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**Other Electronic Provision Measures Matters upon
Notice of Convocation for the 53rd 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 53rd Fiscal Year (from April 1, 2025 to March 31, 2026)

Yushin Company

Of the matters subject to measures for electronic provision, the above items are not included in the documents delivered to shareholders who have requested delivery in writing, in accordance with applicable laws and regulations.

In addition, for this General Meeting of Shareholders, regardless of whether a request for delivery in writing has been made, the Company will uniformly send documents that exclude the above items from the matters subject to measures for electronic provision.

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 meetings, 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.

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.) Additionally, “Yushin Organizational Knowledge Book (Y Book)” is distributed as an organizational knowledge repository to enhance business quality and promote the dissemination of our philosophy and compliance awareness.
- [2] With respect to education and training, the Company conducts training on the Act on Ensuring Proper Transactions in Subcontracting with Small and Medium-Sized Enterprises, the Product Liability Act, measures to prevent insider trading, awareness of the internal whistleblowing system, business and human rights, information security (including the prevention of information leakage), the protection of trade secrets, and safe driving, in order to promote compliance awareness.
- [3] With respect to the internal whistleblowing system, in order to prevent compliance violations, enable their early detection, and ensure prompt and effective responses when violations are identified, the Company has established both internal and external reporting channels to provide opportunities for reporting. In addition, the Company is working to strengthen operational practices, including investigation and response procedures.
- [4] In addition, under the supervision of the Sustainability Committee, the Company has established the Compliance Subcommittee and the Human Rights Subcommittee. Through these bodies, the Company seeks to enhance compliance awareness, prevent misconduct and other improper activities, and further strengthen initiatives to promote awareness of human rights.

(2) Status of risk management of losses

With regard to overall risk management, the Company has established a framework under which issues can be discussed and addressed by the Internal Control Committee. In addition, the Sustainability Committee promotes risk management initiatives in accordance with the Sustainability Basic Policy. Under its supervision, the Company has also established the IT Risk Management Subcommittee and the Crisis Management Subcommittee to further strengthen initiatives related to IT security measures and domestic and international crisis management.

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 and others in order to avoid risk.

In addition, to minimize potential risks, the Company has established the “YUSHIN Disaster Prevention and Business Continuity Plan (BCP Manual)” and regularly conduct drills for disaster and safety confirmation systems to confirm the effectiveness of the plan.

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, the Company has established the “Internal Control Regulations” and the “Committee of Internal Control Operations Regulations.” Specifically, the “Internal Control Regulations” clearly define the scope of responsibilities of the Board of Directors and the Corporate Auditors with respect to internal control, the execution framework of officers and employees (including overall supervision and implementation structures), the details of internal control activities (including policies and processes for development and operation), as well as the procedures for evaluation and reporting (including the scope of evaluation, procedures, and corrective actions for identified deficiencies). In addition, the “Committee of Internal Control Operations Regulations” set forth the structure, duties, and operational procedures of the Committee (including its supervisory and execution framework, scope of activities, and education and training initiatives) to ensure the smooth promotion of internal control. Under the “Basic Policy on the Development and Operation of Internal Control,” the Company formulates basic plans for the development and evaluation of internal control based on the “Internal Control Regulations” and promotes control activities accordingly. With respect to subsidiaries, the Company holds Group company meetings three times a year to share information related to the Company and its subsidiaries and to monitor the status of business operations at its subsidiaries.

(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, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2025	1,985,666	2,024,597	30,137,677	(1,355,984)	32,791,957
Changes in the current period					
Dividends of surplus			(680,688)		(680,688)
Profit attributable to owners of parent			286,762		286,762
Acquisition of treasury shares				(1,000,029)	(1,000,029)
Changes in items other than shareholders' equity, net					
Total changes in the current period	–	–	(393,925)	(1,000,029)	(1,393,955)
Balance as of March 31, 2026	1,985,666	2,024,597	29,743,751	(2,356,013)	31,398,002

	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, 2025	290,610	1,958,887	69,774	2,319,273	387,679	35,498,910
Changes in the current period						
Dividends of surplus						(680,688)
Profit attributable to owners of parent						286,762
Acquisition of treasury shares						(1,000,029)
Changes in items other than shareholders' equity, net	(125,469)	742,032	40,611	657,174	25,759	682,934
Total changes in the current period	(125,469)	742,032	40,611	657,174	25,759	(711,021)
Balance as of March 31, 2026	165,141	2,700,919	110,386	2,976,447	413,439	34,787,888

1. Basis of Preparing Consolidated Financial Statements

(1) Scope of consolidation

The Company consolidates all 14 subsidiaries listed below.

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.
WEMO Automation AB
WEMO Automation GmbH

Furthermore, during the current consolidated fiscal year, Yushin Europe GmbH, which had been a consolidated subsidiary of the Company, has been excluded from the scope of consolidation as its liquidation was completed. However, its statements of profit or loss up to the completion of the liquidation have been included in the consolidated financial statements.

(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

Market value method (valuation difference are recorded directly into Net assets, and 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 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] Method and Period of Amortization of Goodwill

Goodwill is amortized on a straight-line basis over a period of seven 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

Valuation of Goodwill and Customer-related assets

(1) Amounts recorded in the consolidated financial statements for the current consolidated fiscal year

	Current consolidated fiscal year (Thousands of yen)
Goodwill	—
Customer-related assets	1,127,732
Impairment losses	867,073

(2) Information regarding the content of significant accounting estimates related to identified items

Goodwill and Customer-related assets were recognized in connection with the acquisition of WEMO Automation AB on May 30, 2023. Goodwill is amortized on a straight-line basis over seven years, and Customer-related assets are amortized on a straight-line basis over 15 years.

For Goodwill and Customer-related assets, the Company assesses whether there are any indicators of impairment based on the performance and other factors of WEMO Automation AB. If any indicators of impairment are identified for the asset group that includes Goodwill and Customer-related assets, the Company estimates the undiscounted future cash flows and compares them with the carrying amount to determine whether an impairment loss should be recognized. If recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the reduction is recognized as an impairment loss. The undiscounted future cash flows and the recoverable amount are estimated based on the business plan.

In the current consolidated fiscal year, the Company determined that there were indicators of impairment for the asset group including Goodwill and Customer-related assets. As a result of comparing the total undiscounted future cash flows expected to be generated by the asset group with its carrying amount, the Company concluded that an impairment loss should be recognized and recorded an impairment loss of 867,073 thousand yen.

The business plan used as the basis for estimating the undiscounted future cash flows and the recoverable amount is prepared using certain assumptions, including those related to sales. In addition, the discount rate used in determining the recoverable amount is calculated based on certain assumptions. These assumptions may be affected by changes in uncertain future economic conditions, and if a review of the assumptions becomes necessary, it may have a material impact on the carrying amount of Customer-related assets.

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	1,456,328 thousand yen
Accounts receivable - trade	4,608,919 thousand yen

(2) Accumulated depreciation of Property, plant and equipment 8,964,462 thousand yen

4. Notes to the Consolidated Statement of Profit or Loss

Impairment Losses

In the current consolidated fiscal year, the Group recognized impairment losses on the following asset groups.

(1) Overview of assets for which impairment losses were recognized and the amount of such losses

Company / Location	Use	Type	Amount (Thousands of yen)
WEMO Automation AB (Värnamo, Sweden)	Other	Goodwill	393,609
		Customer-related assets	454,768
	Business assets	Machinery, equipment and vehicles	8,771
		Tools, furniture and fixtures	9,923

(2) Background leading to the recognition of impairment losses

WEMO Automation AB, a consolidated subsidiary of the Company, revised its future business plan due to the deterioration of the external environment, including a slowdown in the European market. As a result, the undiscounted future cash flows fell below the carrying amount, and the carrying amount was reduced to the recoverable amount. The resulting decrease was recognized as an impairment loss and

recorded as an extraordinary loss.

(3) Method of asset grouping

The Group groups its assets by company for impairment testing purposes.

(4) Method for determining the recoverable amount

The recoverable amount is measured based on value in use derived from the future business plan, with future cash flows discounted at a rate of 15.0%.

5. 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	1,603,603	1,337,314	-	2,940,917

Notes: Of the increase in the number of shares of treasury stock, 1,337,200 shares resulted from share repurchases conducted pursuant to a resolution of the Board of Directors held on November 14, 2025 while 114 shares resulted from the purchase of shares constituting less than one trading 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 15, 2025	Common stock	340,344	10	March 31, 2025	June 9, 2025
The Board of Directors' Meeting on November 14, 2025	Common stock	340,343	10	September 30, 2025	December 8, 2025

[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, 2026	Common stock	326,971	Retained earnings	10	March 31, 2026	June 9, 2026

6. 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.

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, 2026 are shown as follows.

		Carrying value (Thousands of yen)	Fair value (Thousands of yen)	Differences (Thousands of yen)
(1)	Investment securities			
	Other securities	286,844	286,844	-
	Assets total	286,844	286,844	-

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 and Account receivable - trade 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	286,844	-	-	286,844
Assets total	286,844	-	-	286,844

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.

7. 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	7,445,494	2,236,732	4,111,695	1,153,399	14,947,321
Custom-ordered equipment	1,482,554	758,274	202,153	718,954	3,161,936
Parts and maintenance services	2,124,545	1,084,411	962,796	820,362	4,992,115
Revenue generated from the contracts with customers	11,052,594	4,079,418	5,276,645	2,692,715	23,101,373
Other revenue	—	—	—	—	—
Net sales to customers	11,052,594	4,079,418	5,276,645	2,692,715	23,101,373

(2) 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”

(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	6,811,882	6,065,247
Contract liabilities	783,128	1,122,263

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 712,914 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	7,174,453
Over one year	517,153
Total	7,691,607

8. Per Share Information

(1) Net assets per share:

1,051.30 yen

(2) Profit per share:

8.51 yen

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

Statements of Changes in Equity
(from April 1, 2025 to March 31, 2026)

(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, 2025	1,985,666	2,023,903	2,023,903	286,314	1,000,000	8,700,000	17,956,112	27,942,426
Changes in the current period								
Dividends of surplus							(680,688)	(680,688)
Profit							1,508,465	1,508,465
Acquisition of treasury shares								
Changes in items other than shareholders' equity, net								
Total changes in the current period	-	-	-	-	-	-	827,777	827,777
Balance as of March 31, 2025	1,985,666	2,023,903	2,023,903	286,314	1,000,000	8,700,000	18,783,889	28,770,204

	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, 2025	(1,355,984)	30,596,012	290,610	290,610	30,886,623
Changes in the current period					
Dividends of surplus		(680,688)			(680,688)
Profit		1,508,465			1,508,465
Acquisition of treasury shares	(1,000,029)	(1,000,029)			(1,000,029)
Changes in items other than shareholders' equity, net			(125,469)	(125,469)	(125,469)
Total changes in the current period	(1,000,029)	(172,251)	(125,469)	(125,469)	(297,721)
Balance as of March 31, 2025	(2,356,013)	30,423,760	165,141	165,141	30,588,901

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
Market value method (valuation difference are recorded directly into Net assets, and 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 on accounting estimates

Valuation of Shares of subsidiaries and associates

(1) Amounts recorded in the financial statements for the current fiscal year

Shares of subsidiaries and associates 3,176,648 thousand yen

(2) Information regarding the content of significant accounting estimates related to identified items

[2] Method of calculating the amounts recognized in the financial statements for the current fiscal year

For Shares of subsidiaries and associates, since there is no market price, the acquisition cost is used as the balance sheet value. However, if the fair value of such shares has significantly decreased due to the deterioration of the financial condition of the issuing company, an appropriate reduction will be made and recognized as a loss for the current fiscal year.

[2] Major assumptions

In assessing the recoverability of the Net assets of related companies, the Company considers the profit and loss situation of the related companies in prior fiscal years, the extent of their liabilities exceeding their assets, the status of loan recoveries, and the budget for the next fiscal year.

[3] Impact on the financial statements of the next fiscal year

If the performance of related companies deteriorates beyond expectations, impairment losses or provisions may be recognized, which could affect the financial statements of the next fiscal year and beyond.

3. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment:

7,234,191 thousand yen

(2) Monetary credit and debts to subsidiaries and affiliates

[1] Short-term monetary credit:

1,474,977 thousand yen

[2] Short-term monetary debts:

134,330 thousand yen

4. Notes to Statements of Income

Transactions with subsidiaries and affiliates

[1] Net sales:	3,830,347 thousand yen
[2] Purchases:	150,541 thousand yen
[3] Selling, general and administrative expenses:	189,176 thousand yen
[4] Non-operating transactions:	347,785 thousand yen

5. 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	1,603,603	1,337,314	-	2,940,917

Notes: Of the increase in the number of shares of treasury stock, 1,337,200 shares resulted from share repurchases conducted pursuant to a resolution of the Board of Directors held on November 14, 2025 while 114 shares resulted from the purchase of shares constituting less than one trading unit.

6. Notes to Tax-effect Accounting

Breakdown by cause of deferred tax assets and liabilities (Thousands of yen)

Deferred tax assets	
Inventories	81,456
Excess depreciation of property, plant and equipment	374,218
Excess amortization of intangible assets	166,328
Provision for bonuses	102,740
Provision for product warranties	36,245
Other	50,615
Total deferred tax assets	<u>811,605</u>
Deferred tax liabilities	
Prepaid pension costs	69,438
Valuation difference on available-for-sale securities	75,589
Total deferred tax liabilities	<u>145,027</u>
Net deferred tax assets	<u>666,577</u>

7. 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	1,273,975	Accounts receivable - trade	225,116
	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	767,283	Accounts receivable - trade	157,102
	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	174,072	Accounts receivable - trade	7,379
	GUANGZHOU YUSHIN PRECISION EQUIPMENT CO., LTD.	100% directly held by the Company	Concurrent Directors: 2	Manufacturing of our group's products	Sale of products	370,077	Accounts receivable - trade	64,759

Transaction terms or method of determining transaction terms

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

8. 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"

9. Per Share Information

(1) Net assets per share:	935.52 yen
(2) Net income per share:	44.75 yen

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