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**Other Electronic Provision Measures Matters upon
Notice of Convocation for the 51st Ordinary General Meeting of Shareholders
(Matters Omitting the Delivery of Documents)**

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

Significant Accounting Policies and Other Notes

For the 51st Fiscal Year (from April 1, 2023 to March 31, 2024)

YUSHIN PRECISION EQUIPMENT CO., LTD.

Of the matters to be provided electronically, the above items are not included in the documents to be delivered to shareholders who have requested delivery of written documents in accordance with the provisions of laws and regulations and Article 14, Paragraph 2 of the Articles of Incorporation.

1. 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 Group company 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.

Group company 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 the 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.

2. 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”, “YUSHIN Group Procurement Guidelines”, “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.) In addition, “Yushin Organizational Knowledge Book”(Y-Book), which was formulated and distributed as a collection of organizational knowledge, has been revised and is used to further improve the quality of operations, maintain disciplines, and instill compliance awareness.
- [2] With respect to education and training, the Company conducts training on business and human rights, the Subcontractors Act, insider trading prevention, trade secrets, the internal reporting system, and safe driving, in order to promote compliance awareness.
- [3] With respect to internal reporting, the Company has established internal and external reporting channels in order to prevent compliance violations, detect them at an early stage, and take prompt and effective action when violations are discovered, and is working to provide opportunities for reporting and to strengthen the reporting system.
- [4] In addition, the system was modified to comply with the Qualified Invoice System (Invoice System). In response to the revision of the Traffic Law (enforcement of sobriety check), the Company has strengthened its check system and modified the system to ensure reliable operation.

(2) Status of risk management of losses

Overall risk management is discussed and addressed by the Committee of Internal Control. The Sustainability Committee also promotes risk management in accordance with the Sustainability Basic Policy.

In the event of an event that could cause loss to the Company, the officer in charge immediately reports to the Board of Directors and the Board of Corporate Auditors, and all officers discuss and respond to the event. In addition, events that are expected to result in a risk of loss are investigated and questioned by the Corporate Auditors in order to avoid risk.

As a global company, the Company has launched the Global Crisis Management Project to strengthen crisis management at overseas offices, and under this project, the Company is formulating “Regulations for Overseas Safety Measures” and analyzing risks at each site. In Japan, the Company regularly conducts drills for safety confirmation systems and other systems in preparation for the occurrence of a disaster.

In addition, the Company considers and implements responses to other risks that change on a daily basis.

(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] The 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 the 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. In addition, the Company holds Group company meetings with its subsidiaries three times a year, where both parties share information and review the status of subsidiaries’ 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 their expertise as External Corporate Auditors and maintain internal coordination with the Internal Audit Office. In addition, Corporate Auditors conduct audits in accordance with “Audit Practice Standards Relating to the Internal Control System” which is the standards and guidelines for Corporate Auditors to audit the Company’s Internal Control System.

Consolidated Statements of Changes in Equity

(from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2023	1,985,666	2,024,597	28,454,129	(1,355,632)	31,108,761
Changes in the current period					
Dividends of surplus			(1,021,049)		(1,021,049)
Profit attributable to owners of parent			1,692,366		1,692,366
Acquisition of treasury shares				(97)	(97)
Changes in items other than shareholders' equity, net					
Total changes in the current period	-	-	671,317	(97)	671,219
Balance as of March 31, 2024	1,985,666	2,024,597	29,125,446	(1,355,730)	31,779,981

	Total accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2023	118,852	1,043,867	5,780	1,168,500	309,036	32,586,298
Changes in the current period						
Dividends of surplus						(1,021,049)
Profit attributable to owners of parent						1,692,366
Acquisition of treasury shares						(97)
Changes in items other than shareholders' equity, net	167,037	914,937	39,430	1,121,404	40,012	1,161,417
Total changes in the current period	167,037	914,937	39,430	1,121,404	40,012	1,832,636
Balance as of March 31, 2024	285,889	1,958,804	45,210	2,289,904	349,049	34,418,934

1. Basis of Preparing Consolidated Financial Statements

(1) Scope of consolidation

The Company consolidates all 15 subsidiaries listed below. WEMO Automation AB is consolidated from the current consolidated fiscal year as the Company acquired all of its shares in May 2023. WEMO Automation GmbH was established in December 2023 by WEMO Automation AB, a subsidiary of the Company, and is included in the scope of consolidation from this consolidated fiscal year.

Subsidiaries

YUSHIN AMERICA, INC.
YUSHIN KOREA CO., LTD.
YUSHIN PRECISION EQUIPMENT SDN. BHD.
YUSHIN PRECISION EQUIPMENT (TAIWAN) CO., LTD.
YUSHIN PRECISION EQUIPMENT (THAILAND) CO., LTD.
YUSHIN AUTOMATION, LTD.
YUSHIN PRECISION EQUIPMENT TRADING (SHENZHEN) CO., LTD.
YUSHIN PRECISION EQUIPMENT TRADING (SHANGHAI) CO., LTD.
YUSHIN PRECISION EQUIPMENT (INDIA) PVT. LTD.
GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.
PT. YUSHIN PRECISION EQUIPMENT INDONESIA
YUSHIN PRECISION EQUIPMENT (VIETNAM) CO., LTD.
YUSHIN EUROPE GmbH
WEMO Automation AB
WEMO Automation GmbH

(2) Application of the equity method

There is no non-consolidated subsidiary or affiliate company.

(3) Accounting policies

[1] Valuation of important assets

i) Securities

Available-for-sale securities classified as other securities

- Securities with available fair market values

(Unrealized gains or losses, net of applicable taxes, reported in a separate component of equity.

The cost of securities sold is principally determined by the moving average method)

ii) Inventories

- Merchandise and finished goods, Work-in-process

Principally carried at cost determined by the identified cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins)

- Raw materials

Principally carried at cost determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins)

- Supplies

Carried by the last purchase price method

[2] Depreciation

- i) Property, plant and equipment (excluding Leased assets): Principally computed by the declining balance method

The range of useful lives for major assets is as follows:

Buildings: 3 - 40 years

Structures: 7 - 20 years

Machinery and equipment: 5 - 12 years

Tools, furniture and fixtures: 2 - 20 years

- ii) Intangible assets (excluding Goodwill and Leased assets): Straight-line method

- In-house software is figured out based on expected service life

- iii) Leased assets: For leased assets under non-ownership transfer finance lease transactions, the Company applies a straight-line method with the lease period as useful life and the residual value as zero (0.)

[3] Estimation on important allowance and reserves

- i) Allowance for doubtful accounts:
To provide for possible bad debt losses, the amount deemed unrecoverable is accounted using the loan loss ratio based on past experience for general claims and by examining the possibility of recovery on an individual basis for specific claims with default possibility.
- ii) Provision for bonuses:
In order to allocate the payment of employees' bonuses, the Company provides the amount subject to the fiscal year under review among the total estimated amount to be paid as employees' bonuses.
- iii) Provision for bonuses for directors:
The Company provides the projected payment amount to be allocated for the payment of bonuses to Directors and Corporate Auditors.
- iv) Provision for product warranties:
To provide for expenses incurred for free repairs related to product sales, an amount is accounted based on historical experience.

[4] Basis for recording Revenues and Expenses

Set out below are the major performance obligations in products and services related to revenues from contracts with customers of the Company and its consolidated subsidiaries, and the normal time at which such obligations are satisfied (the normal time at which revenues are recognized.)

For products and installation services, sales to customers will be made in accordance with the terms and conditions set forth in contracts and purchase orders concluded with customers. For take-out robots and custom-ordered equipment, installation work is included in most contracts and orders, the revenue is recognized when the installation work is completed at the client plant and the customer completes acceptance because the performance obligation is determined to be satisfied as the customer obtains control over the products. For certain contracts and orders that do not include an installation work, the revenue is recognized when the products are delivered to the customer because the performance obligation is determined to be satisfied as the customer obtains control over the products.

For Parts, the revenue is recognized when the products are delivered to the customer because the performance obligation is determined to be satisfied as the customer obtains control over the products. For sales of parts in Japan, the revenue is recognized at the time of shipment because the period between the time of shipment of the products and the time when the control of the products is transferred to the customer is short within reasonable.

For maintenance services, the revenue is recognized when the service is completed at the customer plant and the customer completes the acceptance because the performance obligation is determined to be satisfied.

[5] Amortization method and period of Goodwill

Goodwill is equally amortized over 7 years.

[6] Other significant matter for the preparation of Consolidated Financial Statements

Accounting for Retirement benefit assets and liabilities:

To provide for employees' retirement benefits, based on the projected benefit obligations at year-end and the pension asset balance, the amount of pension assets surplus to projected benefit obligations is recorded.

The net actuarial loss or gain is subject to recognition thereof onward in an amount pro-rated by the straight-line method based on the average remaining employee service period (10 to 13 years) at the time of the recognition of net actuarial loss or gain in each fiscal year.

Unrecognized actuarial differences is recorded in "Remeasurements of defined benefit plans" under "Total accumulated other comprehensive income" in Net assets after adjusting for tax effects.

2. Notes on accounting estimates

Intangible assets and Goodwill

[1] The Major goodwill and Intangible assets newly recognized as a result of the business combination in the current consolidated fiscal year are as follows

Goodwill	524,028 thousand yen
Customer-related assets	1,569,800 thousand yen

[2] Information on the nature of significant accounting estimates for identified items

i) Method of calculating the amounts

The Group acquired the shares of WEMO Automation AB during the current fiscal year. Intangible assets and Goodwill recorded as a result of this business combination were calculated by allocating the acquisition cost to the identifiable assets and liabilities at the date of the business combination.

The fair value of Intangible assets identified in the business combination was determined using the income approach (Excess Earning Method) by discounting the future cash flows expected to be generated from Intangible assets based on the business plan used in the corporate valuation, using outside experts.

For Goodwill, it is the difference between the acquisition cost and the amount allocated to identifiable assets and liabilities at the date of the business combination, including intangible assets.

ii) Key assumptions used in the calculation of the amounts

Among the identified assets, the key assumptions used in the measurement of the intangible assets are the projected future sales revenue based on a business plan of WEMO Automation AB, and the existing customer decay and discount rate.

iii) C. Impact on the consolidated financial statements for the next fiscal year

Although the management believes the above assumptions are reasonable, they may be affected by future changes in uncertain economic conditions, and if the assumptions need to be revised, the amount of Intangible assets and Goodwill may be materially affected.

3. Notes to Consolidated Balance Sheet

(1) Set forth below are the balance of receivables in Notes and Accounts receivable - trade occurred from the contracts with customers.

Notes receivable - trade	1,646,216 thousand yen
Accounts receivable - trade	4,362,526 thousand yen

(2) Accumulated depreciation of Property, plant and equipment 8,084,152 thousand yen

4. Notes to Consolidated Statement of Changes in Equity

(1) Total number of issued shares

Class of shares	Number of shares at the beginning of current FY	Number of increased shares of current FY	Number of decreased shares of current FY	Number of shares at the end of current FY
Common stock	35,638,066	-	-	35,638,066

(2) Number of treasury shares

Class of shares	Number of shares at the beginning of current FY	Number of increased shares of current FY	Number of decreased shares of current FY	Number of shares at the end of current FY
Common stock	1,603,076	143	-	1,603,219

Notes: The 143 increase in treasury shares is due to the purchase of shares of less than one unit.

(3) Dividends of surplus

[1] Payment of dividends

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
The Board of Directors' Meeting on May 10, 2023	Common stock	680,699	20	March 31, 2023	June 5, 2023
The Board of Directors' Meeting on November 6, 2023	Common stock	340,349	10	September 30, 2023	December 1, 2023

Notes: The amount of dividend per share resolved by the Board of Directors on May 10, 2023 includes a commemorative dividend of 10 yen per share for the 50th anniversary of the Company's establishment.

[2] Dividends whose record date belongs to the current fiscal year but whose effective date is after the end of the current fiscal year

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend funds	Dividend per share (Yen)	Record date	Effective date
The Board of Directors' Meeting on May 15, 2024	Common stock	340,348	Retained earnings	10	March 31, 2024	June 11, 2024

5. Notes to Financial Instruments

(1) Conditions of financial instruments

[1] Management policy

YUSHIN Group has a policy of limiting investments of unused funds to short-term deposits, certificates of deposits and similar instruments and never using these funds for speculation. Internal resources are used to meet all working capital requirements. Derivative instruments may be used to hedge exposure to foreign exchange rate risk but will never be used for speculation.

[2] Details of financial instruments and their risks

Operating receivables consisting of Notes and accounts receivable - trade are generally exposed to the credit risk of customers, while foreign currency denominated operating receivables at foreign operations are exposed also to the foreign exchange risk.

Consumption taxes receivable are due one (1) year or less.

Investment securities are available-for-sale securities and are exposed to risk associated with market price volatility.

Operating debt consisting of Notes and accounts payable - trade and Electronically recorded obligations - operating are largely due four (4) months or less. Accounts payable - other and Income taxes payable are due one (1) year or less.

[3] Risk management system for financial instruments

Payment dates and balances of outstanding are supervised for each customer based on rules for the management of trade receivables and credit. In addition, there is a system for monitoring the financial soundness of customers.

For Investment securities, there are measures to periodically monitor the fair values of these securities and the financial soundness of issuers of these securities.

(2) Fair value of financial instruments

The consolidated balance sheets, fair value, and their differences as of March 31, 2024 are shown as follows.

		Carrying value (Thousands of yen)	Fair value (Thousands of yen)	Differences (Thousands of yen)
(1)	Investment securities			
	Other securities	547,665	547,665	-
	Assets total	547,665	547,665	-

Note 1. Cash and deposits are omitted because they are cash, Deposits are settled within a short period of time, and the carrying amount approximates fair value.

Note 2. Notes receivable - trade, Account receivable - trade and Consumption taxes receivable are omitted because they are settled within a short period of time and the carrying amount approximates fair value.

Note 3. Notes and accounts payable - trade, Electronically recorded obligations - operating, Accounts payable - other, and Income taxes payable are omitted because they are settled within a short period of time and the carrying amount approximates fair value.

Note 4. Matters concerning determination of fair value of financial instruments and marketable securities
(Assets)

(1) Investment securities

Fair value of the above financial instruments such as stocks is determined by prices at stock exchanges.

(3) Breakdown of the fair value of financial instruments by level

The Company has classified the fair values of financial instruments into the three (3) levels shown in the table below, according to the observability and materiality of the inputs used to calculate fair value.

Level 1 Fair Value: Fair values calculated using market price of assets or liabilities in active markets among observable inputs

Level 2 Fair Value: Fair values calculated using observable inputs that are not included in Level 1

Level 3 Fair Value: Fair values calculated using unobservable inputs

In cases where multiple inputs are used to calculate fair values, the values are classified to the level of the input which has the lowest priority of the inputs to calculate the fair value.

Financial instruments carried on the consolidated balance sheet of fair value

	Fair value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Shares	547,665	-	-	547,665
Assets total	547,665	-	-	547,665

Note: Explanation for evaluation technique and inputs used to calculate fair values

Investment securities

Shares listed on stock exchange markets are evaluated using market prices. The fair values of the shares are classified as Level 1 as the shares are traded in active markets.

6. Notes to Revenue Recognition

(1) Breakdown of the revenue arising from the contracts with customers

(Thousands of yen)

	Reportable segment				Total
	Japan	North America	Asia	Europe	
Products and services					
Robots	6,921,841	2,528,321	3,389,213	664,718	13,504,094
Custom-ordered equipment	1,135,920	984,029	102,902	3,659,823	5,882,676
Parts and maintenance services	1,853,191	1,127,642	835,830	412,107	4,228,772
Revenue generated from the contracts with customers	9,910,953	4,639,994	4,327,945	4,736,649	23,615,543
Other revenue	-	-	-	-	-
Net sales to customers	9,910,953	4,639,994	4,327,945	4,736,649	23,615,543

(2) Basic information to understand the revenue arising from the contracts with customers

It is described in “[4] Basis for recording Revenues and Expenses” - “(3) Accounting policies” - “1. Basis of Preparing Consolidated Financial Statements.”

(3) Information to understand the amount of revenue in the current and subsequent fiscal years

[1] Balance of contract assets and contract liabilities and others

(Thousands of yen)

	Current consolidated fiscal year	
	Balance at beginning of year	Balance at end of period
Receivables arising from contracts with customers	5,471,088	6,008,743
Contract liabilities	3,721,457	3,062,706

In the consolidated balance sheets, contract liabilities are recorded under “Advances received” in “Current liabilities”. Contract liabilities are Advances received from customers and are reversed upon recognition of revenue. The amount of revenue recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period was 1,818,652 thousand yen. There is no significant amount of consideration arising from contracts with customers that is not included in the transaction prices.

[2] Transaction prices allocated to residual performance obligations

The total transaction price allocated to the residual performance obligations and the period over which revenue is expected to be recognized are as follows

(Thousands of yen)

	Current consolidated fiscal year
Within one year	7,226,385
Over one year	1,534,724
Total	8,761,109

7. Notes to Business Combinations

Business combination through acquisition

At a meeting of the Board of Directors held on May 16, 2023, the Company resolved to acquire all shares of WEMO Automation AB to make it a subsidiary, entered into a share transfer agreement on May 16, 2023, and acquired all shares on May 30, 2023.

(1) Outline of the business combination

[1] Name and business of the acquired company

Name of acquired company WEMO Automation AB

Business description Development, manufacture, and sales of take-out robots for injection molding machines

[2] Main reason for the business combination

Under the management philosophy of “Look outward far and wide, constantly seek technological innovation and give back to society for all it has given us,” the Company has been strengthening its global sales and marketing activities with the aim of further developing itself as a leading company in the take-out robot industry.

WEMO Automation AB, which became a subsidiary of the Company, is engaged in the development, manufacture, sales, and after-sales service of injection molded parts take-out robots and peripheral equipment including labor-saving systems, mainly targeting the European region centering on Northern Europe. The company's products have long been highly regarded by customers for their high product quality and after-sales service, as well as for their ability to provide not only general-purpose products but also products tailored to customer needs.

We believe that making the company a subsidiary enhances our brand value and expand our market share in the European region. We also expect synergy effects from the mutual utilization of both companies' technological and purchasing power. For these reasons, we have decided to acquire the shares of the company.

[3] Date of business combination

June 30, 2023

[4] Legal form of business combination

Acquisition of shares in exchange for cash

[5] Name of the company after the business combination

No change

[6] Percentage of voting rights acquired

100%

[7] Main basis for determining the acquiring company

The acquired company was determined as the Company acquired the shares for cash consideration.

(2) Period of performance of the acquired company included in the consolidated financial statements

From July 1, 2023 to March 31, 2024

(3) Acquisition cost of the acquired company and breakdown by type of consideration

The acquisition price is not disclosed due to a confidentiality agreement with the counterparty. In calculating the acquisition price, we requested an outside specialist to perform due diligence, and the Board of Directors determined that the acquisition price was fair and appropriate, taking into consideration the overall stock value assessment.

(4) Description and amount of major acquisition-related expenses

Advisory fees, etc.

90,578 thousand yen

(5) Amount of Goodwill incurred, cause for incurrence, amortization method and amortization period

[1] Amount of Goodwill incurred

524,028 thousand yen

[2] Cause of Goodwill

Mainly due to excess earning power expected from future business development.

[3] Amortization method and period of Goodwill

Goodwill is equally amortized over 7 years.

(6) Amount of assets acquired and liabilities assumed on the date of business combination and their major breakdown

Current assets	990,319	thousand yen
Non-current assets	155,121	thousand yen
<u>Total assets</u>	<u>1,145,440</u>	<u>thousand yen</u>
Current liabilities	374,829	thousand yen
Non-current liabilities	139,394	thousand yen
<u>Total liabilities</u>	<u>514,223</u>	<u>thousand yen</u>

(7) Amount allocated to Intangible assets other than Goodwill and amortization period

Customer-related assets 1,569,800 thousand yen Amortization period 15 years

(8) Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current consolidated fiscal year, assuming that the business combination was completed on the first day of the consolidated fiscal year

Net sales	338,557 thousand yen
Operating loss	(25,570) thousand yen

(Method of calculation of estimated amount)

The difference between the Net sales and profit/loss information calculated as if the business combination had been completed on the first day of the consolidated fiscal year and the Net sales and profit/loss information in the consolidated statements of income of the acquired company is considered to be the estimated amount of impact. The notes are unaudited.

8. Per Share Information

(1) Net assets per share:	1,001.03 yen
(2) Profit per share:	49.72 yen

Note: Amounts shown are rounded down to the nearest thousand yen.

Statements of Changes in Equity

(from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance as of April 1, 2023	1,985,666	2,023,903	2,023,903	286,314	1,000,000	8,700,000	15,752,776	25,739,091
Changes in the current period								
Dividends of surplus							(1,021,049)	(1,021,049)
Profit							1,835,055	1,835,055
Acquisition of treasury shares								
Changes in items other than shareholders' equity, net								
Total changes in the current period	-	-	-	-	-	-	814,006	814,006
Balance as of March 31, 2024	1,985,666	2,023,903	2,023,903	286,314	1,000,000	8,700,000	16,566,782	26,553,097

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2023	(1,355,632)	28,393,028	118,852	118,852	28,511,881
Changes in the current period					
Dividends of surplus		(1,021,049)			(1,021,049)
Profit		1,835,055			1,835,055
Acquisition of treasury shares	(97)	(97)			(97)
Changes in items other than shareholders' equity, net			167,037	167,037	167,037
Total changes in the current period	(97)	813,908	167,037	167,037	980,945
Balance as of March 31, 2024	(1,355,730)	29,206,937	285,889	285,889	29,492,826

1. Significant Accounting Policies

(1) Valuation of important assets

- [1] Stocks of subsidiaries and affiliates
Carried at cost determined by the moving average method

- [2] Available-for-sale securities classified as other securities
 - Securities with available fair market values
(Unrealized gains or losses, net of applicable taxes, reported in a separate component of equity.
The cost of securities sold is principally determined by the moving average method)

- [3] Inventories
 - Merchandise and finished products, Work in process:
Carried at cost determined by the identified cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).
 - Raw materials:
Carried at cost determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins)
 - Supplies:
Carried by the last purchase price method

(2) Depreciation

- [1] Property, plant and equipment (excluding leased assets)
Declining balance method:
The range of useful lives for major assets is as follows:

Buildings:	3 - 38 years
Structures:	7 - 20 years
Machinery and equipment:	12 years
Tools, furniture and fixtures:	2 - 20 years

- [2] Intangible assets (excluding leased assets)
Straight-line method:
 - In-house software is figured out based on expected service life

- [3] Leased assets
For leased assets under non-ownership transfer finance lease transactions, the Company applies a straight-line method with the lease period as useful life and the residual value as zero (0.)

(3) Estimation on allowance and reserves

- [1] Allowance for doubtful accounts:
To provide for possible bad debt losses, the amount deemed unrecoverable is accounted using the loan loss ratio based on past experience for general claims and by examining the possibility of recovery on an individual basis for specific claims with default possibility.

- [2] Provision for bonuses:
In order to allocate the payment of employees' bonuses, the Company provides the amount subject to the fiscal year under review among the total estimated amount to be paid as employees' bonuses.

- [3] Provision for bonuses for directors:
The Company provides the projected payment amount to be allocated for the payment of bonuses to Directors and Corporate Auditors.

- [4] Provision for product warranties:
To provide for expenses incurred for free repairs related to product sales, an amount is accounted based on historical experience.

(4) Retirement benefits

To provide for employees' retirement benefits, based on the projected benefit obligations at year-end and the pension asset balance, the amount of pension assets surplus to projected benefit obligations (Prepaid pension costs) is recorded in the "Other" field under "Investments and other assets." The net actuarial loss or gain is subject to amortization from the next fiscal year of the recognition thereof onward in an amount pro-rated by the straight-line method based on the average remaining employee service period (10 to 13 years) at the time of the recognition of net actuarial loss or gain in each fiscal year.

(5) Basis for recording Revenues and Expenses

Set out below are the major performance obligations in products and services related to revenues from contracts with customers of the Company, and the normal time at which such obligations are satisfied (the normal time at which revenues are recognized.)

For products and installation services, sales to customers will be made in accordance with the terms and conditions set forth in contracts and purchase orders concluded with customers. For robots and custom-ordered equipment, installation work is included in most contracts and orders, the revenue is recognized when the installation work is completed at the client plant and the customer completes acceptance because the performance obligation is determined to be satisfied as the customer obtains control over the products. For certain contracts and orders that do not include an installation work, the revenue is recognized when the products are delivered to the customer because the performance obligation is determined to be satisfied as the customer obtains control over the products.

For Parts, the revenue is recognized when the products are delivered to the customer because the performance obligation is determined to be satisfied as the customer obtains control over the products. For sales of parts in Japan, the revenue is recognized at the time of shipment because the period between the time of shipment of the products and the time when the control of the products is transferred to the customer is short within reasonable.

For maintenance services, the revenue is recognized when the service is completed at the customer plant and the customer completes the acceptance because the performance obligation is determined to be satisfied.

2. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment:	6,580,318 thousand yen
(2) Monetary credit and debts to affiliates	
[1] Short-term monetary credit:	2,012,036 thousand yen
[2] Short-term monetary debts:	334,984 thousand yen

3. Notes to Statements of Income

Transactions with subsidiaries and affiliates

[1] Net sales:	4,774,298 thousand yen
[2] Purchases:	169,995 thousand yen
[3] Selling, general and administrative expenses:	202,212 thousand yen
[4] Non-operating transactions:	731,130 thousand yen

4. Notes to Statement of Changes in Equity

Number of treasury shares

Class of shares	Number of shares at the beginning of current FY	Number of increased shares of current FY	Number of decreased shares of current FY	Number of shares at the end of current FY
Common stock	1,603,076	143	-	1,603,219

Notes: The 143 increase in the treasury share is due to the purchase of shares of less than one unit.

5. Notes to Tax-effect Accounting

Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	(Thousands of yen)
Inventories	71,127
Excess depreciation of property, plant and equipment	341,932
Excess amortization of intangible assets	69,413
Provision for bonuses	92,110
Provision for product warranties	57,950
Other	89,563
Total deferred tax assets	<u>722,097</u>
Deferred tax liabilities	
Prepaid pension costs	63,828
Valuation difference on available-for-sale securities	125,462
Total deferred tax liabilities	<u>189,290</u>
Net deferred tax assets	<u>532,806</u>

6. Transactions with Related Parties

Subsidiaries, etc.

Type	Name	Voting rights held (%)	Relationship		Type of transactions	Transaction amount (Thousands of yen)	Account	Year-end balance (Thousands of yen)
			Concurrent Directors, etc.	Business relationship				
Subsidiary	YUSHIN AMERICA, INC.	100% directly held by the Company	Concurrent Directors: 2	Sales of our group's products and manufacture and sales of streamlining machinery	Sale of products	1,565,461	Accounts receivable - trade	349,931
	YUSHIN KOREA CO., LTD.	100% directly held by the Company	Concurrent Directors: 2	Sales of our group's products and manufacture and sales of streamlining machinery	Sale of products	657,649	Accounts receivable - trade	121,295
	YUSHIN AUTOMATION LTD.	95.6% directly held by the Company	Concurrent Directors: 2	Sales and after-sales service of our group's products	Sale of products	1,433,988	Accounts receivable - trade	504,365
	GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.	100% directly held by the Company	Concurrent Directors: 3	Manufacturing of our group's products	Sale of products	184,920	Accounts receivable - trade	157,877

Transaction terms or method of determining transaction terms

(Note) For sale of products, prices are determined by negotiations with considering local market prices.

7. Notes to Revenue Recognition

Basic information to understand the revenue arising from the contracts with customers:

It is described in "1. Basis of Preparing Consolidated Financial Statements." - "(3) Accounting policies" - "[4] Basis for recording Revenues and Expenses"

8. Per Share Information

(1) Net assets per share:	866.55 yen
(2) Net income per share:	53.92 yen

Note: Amounts shown are rounded down to the nearest thousand yen.