

## Consolidated Financial Results for the First Quarter Ended June 30, 2021 <under Japanese GAAP>

Company Name: **YUSHIN PRECISION EQUIPMENT CO., LTD.**

Listing: First Section of the Tokyo Stock Exchange

Securities code: 6482

URL: <https://www.ype.co.jp/en/>

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Scheduled date to submit quarterly report: August 6, 2021

Scheduled date to commence dividend payments: -

Preparation of supplementary materials on financial results: None

Holding of financial results briefing: None

(Amounts less than one million yen are omitted, unless otherwise noted)

### 1. Consolidated Business Results for the First Quarter Ended June 30, 2021

(from April 1, 2021 to June 30, 2021)

#### (1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2021	4,763	27.2	539	79.3	593	89.8	429	82.6
June 30, 2020	3,743	(31.0)	300	(55.0)	312	(49.4)	235	(45.7)

Note: Comprehensive income

Three months ended June 30, 2022: 405 million yen [ 56.6 % ]

Three months ended June 30, 2021: 258 million yen [ (9.3) % ]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	12.62	-
June 30, 2020	6.91	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	34,788	29,153	83.2
As of March 31, 2021	34,688	29,199	83.5

Reference: Equity capital (Net assets less non-controlling interests)

As of June 30, 2021: 28,927 million yen

As of March 31, 2021: 28,962 million yen

**2. Cash Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	-	5.00	-	13.00	18.00
FY2022	-				
FY2022 (Forecast)		9.00	-	9.00	18.00

Note : Revisions to projected dividends most recently announced: None

**3. Consolidated Earnings Forecasts for the FY2022 (from April 1, 2021 to March 31, 2022)**

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2021	9,900	22.6	1,220	40.0	1,240	37.7	900	36.4	26.44
FY2022	20,000	8.3	2,600	3.1	2,630	0.8	1,840	0.7	54.06

Note: Revisions to projected results most recently announced: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Adoption of the special accounting methods: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes related to quarterly consolidated financial statements <Adoption of special accounting methods for preparation of quarterly financial statements>” on page 7 of [Attached Material] for further information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- |   |      |
|---|------|
| 1) Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes  |
| 2) Changes in accounting policies due to other reasons:   | None |
| 3) Changes in accounting estimates:   | None |
| 4) Restatement:   | None |

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes related to quarterly consolidated financial statements < Change in accounting policy >” on page 7 of [Attached Material] for further information.

(4) Number of issued shares (Common stock)

- Number of issued shares at the end of the period (including shares of treasury shares)
- Number of shares of treasury shares at the end of the period
- Average number of outstanding shares during the period

As of June 30, 2021	35,638,066 shares	As of March 31, 2021	35,638,066 shares
As of June 30, 2021	1,602,518 shares	As of March 31, 2021	1,602,518 shares
Three months ended June 30, 2021	34,035,548 shares	Three months ended June 30, 2020	34,035,612 shares

\* This “Consolidated Financial Results for the First Quarter” report is not subject to quarterly review procedures by certified public accountant or by auditing firm.

\* Cautionary statement with respect to forward-looking statements and other special remarks

The forecasts above are based on the information currently available. A number of factors could cause actual results to differ materially from expectations.

For more information about these assumptions and notes regarding the use of earnings forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation on the forecast information including consolidated earnings forecast and others” on page 2 of [Attached Material].

\* Disclaimer:

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation on the business results

During the first quarter of the fiscal year under review, the global economy showed positive growth due to progress in vaccination, despite continued restrictions on business activities caused by the spread of COVID-19 infection. However, the future outlook remains uncertain due to the spread of new mutant strains of COVID-19 and other factors.

Under these circumstances, YUSHIN Group has continued to develop new customers on a global scale, while paying careful attention to the spread of COVID-19, with the safety of customers, business partners and employees as our top priority. As a result, sales in the first quarter of the current fiscal year increased significantly compared to the first quarter of the previous fiscal year.

During the fiscal year under review, sales of take-out robots in Japan and Asia increased in line with the recovery in capital investment, and sales continued to be strong in China, South Korea, and North America, despite a decline in sales of custom-ordered equipment for large projects in Europe compared to the same period of the previous fiscal year.

As a result, consolidated Net sales increased by 27.2% year on year to 4,763 million yen. In terms of profits, Operating profit increased 79.3% year on year to 539 million yen due to the increase in consolidated net sales and improvement in the gross profit margin.

Ordinary profit increased by 89.8% year on year to 593 million yen, and Net income attributable to owners of the parent company increased by 82.6% year on year to 429 million yen.

### (2) Explanation on the financial condition

#### <Assets>

Total assets increased by 99 million yen from the end of the previous fiscal year to 34,788 million yen. This was mainly due to increase of “Raw materials and supplies” by 356 million yen despite decrease of “Notes and accounts receivable - trade” by 309 million yen.

#### <Liabilities>

Total liabilities increased by 145 million yen from the end of the previous fiscal year to 5,634 million yen. This was mainly due to increase of “Advances received” by 220 million yen.

#### <Net assets>

Net assets decreased by 45 million yen from the end of the previous fiscal year to 29,153 million yen.

### (3) Explanation on the forecast information including consolidated earnings forecast and others

No revisions for interim and full year consolidated earnings forecasts have been made for the FY2022 released on May 11, 2021.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	11,690,730	11,688,930
Notes and accounts receivable - trade	5,563,680	5,253,943
Merchandise and finished goods	1,007,401	1,216,922
Work in process	987,869	1,039,656
Raw materials and supplies	2,987,777	3,344,345
Other	308,866	309,850
Allowance for doubtful accounts	(36,825)	(16,144)
Total current assets	22,509,500	22,837,505
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,166,174	4,076,999
Land	6,129,718	6,129,665
Other, net	235,666	239,708
Total property, plant and equipment	10,531,559	10,446,373
Intangible assets	254,601	231,009
Investments and other assets		
Investment securities	285,724	235,465
Retirement benefit asset	296,727	293,771
Deferred tax assets	621,419	649,170
Other	209,365	190,519
Allowance for doubtful accounts	(20,224)	(95,427)
Total investments and other assets	1,393,012	1,273,500
Total non-current assets	12,179,174	11,950,883
Total assets	34,688,675	34,788,389

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
<b>&lt;LIABILITIES&gt;</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,773,198	2,832,745
Accounts payable - other	542,158	498,409
Income taxes payable	400,497	222,880
Advances received	789,464	1,009,930
Provision for bonuses	282,429	144,647
Provision for bonuses for directors	42,800	8,475
Provision for product warranties	162,715	175,331
Other	328,688	572,683
<b>Total current liabilities</b>	<b>5,321,953</b>	<b>5,465,103</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	87,948	91,922
Deferred tax liabilities	35,955	35,024
Other	43,415	42,735
<b>Total non-current liabilities</b>	<b>167,319</b>	<b>169,682</b>
<b>Total liabilities</b>	<b>5,489,273</b>	<b>5,634,786</b>
<b>&lt;NET ASSETS&gt;</b>		
<b>Shareholders' equity</b>		
Share capital	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	25,848,552	25,835,482
Treasury shares	(1,355,222)	(1,355,222)
<b>Total shareholders' equity</b>	<b>28,503,594</b>	<b>28,490,524</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	103,840	68,910
Foreign currency translation adjustment	290,333	305,940
Remeasurements of defined benefit plans	64,753	62,567
<b>Total accumulated other comprehensive income</b>	<b>458,927</b>	<b>437,418</b>
Non-controlling interests	236,879	225,659
<b>Total net assets</b>	<b>29,199,402</b>	<b>29,153,603</b>
<b>Total liabilities and net assets</b>	<b>34,688,675</b>	<b>34,788,389</b>

**(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income****Quarterly consolidated statements of income**

	(Thousands of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	3,743,759	4,763,649
Cost of sales	2,206,261	2,722,894
Gross profit	1,537,498	2,040,755
Selling, general and administrative expenses	1,236,849	1,501,727
Operating profit	300,648	539,027
Non-operating income		
Interest income	1,835	1,846
Dividend income	2,889	2,860
Purchase discounts	1,856	2,049
Foreign exchange gains	2,396	-
Surrender value of insurance policies	-	54,033
Other	3,334	3,393
Total non-operating income	12,312	64,182
Non-operating expenses		
Sales discounts	152	-
Foreign exchange losses	-	9,563
Other	60	149
Total non-operating expenses	213	9,712
Ordinary profit	312,748	593,497
Extraordinary income		
Gain on sales of non-current assets	42	705
Total extraordinary income	42	705
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	312,790	594,203
Income taxes	72,011	161,206
Profit	240,778	432,997
Profit attributable to non-controlling interests	5,641	3,604
Profit attributable to owners of parent	235,137	429,392

**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	240,778	432,997
Other comprehensive income		
Valuation difference on available-for-sale securities	10,568	(34,930)
Foreign currency translation adjustment	10,294	9,589
Remeasurements of defined benefit plans, net of tax	(2,788)	(2,185)
Total other comprehensive income	18,074	(27,526)
Comprehensive income	258,853	405,470
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	244,730	407,883
Comprehensive income attributable to non-controlling interests	14,122	(2,412)



**(3) Notes related to quarterly consolidated financial statements****< Notes related to going concern assumption >**

None

**< Notes in the event of significant changes in shareholders' equity >**

None

**<Change in accounting policy>**

<Application of accounting standards, etc., related to revenue recognition>

YUSHIN Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition") from the beginning of the consolidated first quarter under review. In accordance with the Accounting Standard for Revenue Recognition, when control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

When applying the Accounting Standard for Revenue Recognition, etc., we comply with the transitional treatment stipulated in the provisions of Paragraph 84 of the Standard. The cumulative impact of retroactively applying the new accounting policy prior to the beginning of consolidated first quarter under review is added or subtracted to the retained earnings at the beginning of the consolidated first quarter under review and the new accounting policy is applied from the beginning balance.

This has no effect on profit and loss for the first quarter of the current fiscal year and on the balance of retained earnings at the beginning of the period by applying Accounting Standard for Revenue Recognition.

<Application of accounting standards, etc., for calculation of fair value >

YUSHIN Group has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019; hereinafter, "Fair Value Accounting Standards") and others from the beginning of the first quarter ended June 30, 2020. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019), the Company has applied prospectively a new accounting policy prescribed by Fair Value Accounting Standards and others.

This has no effect on the quarterly consolidated financial statements.

**< Adoption of special accounting methods for preparation of quarterly financial statements >**

Calculation method for tax expenses

The effective tax rate on profit before income taxes for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to profit before income taxes for the quarterly period under review.

**< Segment information >**

FY2021 1Q (from April 1, 2020 to June 30, 2020)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	1,619,700	954,578	812,696	356,784	3,743,759	-	3,743,759
Inter-segment sales or transfers	1,218,588	2,149	40,486	2,634	1,263,858	(1,263,858)	-
Total	2,838,288	956,727	853,182	359,419	5,007,617	(1,263,858)	3,743,759
Segment profit	121,726	169,843	31,212	81,364	404,147	(103,498)	300,648

\*Notes 1: The (103,498) thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 2,210 thousand yen and inventory adjustments of (105,708) thousand yen.

\*Notes 2: Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statements of income.

FY2022 1Q (from April 1, 2021 to June 30, 2021)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	2,320,692	904,641	1,394,487	143,827	4,763,649	-	4,763,649
Inter-segment sales or transfers	1,155,948	137	112,065	1,325	1,269,476	(1,269,476)	-
Total	3,476,641	904,778	1,506,553	145,152	6,033,126	(1,269,476)	4,763,649
Segment profit or (loss)	380,471	113,736	126,209	(12,860)	607,556	(68,529)	539,027

\*Notes 1: The (68,529) thousand yen adjustment to segment profit or loss is inventory adjustments.

\*Notes 2: Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statements of income.

**3. Supplemental Information****(1) Orders, backlog and sales**

## a. Orders

## 1) Order received

(Thousands of yen)

Products	FY2021 1Q	FY2022 1Q	Change (%)
Take-out robots	2,768,073	3,914,079	141.4
Custom-ordered equipment	743,900	868,037	116.7
Parts and maintenance service	635,491	858,310	135.1
Total	4,147,464	5,640,427	136.0

## 2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2020	As of June 30, 2021	Change (%)
Take-out robots	2,388,039	3,505,980	146.8
Custom-ordered equipment	2,171,766	1,777,969	81.9
Parts and maintenance service	234,121	224,442	95.9
Total	4,793,927	5,508,393	114.9

## b. Net sales

(Thousands of yen)

Products	FY2021 1Q	FY2022 1Q	Change (%)
Take-out robots	2,500,182	3,408,833	136.3
Custom-ordered equipment	633,593	513,843	81.1
Parts and maintenance service	609,983	840,973	137.9
Total	3,743,759	4,763,649	127.2

**(2) Overseas sales**

## FY2021 1Q (from April 1, 2020 to June 30, 2020)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	945,686	1,050,954	408,457	57,671	2,462,770
II Consolidated net sales					3,743,759
III Ratio of overseas sales to consolidated net sales (%)	25.3	28.1	10.9	1.5	65.8

## FY2022 1Q (from April 1, 2021 to June 30, 2021)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	939,926	1,861,839	125,179	131,860	3,058,805
II Consolidated net sales					4,763,649
III Ratio of overseas sales to consolidated net sales (%)	19.7	39.1	2.6	2.8	64.2