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Securities Code: 6482
June 10, 2024

Dear Shareholders,

Notice of Convocation for the 51st 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 51st 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 5:30 p.m. on Monday, June 24, 2024 (JST).

Details

- 1. Date and Time:** Tuesday, June 25, 2024 at 10 a.m.
- 2. Venue:** 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 51st Fiscal Year (from April 1, 2023 to March 31, 2024) 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 51st Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

- Proposal 1:** Partial Amendments to The Articles of Incorporation
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of Two (2) Auditors

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, “Matters Relating to the Development of Systems to Ensure Proper Operations”, “Overview of the Business Operations of the Systems to Ensure Proper Operations”, “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.

“Matters Relating to the Development of Systems to Ensure Proper Operations” and “Overview of the Business Operations of the Systems to Ensure Proper Operations” are included in the business report audited by the Corporate Auditors in preparing the auditor’s report. “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 1: Partial Amendments to The Articles of Incorporation

1. Reason for the proposal

The Company was established under the name “株式会社ユーシン精機” in Japanese and “YUSHIN PRECISION EQUIPMENT CO, LTD.” in English in accordance with the founder’s wish to “become a trustworthy company” and has remained so to this day. In order to carry forward this wish, further strengthen our brand, and achieve sustainable growth and increase our corporate value in the medium to long term, we are changing Article 1 (Corporate Name) of the current Articles of Incorporation to a new corporate name, “Y U S H I N株式会社” in Japanese and “Yushin Company” in English.

The effective date of this partial amendment to the Articles of Incorporation will be April 1, 2025, with a Supplementary Provisions, which will be deleted after the effective date.

2. Reason for the amendments

Current	Proposed Amendments
(Corporate Name) Article 1 The name of the Company shall be <u>株式会社ユーシン精機</u> in Japanese and <u>YUSHIN PRECISION EQUIPMENT CO, LTD.</u> in English.	(Corporate Name) Article 1 The name of the Company shall be <u>Y U S H I N株式会社</u> in Japanese, and <u>Yushin Company</u> in English.
(newly added)	<u>(Supplementary Provisions)</u> <u>(Transitional measures regarding the corporate name change)</u>
(newly added)	<u>Article 1</u> 1. <u>The change in Article 1 (Corporate name) of the Articles of Incorporation shall become effect on April 1, 2025.</u> 2. <u>The provisions of this Article shall be deleted after the effective date of the corporate name change.</u>

*Underlines indicate changes.

Proposal 2: Election of Seven (7) Directors



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

Therefore, the Company is asking shareholders to vote for these seven (7) Director nominees, reducing the number of Directors by one (1).



The nominees are as follows.


No.	Name	Current position in the Company	Responsibilities and major concurrent positions
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	Yasuo Nishiguchi	Reappointment External Independent	Director	Chairman of YAMADA Consulting Group Co., Ltd.
6	Hiroshi Matsuhisa	Reappointment External Independent	Director	Professor emeritus at Kyoto University
7	Reiko Nakayama	Reappointment External Independent	Director	Outside Director (Audit and Supervisory Committee member) of LUCKLAND CO., LTD.

No.	Name (Date of birth)	Brief biography, positions, responsibilities, and major concurrent positions
1	 <p>Takayo Kotani (August 26, 1977)</p>	<p style="text-align: right;">Reappointment</p> <p>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 and Executive Vice President and General Manager of R&D Division June 2021 Representative Director and President (to present)</p>
<p>Number of shares held: 1,968,532 shares</p> <p>Reasons for appointment: Takayo Kotani has been involved in R&D, promotion of development strategies and management, and has a wealth of experience and accomplishments. Her achievements have been socially recognized, such as receiving the Japan Society of Mechanical Engineers Prize for the development of robot technology. Since June 2021, she has served as Representative Director and President, taking the lead in formulating management strategies for sustainable growth and strengthening the Company's organizational structure. The Company has nominated her as a Director because she is expected to strengthen the decision-making and supervisory functions of the Board of Directors.</p>		
2	 <p>Kota Oda (June 10, 1978)</p>	<p style="text-align: right;">Reappointment</p> <p>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)</p>
<p>Number of shares held: 15,000 shares</p> <p>Reasons for appointment: Kota Oda has extensive experience and success in overseeing and managing corporate divisions. As Executive Vice President since June 2022, he has taken the lead in formulating strategies for the Company's sustainable growth and strengthening the organizational structure. The Company has nominated him as a Director candidate as he is expected to further strengthen the decision-making and supervisory functions of the Board of Directors.</p>		

No.	Name (Date of birth)	Brief biography, positions, responsibilities, and major concurrent positions
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 as a 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: 14,300 shares</p> <p>Reasons for appointment: Tomohiro Inano has been involved in management and operations, including sales, and has extensive experience and success. The Company has nominated him 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)	Brief biography, positions, responsibilities, and major concurrent positions
5	 Yasuo Nishiguchi (October 9, 1943)	<div style="text-align: right;"> Reappointment External Independent </div> <p> 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) </p>
		<p>Number of shares held: 59,400 shares</p> <p>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.</p>
6	 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 Engi- neering 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: 25,000 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 business management experience, the Company believes that he has the ability to properly perform the duties as an External Director of the Company as described above.</p>

No.	Name (Date of birth)	Brief biography, positions, responsibilities, and major concurrent positions
7	 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 (Audit and Supervisory Committee member) of LUCKLAND CO., LTD. (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 </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:

- The candidates for Directors have no special interests in the Company.
- Takayo Kotani's registered name is Takayo Oda.
- Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are candidates of External Directors.
- 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 ten (10) years at the conclusion of this General Meeting of Shareholders, Reiko Nakayama, six (6) years.
- 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.
- The Company has concluded an agreement with Yasuo Nishiguchi, Hiroshi Matsuhisa, and Reiko Nakayama to limit their liabilities for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreement shall be the minimum amount of liability under Article 425, Paragraph 1 of the Companies Act. If Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are reappointed, the agreement will be continued.
- The Company has concluded an indemnification agreement with Takayo Kotani, Kota Oda, Yasushi Kitagawa, Tomohiro Inano, Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama to guarantee the expenses set forth in Article 430-2, Paragraph 1 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.
- The Company has concluded Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") as stipulated in Article 430-3, Paragraph 1 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 Directors 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, 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.

Proposal 3: Proposal 3: Election of Two (2) Corporate Auditors

Katsumi Noda, Corporate Auditor, and Hiroho Kamakura, Corporate Auditor, will retire from office upon the expiration of their terms at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of two (2) new Corporate Auditors.

The Board of Auditors has agreed to this proposal.

The nominees for Corporate Auditors are as follows

No.	Name (Date of birth)	Brief biography, positions, responsibilities, and major concurrent positions	
1	 Masahito Fukui (June 30, 1960)	October 2013 July 2015 April 2017 April 2020 June 2020 June 2022	Newly appointed 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 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 extensive experience and success in management and operations, including group accounting and finance, IT systems, and auditing. The Company has nominated him as a Corporate Auditor because he is expected to strengthen the auditing function by applying his experience and achievements to auditing duties.	
2	 Yoshiki Yamada (January 26, 1954)	October 1980 March 1985 July 1999 July 2019 June 2020 June 2021 July 2021	Newly Appointed External Independent Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as a Certified Public Accountant Appointed as a partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Opened and registered Certified Public Accountant Yoshiki Yamada Office Outside Corporate Auditor of Konishi Co., Ltd. Outside Director (Audits and Supervisory Committee member) of Konishi Co., Ltd. (to present) Partner in Rutland Audit Corporation (to present)
		Number of shares held: - shares Reasons for appointment: The Company nominated Yoshiki Yamada as a candidate for External Corporate Auditor because the Company expects that his expertise in finance and accounting as a certified public accountant will be utilized in the Company's auditing operations, thereby strengthening the auditing function. Although he has not been directly involved in corporate management in the past, for the reasons stated above, the Company believes that he will be able to appropriately perform his duties as an External Corporate Auditor.	

Notes:

- The candidates for Directors have no special interests in the Company.
- Masahito Fukui is a candidate for Corporate Auditor.
- Yoshiki Yamada is a candidate for External Corporate Auditor.
- Yoshiki Yamada meets the requirements for Independent Officers set by the Tokyo Stock Exchange and will be appointed as an Independent Officer if elected.
- If Masahito Fukui and Yoshiki Yamada are elected, the Company will enter into an agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same act. The maximum amount of liability for damages under the relevant agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the same law.
- Pursuant to Article 430-2, Paragraph 1 of the Companies Act, the Company has entered into an indemnification agreement with Masahito Fukui, under which the Company will indemnify him for the expenses set forth in Paragraph 1 and the losses set forth in Paragraph 2 of the same Article to the extent provided by law, and will continue such agreement with him if he is elected.
- If Yoshiki Yamada is elected, the Company plans to enter into an indemnification agreement with him pursuant to Article 430-2, Paragraph 1 of the Companies Act, whereby the Company will indemnify him to the extent provided by law for the expenses set forth in Item 1 and losses set forth in Item 2 of the same Article.
- The Company has concluded Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") as stipulated in Article 430-3, Paragraph 1 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 are liable for damages due to their work. The Company bears the entire premium for D&O insurance. If Masahito Fukui is elected, he will continue to be insured by D&O insurance. If Yoshiki Yamada is elected, he will be newly 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 sets forth the list of Directors and Corporate Auditors, if Proposals are 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	✓			✓	✓			
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 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, 2023 to March 31, 2024)

1. Current Business Conditions

Net sales	Operating profit
23,615 million yen 5.6% Y/Y	2,437 million yen (7.7%) Y/Y
Ordinary profit	Profit attributable to owners of parent
2,586 million yen (7.2%) Y/Y	1,692 million yen (12.0%) Y/Y

(1) Progress and achievements

In the business environment surrounding our group during the consolidated fiscal year under review, there were some differences in the direction of the economy in each region, as geopolitical risks remained due to the prolonged situation in Russia and Ukraine and the sharp rise in resource prices caused by the unstable situation in the Middle East continued. In the U.S., domestic demand led economic growth, and capital investment remained firm, while in Europe, the economy weakened due to economic deterioration caused by monetary tightening, and in China, the economic uncertainty triggered by deteriorating real estate market conditions, and the recovery in production and consumption was slow and sluggish. The business environment remained severe for our group due to weak domestic and overseas capital investment demand and high energy and raw material prices.

Under these circumstances, our Group continued to develop new customers on a global scale and expand sales of medical-related custom-ordered equipment. However, orders for take-out robots were sluggish worldwide, partly due to sluggish demand for injection molding machines. Although the amount of orders received for medical-related custom-ordered equipment declined compared to the previous consolidated fiscal year, when orders were particularly concentrated, we maintained a high level of order backlogs and anticipate sales in the next fiscal year and beyond.

As for the consolidated fiscal year under review, sales in Japan and Asia decreased compared to the previous consolidated fiscal year, while sales in Europe increased due to the influence of WEMO Automation AB, which became a subsidiary in May 2023, and the contribution of a large sales for medical-related custom-ordered equipment. As a result, consolidated Net sales increased 5.6% from the previous fiscal year to 23,615 million yen. As for profits, Operating profit decreased 7.7% from the previous fiscal year to 2,437 million yen, due in part to aggressive investment in human resources despite the deteriorating gross profit margin caused by soaring raw material prices. Ordinary profit decreased 7.2% to 2,586 million yen despite foreign exchange gains, and Profit attributable to owners of parent decreased 12.0% to 1,692 million yen.

In this consolidated fiscal year under review, we acquired 100% of the shares of WEMO Automation AB, making it a subsidiary of the Company. This will enable the Group to enhance its brand value and expand its market share in the European region, and to realize synergies through the mutual utilization of both companies' technological and purchasing capabilities.

As a new model in the "PA" series of palletizing robots developed for logistics sites that require rapid automation due to labor shortages, we began selling the "PA-50LC" in August 2023, which has a lower overall height and higher transfer capacity while maintaining the space-saving benefits.

Consolidated net sales by product category

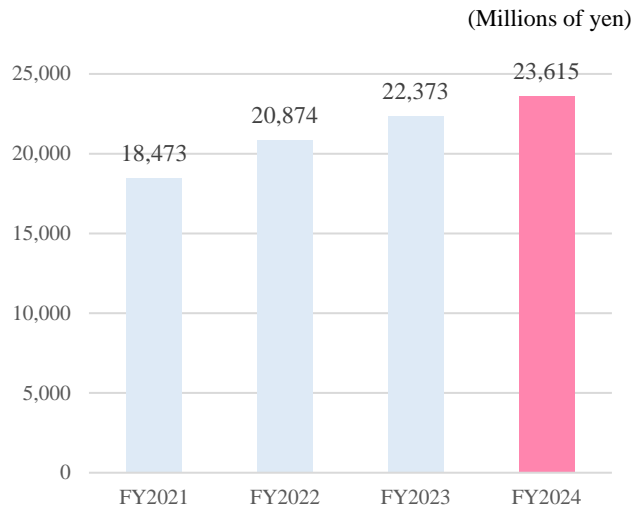
(Thousands of yen)

Years ended March 31	2023		2024		Y/Y
Product	Amount	%	Amount	%	%
Robots	14,154,064	63.3	13,504,094	57.2	(4.6)
Custom-ordered equipment	4,406,207	19.7	5,882,676	24.9	33.5
Parts and maintenance services	3,812,917	17.0	4,228,772	17.9	10.9
Total	22,373,189	100.0	23,615,543	100.0	5.6

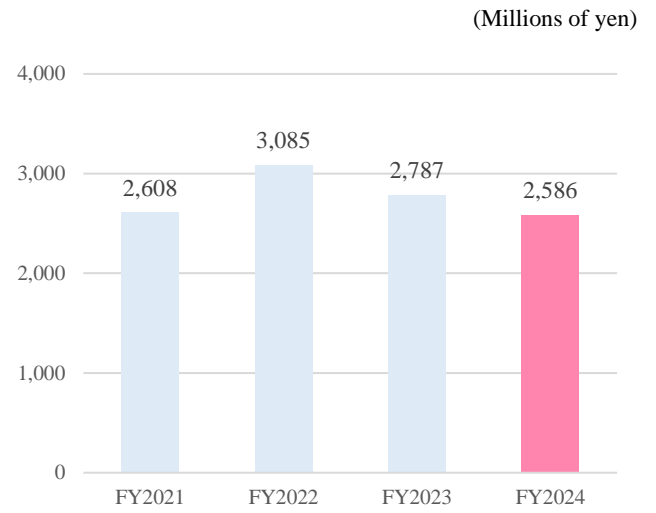
Reference information

Current Trend of Business Performances

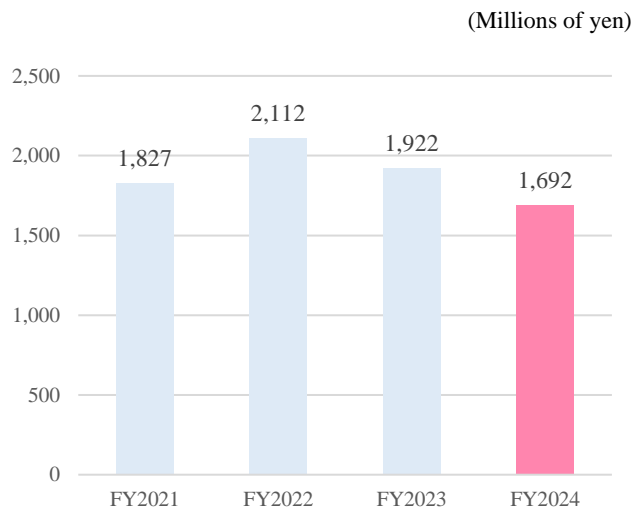
Net sales



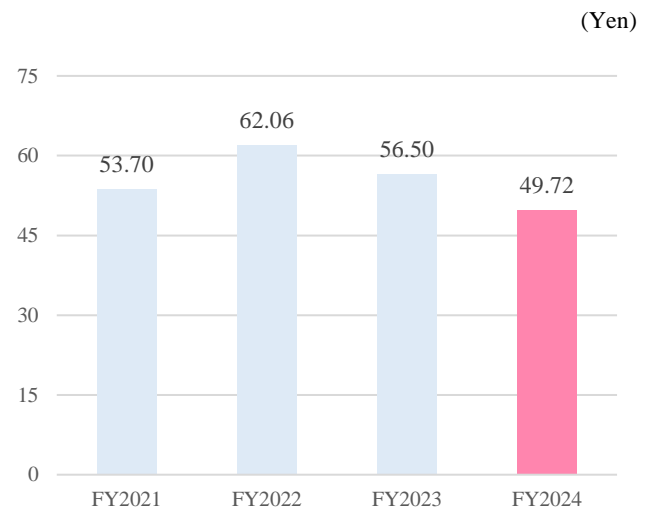
Ordinary profit



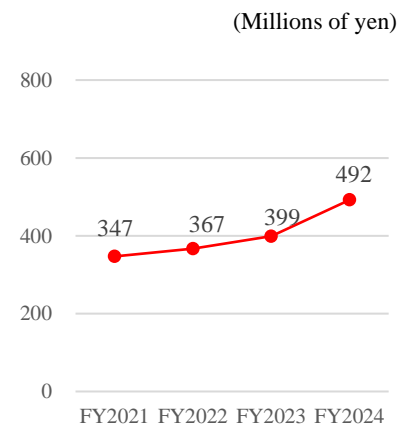
Profit attributable to owners of parent



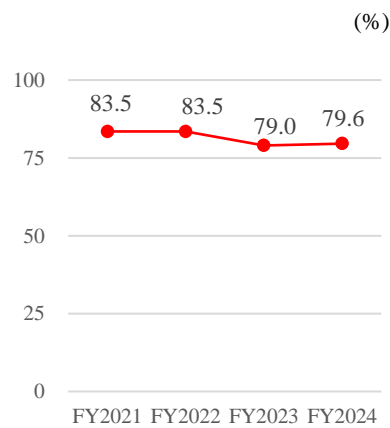
Earnings per share



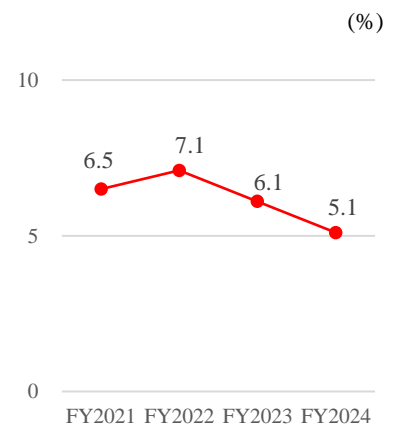
R&D expenses



Equity ratio



ROE

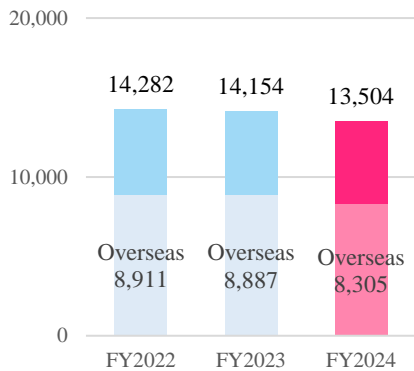


Reference information Sales Information

Sales by product category

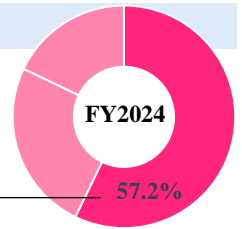
Robots

(Millions of yen)



Sales Ratio

Robots

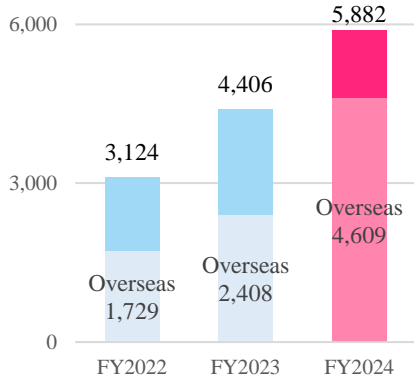


- decreased by 649 million yen (-4.6%) from the previous FY to 13,504 million yen.

- Sales decreased due to sluggish demand for injection molding machines.

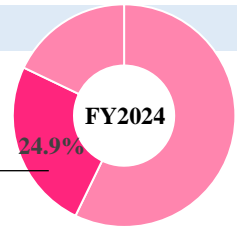
Custom-ordered equipment

(Millions of yen)



Sales Ratio

Custom-ordered Equipment

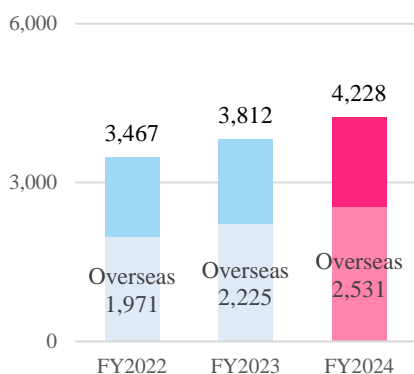


- increased by 1,476 million yen (+33.5%) from the previous FY to 5,882 million yen.

- Sales increased due to large sales to medical customers in Europe.

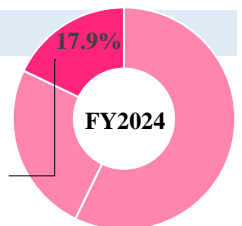
Parts and maintenance services

(Millions of yen)



Sales Ratio

Parts and maintenance services



- increased by 415 million yen (+10.9%) from the previous FY to 4,228 million yen.

- Sales are increasing as the number of robots in operation increases globally.

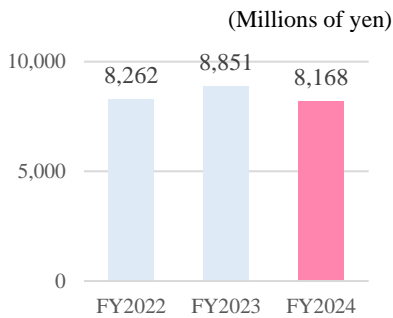
Reference information

Sales Information

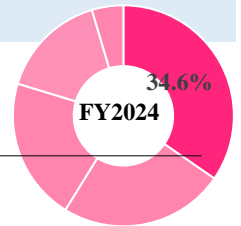
Sales by regions

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

Japan

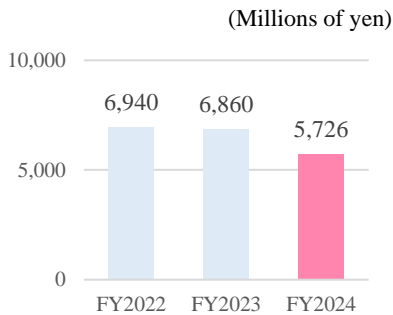


Sales Ratio
Japan

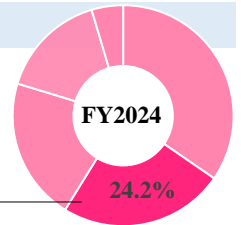


- decreased by 682 million yen (-7.7%) from the previous FY to 8,168 million yen.
- Demand for capital investment was sluggish, especially in the electronics sector.

Asia

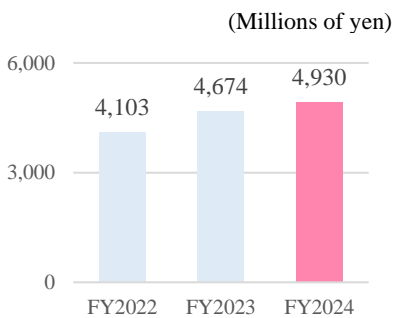


Sales Ratio
Asia

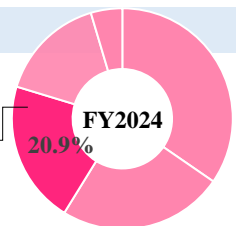


- decreased by 1,134 million yen (-16.5%) from the previous FY to 5,726 million yen.
- Sales declined due to the economic slowdown, especially in China.

North America

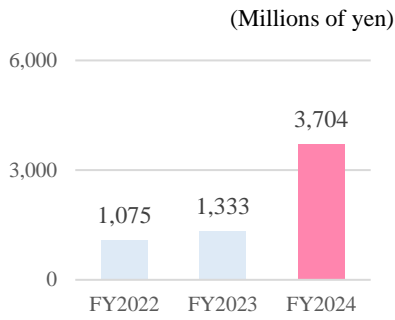


Sales Ratio
North America

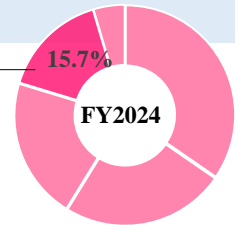


- increased by 255 million yen (+5.5%) from the previous FY to 4,930 million yen.
- Sales of take-out robots and custom-ordered equipment were strong, especially for mobility and medical related applications.

Europe

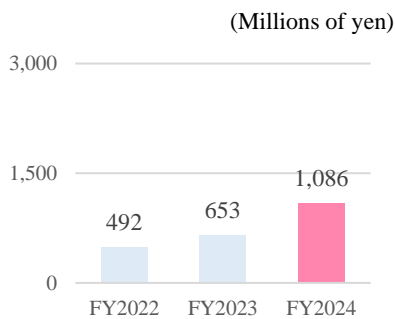


Sales Ratio Europe

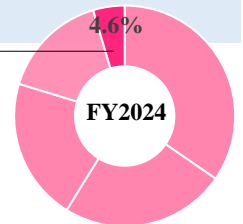


- increased by 2,371million yen (+177.9%) from the previous FY to 3,704 million yen.
- Sales increased due to the acquisition of WEMO in Sweden as a subsidiary and large sales of custom-ordered equipment for medical use.

Others



Sales Ratio Others



- increased by 432 million yen (+66.2%) from the previous FY to 1,086 million yen.
- Sales to Mexico and other markets remained strong.

(2) Capital investment

The total amount of capital investments made by the Group in the current consolidated fiscal year was 350 million yen, which mainly included 192 million yen for the renovation of the Fushimi Factory.

(3) Financing activities

No material items to report.

(4) Assets and profit/loss

Years ended March 31,	FY2021	FY2022	FY2023	FY2024
Net sales (Thousands of yen)	18,473,964	20,874,646	22,373,189	23,615,543
Ordinary profit (Thousands of yen)	2,608,925	3,085,275	2,787,011	2,586,759
Profit attributable to owners of parent (Thousands of yen)	1,827,868	2,112,238	1,922,822	1,692,366
Earnings per share (Yen)	53.70	62.06	56.50	49.72
Total assets (Thousands of yen)	34,649,136	36,892,986	40,843,235	42,821,381
Net assets (Thousands of yen)	29,171,922	31,047,712	32,586,298	34,418,934
Book value per share (Yen)	850.14	904.77	948.36	1,001.03

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

As for the external environment surrounding our group, capital investment demand remains weak in some regions such as China and Europe, and the global economy remains uncertain, but the trend toward production automation, which is aimed at improving production efficiency and solving labor shortage problem while taking occupational safety into consideration, is expected to continue worldwide.

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 achieve this, we need to expand sales of take-out robots by strengthening global sales development and product competitiveness. To strengthen global sales development, we will use WEMO Automation AB in Sweden as a foothold to increase our market share in Europe, and in other regions, we will also gather accurate market information to increase our global market share. To strengthen our product capabilities, we will continue to develop products that provide higher added value in the automation of our customers' factories. In the area of custom-ordered equipment, we will continue to expand sales in response to growing automation needs in Japan and overseas due to labor shortages and rising labor costs, and we will continue to develop new businesses where we can take advantage of our strengths. In maintenance services, we will further strengthen our global network, which is one of our strengths, and establish a system to deliver peace of mind to our customers.

In addition, we will promote measures in line with the KPIs for the five materialities identified for the fiscal year ending March 31, 2023: “Promotion of occupational safety,” “Productivity improvement of the customers' factory,” “Tackling climate change,” “Human capital enhancement,” and “Strengthening corporate governance.” In particular, with respect to “Human capital enhancement,” we will promote recruitment and training of human resources, centered on the penetration of our corporate philosophy, to achieve sustainable growth and enhance our corporate value over the medium to long term.

(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 our group's products and manufacture and sales of streamlining machinery
YUSHIN PRECISION EQUIPMENT TRADING (SHANGHAI) CO., LTD.	Shanghai, China	US\$200,000	100%	Sales and maintenance & repair of our group's products
YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.	Shenzhen, Guangdong, China	US\$400,000	100%	Sales and maintenance & repair of our group's products
GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.	Guangzhou, Guangdong, China	RMB13.742 million	100%	Manufacturing of our group's products
YUSHIN PRECISION EQUIPMENT (TAIWAN) CO., LTD.	Taipei City, Taiwan (R.O.C.)	NT\$5 million	100%	Sales and maintenance & repair of our group's products
PT. YUSHIN PRECISION EQUIPMENT INDONESIA	Bekasi, Indonesia	IDR2,841 million	99%	Sales and maintenance & repair of our group's products
YUSHIN PRECISION EQUIPMENT (VIETNAM) CO., LTD.	Hanoi, Vietnam	US\$300,000	100%	Sales and maintenance & repair of our group's products
YUSHIN PRECISION EQUIPMENT SDN. BHD.	Selangor, Malaysia	MYR1 million	100%	Sales and maintenance & repair of our group's products
YUSHIN PRECISION EQUIPMENT (THAILAND) CO., LTD.	Bangkok, Thailand	THB8 million	49%	Sales and maintenance & repair of our group's products and manufacture and sales of streamlining machinery
YUSHIN PRECISION EQUIPMENT (INDIA) PVT. LTD.	Chennai, India	INR17.4 million	97.9%	Sales and maintenance & repair of our group's products
YUSHIN EUROPE GMBH	Bayern, Germany	EUR25,000	100%	Sales and maintenance & repair of our group's products
YUSHIN AUTOMATION LTD.	Worcestershire, U.K.	GBP150,000	95.6%	Sales and maintenance & repair of our group's products
YUSHIN AMERICA, INC.	Rhode Island, U.S.A.	US\$8,000	100%	Sales and maintenance & repair of our group's products and manufacture and sales of streamlining machinery
WEMO AUTOMATION AB	Värnamo, Sweden	SEK120,000	100%	Development, manufacturing, sales and maintenance & repair of our group's products

Notes:

1. WEMO AUTOMATION AB has been included in the scope of consolidation from this consolidated fiscal year as the Company acquired all the shares of WEMO AUTOMATION AB in May 2023 and made it a subsidiary.
2. Yushin Europe GmbH resolved to dissolve on December 12, 2023 and is in the process of liquidation.

(7) Major operations (as of March 31, 2024)

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, 2024)

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, 2024)

Number of employees	Increase and decrease from the end of previous consolidated FY
787 (64)	72 increase

Note:

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

(10) Major creditors (as of March 31, 2024)

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, 2024)

(1) Number of shares authorized:	80,000,000
(2) Total number of issued shares:	35,638,066
(3) Number of shareholders:	6,761
(4) Major shareholders (top 10):	

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)	2,328	6.8
Takayo Oda	1,968	5.8
Miki Murata	1,847	5.4
Custody Bank of Japan, Ltd. (Trust Account)	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

Notes:

1. The Company holds 1,603,219 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, 2024)

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 (Audit and Supervisory Committee member) of LUCKLAND CO., LTD. (Audits Committee)
Full-time Corporate Auditor	Katsumi Noda	
Corporate Auditor	Hiroho Kamakura	Certified Public Accountant Outside Corporate Auditor of TRUSCO NAKAYAMA Corporation Outside Corporate Auditor of SymEnergy Inc.
Corporate Auditor	Tetsuya Nonaka	Attorney Partner of Naniwabashi LPC Outside Corporate Auditor of TOYO SHUTTER CO., LTD.

Notes:

1. Directors, Yasuo Nishiguchi, Hiroshi Matsuhisa and Reiko Nakayama are External Directors defined in Article 2, Paragraph 15 of the Companies Act.
2. Corporate Auditors, Hiroho Kamakura and Naohiro Tsuda are External Corporate Auditors defined in Article 2, Paragraph 16 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. Change of Directors and Corporate Auditor during the period under review

Name	Before change	After change	Date of change
Reiko Nakayama	Outside Director of Mandom Corporation	Resigned	June 23, 2023
Naohiro Tsuda	External Corporate Auditor	Resigned	April 4, 2023
	Senior Partner of Naniwabashi LPC	Resigned	April 4, 2023
Tetsuya Nonaka	Substitute Corporate Auditor	External Corporate Auditor	April 5, 2023
	Attorney at Naniwabashi LPC	Partner of Naniwabashi LPC	June 1, 2023

5. The Company has concluded an agreement with Yasuo Nishiguchi, Hiroshi Matsuhisa, Reiko Nakayama, Katsumi Noda, Hiroho Kamakura and Tetsuya Nonaka to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreement shall be the minimum amount of liability under Article 425, Paragraph 1 of the Companies Act.
6. 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 Tetsuya Nonaka to guarantee the expenses set forth in Article 430-2, Paragraph 1 of the Companies Act and the loss set forth in Item 2 of that paragraph to the extent stipulated by laws and ordinances.
7. The Company has concluded Directors and Officers Liability Insurance (hereinafter referred to as “D&O Insurance”) as stipulated in Article 430-3, Paragraph 1 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; and Hiroho Kamakura, 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)	170,365	144,915	25,450	-	5
External Directors	16,800	16,800	-	-	3
Subtotal	187,165	161,715	25,450	-	8
Corporate Auditor (Excluding External Corporate Auditors)	12,000	12,000	-	-	1
External Corporate Auditors	8,400	8,400	-	-	3
Subtotal	20,400	20,400	-	-	4
Total	207,565	182,115	25,450	-	12

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 2,400,000 thousand yen, and the actual amount is 2,586,759 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 (Audit and Supervisory Committee member) of LUCKLAND CO., LTD. She was an Outside Director of Mandom Corporation, but resigned as of June 23, 2023. 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. The Company has no special relationship with TRUSCO NAKAYAMA Corporation and SymEnergy Inc.
 - Tetsuya Nonaka is a partner of Naniwabashi LPC and an Outside Corporate Auditor of TOYO SHUTTER CO., LTD. The Company has no special relationship with Naniwabashi LPC and TOYO SHUTTER CO., LTD.

[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 the 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	During the period under review, Hiroshi Matsuhisa attended all 13 meetings of the Board of Directors. He supervises and advises management from a professional and independent standpoint, based on the expertise of a 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 meetings of the Committee 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 the Board of Directors. Based on her experience of as an underwriting manager 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 meetings of the Committee 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.
Corporate Auditor, Hiroho Kamakura	During the period under review, Hiroho Kamakura attended all 13 meetings of Board of Directors and all 8 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 meetings of the Committee held during the current fiscal year and gave his opinion on the legality.
Corporate Auditor, Tetsuya Nonaka	During the period under review, Naohiro Tsuda attended 12 out of 13 meetings of the Board of Directors and 7 out of 8 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.

Note:

In addition to the frequency of convening meetings of the Board of Directors described above, there were 6 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	33,000 thousand yen
Total amount of monetary and other property benefits payable by the Company and its subsidiaries	33,000 thousand yen

Notes:

1. The Company paid P&G Grant Thornton, which belongs to the same network as the Accounting Auditor, 145 thousand yen in addition to the above as compensation for tax-related services.
2. 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.
3. The Board of Corporate Auditors of the Company, after receiving necessary materials and reports from the Directors, relevant internal departments and the Accounting Auditor, confirmed the details of the audit plan of the Accounting Auditor and the performance of its duties in the accounting audit, and examined the basis and details of the calculation of the remuneration estimate, determined that the audit remuneration, etc. of the Accounting Auditor is appropriate and gave its consent as provided in Article 399, Paragraph 1 of the Companies Act.
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 Article 340, Paragraph 1 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 Article 427, Paragraph 1 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 Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages based on the contract is the minimum amount stipulated by law.

(5) Suspension of operation imposed on the Accounting Auditors in the past two years

Summary of suspension of business operations announced by the Financial Services Agency on December 26, 2023

(1) Subject of disposition

Grant Thornton Taiyo LLC

(2) Details of disposition

Suspension of the business of entering into new contracts for three months (from January 1, 2024 to March 31, 2024. However, with respect to the audited company with which an audit contract has already been concluded, the suspension does not apply to the extension of the term of the audit contract or the conclusion of a new contract due to the listing of the company).

5. Policy for Determining the Distribution of Surplus

We regard the return of profits to shareholders as one of the most important management issues in the operation of its business.

As a policy, we aim to achieve a consolidated dividend payout ratio of 30% or more in order to realize stable and continuous shareholder returns. At the same time, we aim to improve consolidated performance and raise the level of ordinary dividends by enhancing internal reserves so that we can make flexible and sustainable investments as needed, and by prioritizing a certain amount of investment each year in research and development, which will determine future corporate value. The Board of Directors is the decision-making body for both interim and year-end dividends.

In light of the business results for the current fiscal year and the above policy, we paid an interim dividend of 10 yen per share and a year-end dividend of 10 yen per share, for a total annual dividend of 20 yen per share for the current fiscal year. As a result, the consolidated dividend payout ratio for the current fiscal year is 40.2%.

Internal reserves will be used for capital investment to increase production capacity and for future R&D activities to expand our business.

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2024)

(Thousands of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	28,203,409	Current liabilities	7,719,523
Cash and deposits	13,405,550	Notes and accounts payable - trade	2,011,414
Notes and accounts receivable - trade	6,008,743	Electronically recorded obligations - operating	522,006
Merchandise and finished goods	1,039,963	Accounts payable - other	587,290
Work in process	1,847,517	Accrued expenses	191,663
Raw materials and supplies	5,083,804	Income taxes payable	467,798
Consumption taxes receivable	215,167	Advances received	3,062,706
Prepaid expenses	251,165	Provision for bonuses	357,387
Other	359,641	Provision for bonuses for Directors	25,450
Allowance for doubtful accounts	(8,144)	Provision for product warranties	284,344
		Other	209,463
Non-current assets	14,617,972	Non-current liabilities	682,922
Property, plant and equipment	10,749,199	Retirement benefit liability	115,810
Buildings	3,494,043	Deferred tax liabilities	387,380
Structures	60,368	Other	179,732
Machinery equipment and Vehicles	171,238		
Tools, furniture and fixtures	155,668	Total liabilities	8,402,446
Land	6,851,964		
Leased assets	7,670	NET ASSETS	
Construction in progress	8,245	Shareholders' equity	31,779,981
		Share capital	1,985,666
Intangible assets	2,261,552	Capital surplus	2,024,597
Telephone subscription right	11,430	Retained earnings	29,125,446
Software	71,949	Treasury shares	(1,355,730)
Customer-related assets	1,579,493	Total accumulated other comprehensive income	2,289,904
Goodwill	495,549	Valuation difference on available-for-sale securities	285,889
Others	103,130	Foreign currency translation adjustment	1,958,804
Investments and other assets	1,607,219	Remeasurements of defined benefit plans	45,210
Investment securities	547,665	Non-controlling interests	349,049
Retirement benefit asset	274,329		
Deferred tax assets	594,628		
Other	254,006		
Allowance for doubtful accounts	(63,410)		
Total assets	42,821,381	Total net assets	34,418,934
		Total liabilities and net assets	42,821,381

Consolidated Statements of Income (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

Account	Amount	
Net sales		23,615,543
Cost of sales		13,827,535
Gross profit		9,788,007
Selling, general and administrative expenses		7,350,502
Operating profit		2,437,505
Non-operating income		
Interest and dividends income	35,951	
Purchase discounts	4,967	
Foreign exchange gains	90,380	
Other	19,989	151,288
Non-operating expenses		
Other	2,034	2,034
Ordinary profit		2,586,759
Extraordinary income		
Gain on sales of non-current assets	5,167	5,167
Extraordinary loss		
Loss on sales and retirement of non-current assets	30,508	30,508
Profit before income taxes		2,561,418
Income taxes - current	838,817	
Income taxes – deferred	(38,804)	800,012
Profit		1,761,405
Profit attributable to non-controlling interests		69,038
Profit attributable to owners of parent		1,692,366

Non-Consolidated Financial Statements

Balance Sheets (as of March 31, 2024)

(Thousands of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	18,604,432	Current liabilities	3,777,570
Cash and deposits	7,644,940	Notes payable - trade	6,995
Notes receivable - trade	1,588,454	Electronically recorded obligations - operating	522,006
Accounts receivable - trade	3,857,815	Accounts payable - trade	1,578,275
Merchandise and finished goods	419,231	Accounts payable - other	432,341
Work in process	1,229,738	Accrued expenses	25,990
Raw materials and supplies	2,942,573	Income taxes payable	252,860
Prepaid expenses	85,355	Advances received	365,186
Consumption taxes receivable	215,167	Provision for bonuses	302,000
Other	621,257	Provision for bonuses for Directors	25,450
Allowance for doubtful accounts	(100)	Provision for product warranties	190,000
Non-current assets	14,671,927	Other	76,463
Property, plant and equipment	9,753,608	Non-current liabilities	5,963
Buildings	3,030,110	Other	5,963
Structures	60,368	Total liabilities	3,783,533
Machinery, equipment and vehicles	59,373	NET ASSETS	
Tools, furniture and fixtures	74,955	Shareholders' equity	29,206,937
Land	6,512,884	Share capital	1,985,666
Leased assets	7,670	Capital surplus	2,023,903
Construction in progress	8,245	Legal capital surplus	2,023,903
Intangible assets	49,145	Retained earnings	26,553,097
Telephone subscription right	11,430	Legal retained earnings	286,314
Software	37,715	Other retained earnings	26,266,782
Investments and other assets	4,869,172	Reserve for dividend equalization	1,000,000
Investment securities	547,665	General reserve	8,700,000
Shares of subsidiaries and associates	3,215,995	Retained earnings brought forward	16,566,782
Investments in capital of subsidiaries and associates	297,873	Treasury shares	(1,355,730)
Deferred tax assets	532,806	Valuation and translation adjustments	285,889
Allowance for doubtful accounts	(43)	Valuation difference on available-for-sale securities	285,889
Other	274,876	Total net assets	29,492,826
Total assets	33,276,360	Total liabilities and net assets	33,276,360

Statements of Income (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

Account	Amount	
Net sales		14,685,251
Cost of sales		8,839,317
Gross profit		5,845,934
Selling, general and administrative expenses		4,289,979
Operating profit		1,555,954
Non-operating income		
Interest income	2,447	
Dividend income	740,881	
Purchase discounts	4,967	
Foreign exchange gains	50,646	
Other	8,540	807,484
Non-operating expenses		
Other	1,919	1,919
Ordinary profit		2,361,519
Extraordinary income		
Gain on sales of non-current assets	497	497
Extraordinary losses		
Loss on sales and retirement of non-current assets	30,474	
Loss on valuation of shares of subsidiaries	55,992	86,466
Profit before income taxes		2,275,549
Income taxes - current	466,833	
Income taxes - deferred	△26,339	440,494
Profit		1,835,055

[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, 2023 to March 31, 2024, 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 Article 100, Paragraph 1 and 3, 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) and requested explanations as necessary. In addition, we received a report from the Accounting Auditors that it had submitted a business improvement plan in response to the administrative action taken by the Financial Services Agency, and sought explanations as necessary.

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 24, 2024

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

Topics

New palletizing robot models added

The need for automation is rapidly increasing due to labor shortages at logistics sites. To meet this demand, we offer the “PA Series” palletizing robots. The PA-50LC, which was released in August 2023, has a lower overall height and improved transfer capability, while maintaining the space-saving features of the previous model. Cartesian robots have the problem of increasing overall height as the palletizing stack height increases. To solve this problem, we redesigned all the axis configurations. We also added two functions, “shortest path” and “optimized acceleration/deceleration control,” to achieve higher performance. In April 2024, we added a dual pallet function to the PA-50LC.



PA-50LC – dual pallet

Participation in exhibitions

With the end of COVID-19 pandemic, exhibitions have reopened and we are actively participating.

YUSHIN's Swedish subsidiary WEMO exhibited at Fakuma 2023 held in Germany from October 17 to 21, 2023. Many visitors appraised that YUSHIN and WEMO are now part of the same group and that they expect strong growth in Europe and other regions.

We also exhibited at IPF Japan 2023 (International Plastics Fair) held at Makuhari Messe from November 28 to December 2, 2023. The exhibit was targeted at the plastic molding industry, and appealed to the industry's response to labor shortages and environmental issues, as well as our after-sales service system, which is one of our strengths.



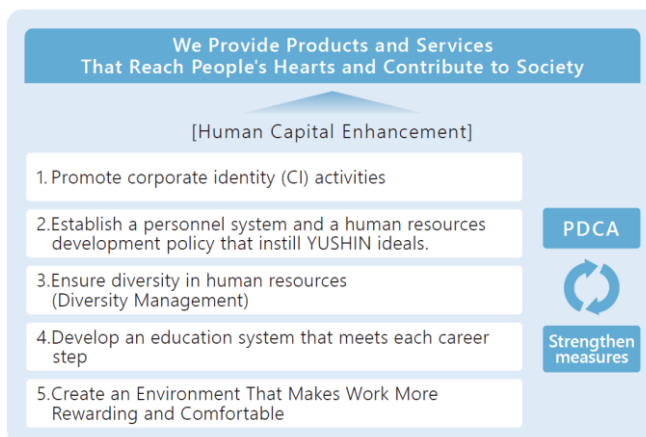
Fakuma 2023

Human capital enhancement

In order to inherit the strengths and advantages we have built up over the years and to achieve further growth, we are strengthening our investment in human capital and organizational development.

Our human capital enhancement has the following objectives.

- 1) Achieve YUSHIN's sustainable growth and increase its medium- to long-term corporate value by creating an organization that leverages the values and perspectives of its diverse human resources.
- 2) Promote the recruitment and training of human resources based on the penetration of our business philosophy, and create an environment in which each and every employee can continue to work actively and vigorously, demonstrating his or her characteristics and abilities to the fullest.



As specific measures, we are working on the following environmental improvements: (1) 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 (4) Create an environment that makes work more rewarding and comfortable

We have divided our roadmap into three stages: building the foundation of the organization, strengthen human capital investment and organizational development, and growth and expansion.

We recognize that delivering innovative products and services that create added-value will meet the expectations of our shareholders, customers and other stakeholders, while we are responding to changes in the business environment. We develop our people and improve their job satisfaction, which grows our organization and human resource managements, which creates new value - a virtuous cycle of value creation.

