

<Translation>



February 3, 2022

Consolidated Financial Results for the Nine Months Ended December 31, 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/>

Representative: Takayo Kotani, Representative Director and President

Inquiries: Masahito Fukui, Director and General Manager of Corporate Management Department

Tel: +81-75-933-9555

Scheduled date to submit quarterly report: February 14, 2022

Scheduled date to commence dividend payments: -

Preparation of supplementary materials on the quarterly financial results: None

Holding of quarterly financial results briefing: None

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

1. Consolidated Business Results for the Nine Months Ended December 31, 2021

(from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes)

Nine months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	15,472	21.7)	2,113	39.5)	2,238	42.8)	1,630	44.5
December 31, 2020	12,713	(16.3)	1,515	(7.1)	1,567	(0.6)	1,128	0.2

Note: Comprehensive income Nine months ended December 31, 2021: 1,801 million yen [46.8%]

Nine months ended December 31, 2020: 1,227 million yen [12.4%]

Nine months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	47.90	-
December 31, 2020	33.15	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	35,616	30,243	84.3
As of March 31, 2021	34,688	29,199	83.5

Reference: Equity capital

As of December 31, 2021: 30,009 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	-	9.00	-		
FY2022 (Forecast)				9.00	18.00

Note: Revisions to projected dividends most recently announced: None

3. Consolidated Earnings Forecast 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
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 |

(4) Number of issued shares (Common stock)

1) Number of issued shares at the end of the period (including shares of treasury shares)	As of Dec. 31, 2021	35,638,066 shares	As of March 31, 2021	35,638,066 Shares
2) Number of shares of treasury shares at the end of the period	As of Dec. 31, 2021	1,602,710 shares	As of March 31, 2021	1,602,518 Shares
3) Average number of outstanding shares during the period	Nine months ended Dec. 31, 2021	34,035,468 shares	Nine months ended Dec. 31, 2020	34,035,605 shares

* This “Consolidated Financial Results for the Nine Months” 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:

This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. YUSHIN PRECISION EQUIPMENT CO., LTD. shall accept no responsibility or liability for damages or loss caused by any error, inaccuracy, misunderstanding or misspelling with regard to this translation. This translation may be used only for reference purposes. YUSHIN PRECISION EQUIPMENT CO., LTD. maintains the right to claim compensation from violators for any damage or loss it may suffer from the violation of these conditions.

[Attached Material]**INDEX**

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation on the business results	2
(2) Explanation on the financial condition.....	2
(3) Explanation on the forecast information including consolidated earnings forecast and others	2
2. Quarterly Consolidated Financial Statements and Notes	3
(1) Quarterly consolidated balance sheets	3
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income	5
Quarterly consolidated statements of income.....	5
Quarterly consolidated statements of comprehensive income	6
(3) Notes related to quarterly consolidated financial statements.....	7
< Notes related to going concern assumption >.....	7
< Notes in the event of significant changes in shareholders' equity >	7
< Change in accounting policy >.....	7
< Adoption of special accounting methods for preparation of quarterly financial statements >.....	7
< Segment information >	8
3. Supplemental Information	9
(1) Orders, backlog and sales.....	9
(2) Overseas sales.....	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation on the business results

With regard to the global economy during the nine months ended December 31, 2021, the world economy has shown a recovery trend toward positive growth, partly due to the fact that vaccinations against COVID-19 have progressed worldwide, and restrictions on business activities have been eased in an increasing number of regions. However, the future outlook still remains uncertain due to concerns about the reemergence of the infectious diseases in the latter half of the period, as well as the negative impact of the global shortage of semiconductors on production activities and soaring ocean freight rates.

Under these circumstances, YUSHIN Group has placed the safety of its customers, business partners and employees as its first priority and has continued to develop new customers on a global scale while paying close attention to the possibility of COVID-19 infection. As a result, orders received during the nine months ended December 31, 2021 increased significantly year on year. As for the consolidated business results for the nine months of the current fiscal year, sales of custom-ordered equipment decreased year on year due to the slow recovery of large orders, while sales of take-out robots increased in Japan and Asia due to the recovery of capital investment appetite, and sales continued to be strong in China and North America. As a result, Net sales increased by 21.7% to 15,472 million yen year on year. Operating profit increased by 39.5% to 2,113 million yen year on year due to the increase in consolidated net sales. Ordinary profit increased by 42.8% to 2,238 million yen year on year and Profit attributable to owners of parent increased by 44.5% to 1,630 million yen year on year.

In November 2021, we started selling environmentally friendly YD robot, successor model of YC robot which is the main take-out robot.

(2) Explanation on the financial condition

<Assets>

Total assets increased by 928 million yen from the end of the previous fiscal year to 35,616 million yen. This was mainly due to increase of “Raw materials and supplies” by 629 million yen.

<Liabilities>

Total liabilities decreased by 115 million yen from the end of the previous fiscal year to 5,373 million yen. This was mainly due to decrease of “Income taxes payable” by 139 million yen.

<Net assets>

Net assets increased by 1,044 million yen from the end of the previous fiscal year to 30,243 million yen.

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

At this time, there are no changes to the full-year Consolidated Earnings Forecasts for the fiscal year ending March 31, 2022 that was announced in Consolidated Financial Results 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 December 31, 2021
<ASSETS>		
Current assets		
Cash and deposits	11,690,730	11,658,488
Notes and accounts receivable - trade	5,563,680	5,887,703
Merchandise and finished goods	1,007,401	1,144,665
Work in process	987,869	984,732
Raw materials and supplies	2,987,777	3,617,364
Other	308,866	408,484
Allowance for doubtful accounts	(36,825)	(8,719)
Total current assets	22,509,500	23,692,717
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,166,174	3,913,221
Land	6,129,718	6,279,194
Other, net	235,666	254,743
Total property, plant and equipment	10,531,559	10,447,159
Intangible assets	254,601	191,427
Investments and other assets		
Investment securities	285,724	247,278
Retirement benefit asset	296,727	287,582
Deferred tax assets	621,419	649,485
Other	209,365	176,132
Allowance for doubtful accounts	(20,224)	(74,876)
Total investments and other assets	1,393,012	1,285,601
Total non-current assets	12,179,174	11,924,189
Total assets	34,688,675	35,616,906

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,773,198	2,672,610
Accounts payable - other	542,158	451,943
Income taxes payable	400,497	260,860
Advances received	789,464	1,098,679
Provision for bonuses	282,429	186,961
Provision for bonuses for directors	42,800	25,425
Provision for product warranties	162,715	152,532
Other	328,688	346,445
Total current liabilities	5,321,953	5,195,457
Non-current liabilities		
Retirement benefit liability	87,948	95,034
Deferred tax liabilities	35,955	33,263
Other	43,415	49,554
Total non-current liabilities	167,319	177,852
Total liabilities	5,489,273	5,373,309
<NET ASSETS>		
Shareholders' equity		
Capital stock	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	25,848,552	26,730,123
Treasury shares	(1,355,222)	(1,355,378)
Total shareholders' equity	28,503,594	29,385,009
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,840	77,120
Foreign currency translation adjustment	290,333	488,707
Remeasurements of defined benefit plans	64,753	58,196
Total accumulated other comprehensive income	458,927	624,023
Non-controlling interests	236,879	234,564
Total net assets	29,199,402	30,243,597
Total liabilities and net assets	34,688,675	35,616,906

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income
Nine months ended December 31

	(Thousands of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	12,713,267	15,472,921
Cost of sales	7,342,974	8,828,884
Gross profit	5,370,293	6,644,037
Selling, general and administrative expenses	3,854,677	4,530,063
Operating profit	1,515,615	2,113,973
Non-operating income		
Interest income	4,697	5,048
Dividend income	5,743	6,029
Purchase discounts	4,941	6,031
Foreign exchange gains	14,234	32,725
Subsidy income	14,276	-
Surrender value of insurance policies	-	71,930
Other	8,296	3,541
Total non-operating income	52,190	125,306
Non-operating expenses		
Sales discounts	456	-
Other	130	933
Total non-operating expenses	586	933
Ordinary profit	1,567,220	2,238,346
Extraordinary income		
Gain on sales of non-current assets	1,927	715
Total extraordinary income	1,927	715
Extraordinary losses		
Loss on sales and retirement of non-current assets	27	221
Total extraordinary losses	27	221
Profit before income taxes	1,569,120	2,238,839
Income taxes	424,311	596,041
Profit	1,144,809	1,642,797
Profit attributable to non-controlling interests	16,473	12,446
Profit attributable to owners of parent	1,128,336	1,630,351

Quarterly consolidated statements of comprehensive income
Nine months ended December 31

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,144,809	1,642,797
Other comprehensive income		
Valuation difference on available-for-sale securities	44,640	(26,720)
Foreign currency translation adjustment	46,361	192,451
Remeasurements of defined benefit plans, net of tax	(8,366)	(6,557)
Total other comprehensive income	82,635	159,173
Comprehensive income	1,227,444	1,801,971
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,203,739	1,795,447
Comprehensive income attributable to non-controlling interests	23,704	6,523

(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 nine months 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, 2021. 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 >

Nine Months of FY2021 (from April 1, 2020 to December 31, 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	5,681,592	2,664,065	2,982,280	1,385,328	12,713,267	-	12,713,267
Inter-segment sales or transfers	3,111,182	6,301	162,596	3,202	3,283,282	(3,283,282)	-
Total	8,792,774	2,670,367	3,144,876	1,388,530	15,996,549	(3,283,282)	12,713,267
Segment profit	598,340	390,752	215,039	279,042	1,483,174	32,441	1,515,615

*Notes 1: The 32,441 thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 2,940 thousand yen and inventory adjustments of 29,501 thousand yen.

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

Nine Months of FY2022 (from April 1, 2021 to December 31, 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	7,488,854	2,948,521	4,126,296	909,248	15,472,921	-	15,472,921
Inter-segment sales or transfers	3,783,705	4,605	317,336	2,248	4,107,896	(4,107,896)	-
Total	11,272,560	2,953,127	4,443,633	911,496	19,580,817	(4,107,896)	15,472,921
Segment profit	1,417,363	355,392	428,169	105,263	2,306,189	(192,215)	2,113,973

*Notes 1: The (192,215) thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of (428) thousand yen and inventory adjustments of (191,786) thousand yen.

*Notes 2: Segment profit is adjusted to be consistent with operating income 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	Nine Months of FY2021	Nine Months of FY2022	Change (%)
Take-out robots	8,941,710	10,997,384	123.0
Custom-ordered equipment	2,173,976	2,977,223	136.9
Parts and maintenance service	2,296,588	2,652,241	115.5
Total	13,412,275	16,626,848	124.0

2) Backlog of orders

(Thousands of yen)

Products	As of December 31, 2020	As of December 31, 2021	Change (%)
Take-out robots	2,902,680	3,273,998	112.8
Custom-ordered equipment	1,946,754	2,204,471	113.2
Parts and maintenance service	239,795	307,073	128.1
Total	5,089,230	5,785,543	113.7

b. Net sales

(Thousands of yen)

Products	Nine Months of FY2021	Nine Months of FY2022	Change (%)
Take-out robots	8,159,178	10,724,120	131.4
Custom-ordered equipment	2,288,682	2,196,527	96.0
Parts and maintenance service	2,265,406	2,552,273	112.7
Total	12,713,267	15,472,921	121.7

(2) Overseas sales

Nine Months of FY2021 (from April 1, 2020 to December 31, 2020)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	2,592,962	3,881,366	1,430,167	408,045	8,312,542
II Consolidated net sales					12,713,267
III Ratio of overseas sales to consolidated net sales (%)	20.4	30.5	11.3	3.2	65.4

Nine Months of FY2022 (from April 1, 2021 to December 31, 2021)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,041,459	5,455,921	704,617	374,971	9,576,971
II Consolidated net sales					15,472,921
III Ratio of overseas sales to consolidated net sales (%)	19.7	35.3	4.6	2.4	61.9