

YUSHIN PRECISION EQUIPMENT CO., LTD. (TSE Prime: 6482)
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Sustainability Basic Policy and Materiality

This is to inform that we have established sustainability basic policy of our group to realize sustainable society and increase corporate value in mid- and long-term, and identified materiality (key issues.)

1. Sustainability basic policy

We aim to contribute to realize sustainable society and environment, develop our business continuously, and increase corporate value through business activity focused on providing solutions for labor-saving.

2. Materiality (key issues)

Resolving social issues through business

- Promotion of occupational safety
- Productivity improvement of customers' factory
- Tackling climate change

Strengthening management base for sustainable growth of our group

- Strengthening human resources
- Strengthening corporate governance

*Refer to exhibit for detail.

3. Sustainable committee structure

Chairperson Representative Director and President

Members General Manager of R&D Division, General Manager of Administration Division, General Manager of Manufacturing Division, General Manager of Purchasing Division, General Manager of Sales Division

Materiality Assessment (identifying key sustainability issues)

We established the sustainability committee in August 2022 and began examining key sustainability issues (materiality). In February 2023, we identified five issues for materiality.

In identifying these issues, we first listed candidates for materiality from the viewpoints of stakeholders and our group management. We discussed the candidates at Board of Directors meeting and with selected members from various divisions. As a result, we have identified those of particular importance by mapping the candidates according to their importance.

Going forward, we will establish policies for addressing identified materiality, and through the implementation of these policies, we will strive to contribute to the creation of a sustainable society and environment and to increase corporate value.

	Materiality	Why we think it is important ?	Examples of initiatives
Solving social issues through business	Promotion of occupational safety	Because occupational safety is an important factor for us as a manufacturer of production facilities, and it leads to fundamental respect for human rights.	<ul style="list-style-type: none"> • Development of products with enhanced safety performance • Providing customers with trainings for occupational safety • Continuous efforts of the Health and Safety Committee • Thorough implementation of human rights policies and implementation of due diligence
	Productivity improvement of the customers' factory	Because productivity improvement can bring high-value-added products to people and the products can improve living standards of people around the world including healthcare and education.	<ul style="list-style-type: none"> • Development and sales of high-speed and high-precision robots • Functions to improve productivity • Enhanced maintenance and service system
	Tackling climate change	Because climate change is a major problem that threatens the living environment for many people around the world. Corporations should address the problems as members of the world.	<ul style="list-style-type: none"> • Development and sales of energy-saving products • Switching electricity usage of our business sites to renewable energy • Switching from gasoline-powered vehicles to environmentally friendly vehicles • Identifying climate-change risks at our sites and supply chains, and formulating BCP
Strengthening the management base for the sustainable growth of our group	Strengthening human capital	Because people are the source of added value.	<ul style="list-style-type: none"> • Thorough implementation of human rights policies and implementation of due diligence • Creating a culture and environment that makes innovation happen • System to allow long-serving in accordance with respective life stages • Effective training
	Strengthening corporate governance	Because lack of trust of stakeholders make business operations difficult. Penalties associated with compliance violations, decline in brand value, and data leaks due to security failures also can be threats against the operations.	<ul style="list-style-type: none"> • More than one-third of directors are external directors • Establishment of Nomination and Remuneration Committee (chaired by an external director) • Evaluating effectiveness of Board of Directors • Whistleblower system • Compliance training for employees • Improving data security