaire to analyze and evaluate the effectiveness of Board of Directors as a whole, and is analyzing and evaluating the results to make improvements.
- [4] Significant matters are discussed among Directors, Executive Officers and Corporate Auditors at the executive meetings, and such significant information is shared.
- [5] Significant matters relating to the management of the Company are communicated at management meetings. The operational status of the Company is monitored, and necessary guidance is provided.

(4) Status of addressing the proper operations of the business group consisting of the Company and its subsidiaries

In order to promote the development of the internal control system, “Internal Control Regulations” and

“Committee of Internal Control Operations Regulations” have been enacted at the Board of Directors’ meeting held on February 7, 2018. Specifically, the scope of responsibilities of the Board of Directors and Corporate Auditors concerning internal control, as well as the system for implementation (supervision, actual system for implementation, etc.) and details of activities (policy, process to promote the development of operations, etc.) for executives and employees and the procedures for evaluation and reporting (scope of target, procedure, correction measures in case of deficiencies, etc.) were clarified by “Internal Control Regulations”, while the structure of the committee aimed at facilitating internal control, as well as how to promote its mission and activities (supervision, system for implementation, scope of target activities, education, etc.) were clarified in “Committee of Internal Control Operations Regulations.” Based on “Internal Control Regulations”, along with the basic policy on the development and operation of Internal Control, the Company has enacted a basic plan for conducting evaluations and are promoting activities. Furthermore, the Company’s subsidiaries hold meetings three (3) times a year so as to share information relating to the Company and its subsidiaries and monitoring status of business operations.

(5) Ensuring the effectiveness of corporate auditing

Corporate Auditors conduct audits in accordance with the audit policies and the audit schedule as prescribed by the Board of Corporate Auditors by attending the Board of Directors and executive meeting, management meeting and other meetings. Corporate Auditors conduct interviews on the status of the performance of duties by Directors and the Internal Audit Office and then examine the significant decisions as recorded in the documents, such as the approval documents, contracts and agreements. Corporate Auditors also examine the status of business operations, corporate assets and fraudulent acts in the performance of Directors’ duties, violations of rights and violations of laws and regulations, and the Articles of Incorporation.

In conducting the audit, Corporate Auditors utilize the expertise of the External Corporate Auditors and maintain internal coordination with the Internal Audit Office. In addition, Corporate Auditors develop the standards and guidelines called “Audit Practice Standards Relating to the Internal Control System” for Corporate Auditors who conduct audits of the Company’s Internal Control System, and conduct audits in accordance with these practice standards.

7. Policy for Determining the Distribution of Surplus

The YUSHIN Group manages its business by considering the return of profits to shareholders as one of the important management issues.

To this end, it is the basic policy of YUSHIN Group to proactively return profits to shareholders by maintaining a stable operating base, improving its ROE and implementing dividends based on the performance results of each fiscal year. Specifically, YUSHIN Group aims to achieve a dividend payout ratio of 30% or more of consolidated Profit attributable to owners of parent.

In accordance with the above policy, the year-end dividend for the current financial year will be 20 yen per share, consisting of 10 yen per share plus a commemorative dividend of 10 yen per share for the 50th anniversary of the company's establishment. Together with the interim dividend of 10 yen per share already paid, the annual dividend will be 30 yen per share.

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2023)

(Thousands of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	28,638,417	Current liabilities	8,012,820
Cash and deposits	16,169,066	Notes and accounts payable - trade	1,733,016
Notes and accounts receivable - trade	5,471,088	Electronically recorded obligations - operating	890,045
Merchandise and finished goods	1,288,257	Accounts payable - other	586,065
Work in process	1,338,876	Accrued expenses	108,283
Raw materials and supplies	3,760,970	Income taxes payable	275,103
Consumption taxes receivable	87,112	Advances received	3,721,457
Prepaid expenses	181,169	Provision for bonuses	310,344
Other	352,479	Provision for bonuses for Directors	29,840
Allowance for doubtful accounts	(10,601)	Provision for product warranties	256,644
Non-current assets	12,204,817	Other	102,018
Property, plant and equipment	10,746,522	Non-current liabilities	244,116
Buildings	3,538,265	Retirement benefit liability	164,600
Structures	71,130	Deferred tax liabilities	6,260
Machinery equipment and Vehicles	150,183	Other	73,254
Tools, furniture and fixtures	124,092	Total liabilities	8,256,936
Land	6,821,488	NET ASSETS	
Leased assets	6,570	Shareholders' equity	31,108,761
Construction in progress	34,792	Share capital	1,985,666
Intangible assets	192,975	Capital surplus	2,024,597
Telephone subscription right	11,430	Retained earnings	28,454,129
Software	97,208	Treasury shares	(1,355,632)
Others	84,336	Total accumulated other comprehensive income	1,168,500
Investments and other assets	1,265,319	Valuation difference on available-for-sale securities	118,852
Investment securities	307,324	Foreign currency translation adjustment	1,043,867
Retirement benefit asset	215,986	Remeasurements of defined benefit plans	5,780
Deferred tax assets	649,980	Non-controlling interests	309,036
Other	141,492	Total net assets	32,586,298
Allowance for doubtful accounts	(49,464)	Total liabilities and net assets	40,843,235
Total assets	40,843,235		

Consolidated Statements of Income (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

Account	Amount	
Net sales		22,373,189
Cost of sales		12,799,243
Gross profit		9,573,946
Selling, general and administrative expenses		6,934,523
Operating profit		2,639,422
Non-operating income		
Interest and dividends income	14,707	
Purchase discounts	8,162	
Foreign exchange gains	99,864	
Other	27,967	150,701
Non-operating expenses		
Other	3,113	3,113
Ordinary profit		2,787,011
Extraordinary income		
Gain on sales of non-current assets	7,418	7,418
Extraordinary loss		
Loss on sales and retirement of non-current assets	25,282	25,282
Profit before income taxes		2,769,146
Income taxes - current	795,362	
Income taxes – deferred	(5,015)	790,347
Profit		1,978,799
Profit attributable to non-controlling interests		55,976
Profit attributable to owners of parent		1,922,822

Non-Consolidated Financial Statements

Balance Sheets (as of March 31, 2023)

(Thousands of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	20,026,608	Current liabilities	3,859,437
Cash and deposits	10,465,268	Notes payable - trade	35,822
Notes receivable - trade	1,337,646	Electronically recorded obligations - operating	890,045
Accounts receivable - trade	3,753,125	Accounts payable - trade	1,439,723
Merchandise and finished goods	352,629	Accounts payable - other	487,988
Work in process	911,209	Accrued expenses	50,760
Raw materials and supplies	2,352,764	Income taxes payable	172,954
Prepaid expenses	91,012	Advances received	242,259
Consumption taxes receivable	87,112	Provision for bonuses	300,000
Other	675,939	Provision for bonuses for Directors	29,840
Allowance for doubtful accounts	(100)	Provision for product warranties	166,000
Non-current assets	12,350,181	Other	44,042
Property, plant and equipment	9,893,844	Non-current liabilities	5,471
Buildings	3,098,335	Other	5,471
Structures	71,130		
Machinery, equipment and vehicles	75,922	Total liabilities	3,864,908
Tools, furniture and fixtures	94,209		
Land	6,512,884	NET ASSETS	
Leased assets	6,570	Shareholders' equity	28,393,028
Construction in progress	34,792	Share capital	1,985,666
Intangible assets	72,930	Capital surplus	2,023,903
Telephone subscription right	11,430	Legal capital surplus	2,023,903
Software	61,500	Retained earnings	25,739,091
Investments and other assets	2,383,406	Legal retained earnings	286,314
Investment securities	307,324	Other retained earnings	25,452,776
Stocks of subsidiaries and affiliates	918,835	Reserve for dividend equalization	1,000,000
Investments in capital of subsidiaries and affiliates	297,873	General reserve	8,700,000
Deferred tax assets	579,770	Retained earnings brought forward	15,752,776
Other	279,603	Treasury shares	(1,355,632)
		Valuation and translation adjustments	118,852
		Valuation difference on available-for-sale securities	118,852
Total assets	32,376,790	Total net assets	28,511,881
		Total liabilities and net assets	32,376,790

Statements of Income (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

Account	Amount	
Net sales		15,595,428
Cost of sales		9,466,125
Gross profit		6,129,303
Selling, general and administrative expenses		4,516,285
Operating profit		1,613,017
Non-operating income		
Interest income	2,663	
Dividend income	733,700	
Purchase discounts	8,162	
Foreign exchange gains	35,262	
Other	10,971	790,759
Non-operating expenses		
Other	2,744	2,744
Ordinary profit		2,401,032
Extraordinary income		
Gain on sales of non-current assets	149	149
Extraordinary losses		
Loss on sales and retirement of non-current assets	25,267	25,267
Profit before income taxes		2,375,915
Income taxes - current	503,205	
Income taxes - deferred	(2,666)	500,539
Profit		1,875,375

[Certified copy of the Accounting Auditors' Report concerning consolidated statutory report]
(There is no TRANSLATION. Please refer to INDEPENDENT AUDITORS' REPORT written in Japanese.)

[Certified copy of the Accounting Auditors' Report concerning non-consolidated statutory report]
(There is no TRANSLATION. Please refer to INDEPENDENT AUDITORS' REPORT written in Japanese.)

Audit Report

Regarding the performance of duties by the Directors for the fiscal year from April 1, 2022 to March 31, 2023, the Board of Corporate Auditors hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each Corporate Auditor.

1. Auditing Methods adopted by the Corporate Auditors and Board of Corporate Auditors and Details of Such Methods
 - (1) The Board of Corporate Auditors established auditing policies, allocation of duties, and other relevant matters, and received reports from each Corporate Auditor regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and the Accounting Auditors regarding performance of their duties, and requested explanations as necessary.
 - (2) Each Corporate Auditor complied with the auditing standards of Corporate Auditors established by the Board of Corporate Auditors, followed the auditing policies, allocation of duties, and other relevant matters, communicated with the Directors, the Internal Audit Office, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit, and conducted audits as follows.
 - [1] Participated in the Board of Directors' Meetings and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, requested explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal offices. In addition, with respect to subsidiaries, we communicated and exchanged information with Directors, Corporate Auditors, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.
 - [2] We received periodic reports and requested explanations as necessary from the Directors, other relevant personnel and expressed our opinion about conditions of construction and application on the content of the resolution of the Board of Directors and system actually placed as "Internal Control System" in accordance to this resolution, which is stipulated in Paragraphs 1 and 3, Article 100 of the Enforcement Regulation of the Companies Act as a system required to ensure the compliance of laws and regulations, and the Articles of Incorporation in the execution of businesses by the Directors and necessity to ensure a properness of operation in the business group consisting of the Company and its subsidiaries written in the business report.
 - [3] We monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of their duties and requested explanations as necessary. In addition, we received notice from the Accounting Auditors that "the system for ensuring that duties are performed properly" (matters set forth in each Item of Article 131 of the Company Accounting Rules) is appropriately established in accordance with "Quality Control Standard on Audit" (Business Accounting Council, October 28, 2005) and requested explanations as necessary.
 - [4] Tetsuya Nonaka was appointed as an External Corporate Auditor from a Substitute Auditor following the death of Naohiro Tsuda, an External Corporate Auditor, on April 5, 2023. As for the audit matters prior to his appointment, he received reports from other Auditors and reviewed materials relating to auditing matters.

Based on the above methods, we examined the business report and its supporting schedules, the non-consolidated financial statements (Balance Sheets, Statements of Income, and Statements of Changes in Equity) and its supporting schedules, and the consolidated financial statements (Balance Sheets, Statements of Income, and Statements of Changes in Equity) related to the relevant business year.

2. Audit Results

(1) Results of Audit of Business Report and Other Relevant Documents

- [1] In our opinion, the business report and supporting schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
- [2] With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
- [3] In our opinion, resolutions of the Board of Directors for the Internal Control System are fair. And also, the contents of the business report about the Internal Control System, and the Director's activities and implementation have no issues to be pointed out.

(2) Results of Audit of Financial Statements and Supporting Schedules

In our opinion, the methods and results employed and rendered by the Accounting Auditors, Grant Thornton Taiyo LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the Accounting Auditors, Grant Thornton Taiyo LLC, are fair and reasonable.

May 12, 2023

Board of Corporate Auditors,
YUSHIN PRECISION EQUIPMENT CO., LTD.

Full-time Corporate Auditor	Katsumi Noda
External Corporate Auditor	Hiroho Kamakura
External Corporate Auditor	Tetsuya Nonaka

Super high-speed robot CTM-V launched



CTM-V

We launched a new product CTM-V in October 2022. This is the fastest take-out robot in its class in the world. The robot complies with cleanliness class 100 (ISO class 5), which is perfectly suitable for the production of medical and electronic devices. In order to achieve super high-speed take-out, we have adopted a composite material of CFRP (carbon fiber reinforced plastic) and magnesium to reduce weight and maintain rigidity, which enables the robot to suppress vibration on the arm.

YD series equipped with energy-saving functions won the Promotion of Machine Industry Award

YD series, our flagship product, won the encouraging prize of the 57th Promotion of Machine Industry Award. The Japan Society for the Promotion of Machine Industry operates the award system and gives the award to companies and organizations that have made significant contributions to the development of the machine industry in Japan. This robot was highly commended for its energy-saving functions, Smart ECO Vacuum, to reduce air consumption and take-out diagnostic function to eliminate take-out failure. We will continue our efforts to further save energy through product development.



YD series

Sustainability Initiatives

The Sustainability Committee, which was established in August 2022, held discussions to establish a sustainability basic policy and identify materiality (key issues.)

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.

We will promote “Promotion of occupational safety”, “Productivity improvement of customers’ factories” and “Tackling climate change” to solve social issues through business activities, and work with “Strengthening human capital and “Strengthening corporate governance” to strengthen the management foundation for the sustainable growth of YUSHIN group.

Showroom opened

We have opened a showroom in the Technical Center near our headquarters to allow our customers and other stakeholders to experience our corporate stance and comprehensive technological capabilities through product displays.

We will further expand our sales by allowing customers to see our products in operation while making proposals in line with their requests.



The 50th anniversary of YUSHIN

YUSHIN will celebrate its 50th Anniversary in October 2023. We would like to express our heartfelt gratitude to all of our stakeholders for their patronage and support.

We have established a 50th Anniversary Commemorative Logo that expresses our desire to keep on positively challenging new frontiers for our next half century.



We will continue to contribute to the construction of a sustainable society and environment through the manufacture and sale of robots and automation equipment and enhance corporate value through sustainable business development.