

Risk Management

YUSHIN management team identifies following risks as the key factors. Those risks may have significant impacts on financial statements, business performances and cash flows around YUSHIN Group.

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