

Consolidated Financial Results for the First Quarter Ended June 30, 2022 <under Japanese GAAP>

Company Name: **YUSHIN PRECISION EQUIPMENT CO., LTD.**
 Listing: Prime Market of the Tokyo Stock Exchange
 Securities code: 6482
 URL: <https://www.ype.co.jp/en/>
 Representative: Takayo Kotani, Representative Director and President
 Inquiries: Kota Oda, Director and Executive Vice President, General Manager of Administration Division
 Tel: +81-75-933-9555
 Scheduled date to submit quarterly report: August 9, 2022
 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, 2022

(from April 1, 2022 to June 30, 2022)

(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, 2022	5,096	7.0	504	(6.4)	651	9.7	442	3.1
June 30, 2021	4,763	27.2	539	79.3	593	89.8	429	82.6

Note: Comprehensive income

Three months ended June 30, 2022: 900 million yen [122.0 %]

Three months ended June 30, 2021: 405 million yen [56.6 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	13.01	-
June 30, 2021	12.62	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	37,897	31,592	82.7
As of March 31, 2022	36,892	31,047	83.5

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

As of June 30, 2022: 31,329 million yen

As of March 31, 2022: 30,794 million yen

2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	9.00	-	10.00	19.00
FY2023	-				
FY2023 (Forecast)		10.00	-	20.00	30.00

Note 1: Revisions to projected dividends most recently announced: None

Note 2: Breakdown of dividends 4Q in FY2023(forecast)

Ordinary dividends: 10.00 yen

Commemorative dividends: 10.00 yen (the 50th anniversary of the establishment)

3. Consolidated Earnings Forecasts for the FY2023 (from April 1, 2022 to March 31, 2023)

(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, 2022	10,400	7.0	1,450	7.5	1,450	2.1	1,050	1.9	30.85
FY2023	22,000	5.4	3,100	7.2	3,100	0.5	2,200	4.2	64.64

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: | None |
| 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 June 30, 2022	35,638,066 shares	As of March 31, 2022	35,638,066 shares
2) Number of shares of treasury shares at the end of the period	As of June 30, 2022	1,602,838 Shares	As of March 31, 2022	1,602,804 shares
3) Average number of outstanding shares during the period	Three months ended June 30, 2022	34,035,245 shares	Three months ended June 30, 2021	34,035,548 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 the increase of areas where restrictions on business activities are loosened by the worldwide progress in vaccination while the future outlook remains uncertain due to the exchange rate fluctuations caused by the drastic depreciation of the yen, steep rise in the raw material and ocean transport cost caused by the geopolitical risk, and adverse effect on production activities caused by global semiconductor shortage.

Under these circumstances, YUSHIN Group has continued to develop new customers on a global scale and expand business of custom-ordered equipment for medical field, 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, orders 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, the sales in Japan and North America increased while the sales of take-out robot in China decreased due to the lockdown. As a result, consolidated Net sales increased by 7.0% year on year to 5,096 million yen. Operating profit decreased by 6.4% year on year to 504 million yen due to the downturn of the gross profit margin caused by raw material price increase, and the rise in sea transportation costs while there was improvement due to the rise of the consolidated Net sales. Ordinary profit increased by 9.7% year on year to 651 million yen, and Net income attributable to owners of the parent company increased by 3.1% year on year to 442 million yen.

During the first quarter of the fiscal year under review, YUSHIN has declared to support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). YUSHIN recognizes subjects relating to sustainability as one of the most important management tasks that YUSHIN must take actions. YUSHIN aims to manage business with having less impacts on environment by developing products that can contribute to energy savings at customers' site, and working on reducing energy consumption and CO₂ emission at its own activities.

(2) Explanation on the financial condition

<Assets>

Total assets increased by 1,004 million yen from the end of the previous fiscal year to 37,897 million yen. This was mainly due to increase of "Cash and deposit" by 562 million yen.

<Liabilities>

Total liabilities increased by 460 million yen from the end of the previous fiscal year to 6,305 million yen. This was mainly due to increase of "Advances received" by 488 million yen.

<Net assets>

Net assets increased by 544 million yen from the end of the previous fiscal year to 31,592 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 FY2023 released on May 11, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
<ASSETS>		
Current assets		
Cash and deposits	12,404,898	12,966,969
Notes and accounts receivable - trade	5,905,288	5,907,618
Merchandise and finished goods	1,074,756	1,284,358
Work in process	1,203,508	1,355,690
Raw materials and supplies	3,571,482	3,767,050
Other	348,565	322,260
Allowance for doubtful accounts	(7,869)	(5,871)
Total current assets	24,500,630	25,598,076
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,849,455	3,810,049
Land	6,812,488	6,827,950
Other, net	264,093	261,785
Total property, plant and equipment	10,926,037	10,899,784
Intangible assets	186,751	175,975
Investments and other assets		
Investment securities	263,848	273,044
Retirement benefit asset	264,457	261,487
Deferred tax assets	647,939	615,915
Other	181,809	119,966
Allowance for doubtful accounts	(78,488)	(46,304)
Total investments and other assets	1,279,566	1,224,109
Total non-current assets	12,392,355	12,299,869
Total assets	36,892,986	37,897,946

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,646,295	2,825,106
Accounts payable - other	519,785	536,725
Income taxes payable	560,244	205,138
Advances received	1,162,547	1,650,877
Provision for bonuses	300,053	162,116
Provision for bonuses for directors	32,400	8,475
Provision for product warranties	137,341	138,152
Other	310,217	591,372
Total current liabilities	5,668,885	6,117,965
Non-current liabilities		
Retirement benefit liability	100,402	107,039
Deferred tax liabilities	24,179	23,264
Other	51,807	57,623
Total non-current liabilities	176,388	187,927
Total liabilities	5,845,274	6,305,893
<NET ASSETS>		
Shareholders' equity		
Share capital	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	27,212,010	27,314,572
Treasury shares	(1,355,446)	(1,355,468)
Total shareholders' equity	29,866,827	29,969,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	88,637	95,027
Foreign currency translation adjustment	796,769	1,226,062
Remeasurements of defined benefit plans	41,960	39,384
Total accumulated other comprehensive income	927,367	1,360,474
Non-controlling interests	253,516	262,208
Total net assets	31,047,712	31,592,052
Total liabilities and net assets	36,892,986	37,897,946

(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, 2021	Three months ended June 30, 2022
Net sales	4,763,649	5,096,248
Cost of sales	2,722,894	2,998,692
Gross profit	2,040,755	2,097,556
Selling, general and administrative expenses	1,501,727	1,593,060
Operating profit	539,027	504,495
Non-operating income		
Interest income	1,846	1,569
Dividend income	2,860	4,147
Purchase discounts	2,049	2,044
Foreign exchange gains	-	131,533
Surrender value of insurance policies	54,033	-
Other	3,393	7,981
Total non-operating income	64,182	147,277
Non-operating expenses		
Foreign exchange losses	9,563	-
Other	149	483
Total non-operating expenses	9,712	483
Ordinary profit	593,497	651,289
Extraordinary income		
Gain on sales of non-current assets	705	149
Total extraordinary income	705	149
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	594,203	651,439
Income taxes	161,206	195,422
Profit	432,997	456,017
Profit attributable to non-controlling interests	3,604	13,102
Profit attributable to owners of parent	429,392	442,915

Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	432,997	456,017
Other comprehensive income		
Valuation difference on available-for-sale securities	(34,930)	6,390
Foreign currency translation adjustment	9,589	440,267
Remeasurements of defined benefit plans, net of tax	(2,185)	(2,576)
Total other comprehensive income	(27,526)	444,081
Comprehensive income	405,470	900,099
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	407,883	876,022
Comprehensive income attributable to non-controlling interests	(2,412)	24,076

(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

< 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 >

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	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.

FY2023 1Q (from April 1, 2022 to June 30, 2022)

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	2,632,488	1,172,586	1,174,528	116,645	5,096,248	-	5,096,248
Inter-segment sales or transfers	1,026,203	3,495	100,398	260	1,130,357	(1,130,357)	-
Total	3,658,691	1,176,081	1,274,927	116,905	6,226,606	(1,130,357)	5,096,248
Segment profit or (loss)	281,596	115,500	154,205	(35,780)	515,521	(11,025)	504,495

*Notes 1: The (11,025) thousand yen adjustment to segment profit or loss includes the (3,721) thousand yen inter-segment transactions and the (7,304) thousand yen 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	FY2022 1Q	FY2023 1Q	Change (%)
Take-out robots	3,914,079	4,255,524	108.7
Custom-ordered equipment	868,037	2,043,693	235.4
Parts and maintenance service	858,310	909,574	106.0
Total	5,640,427	7,208,792	127.8

2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2021	As of June 30, 2022	Change (%)
Take-out robots	3,505,980	4,047,512	115.4
Custom-ordered equipment	1,777,969	3,364,634	189.2
Parts and maintenance service	224,442	289,936	129.2
Total	5,508,393	7,702,083	139.8

b. Net sales

(Thousands of yen)

Products	FY2022 1Q	FY2023 1Q	Change (%)
Take-out robots	3,408,833	3,328,831	97.7
Custom-ordered equipment	513,843	888,649	172.9
Parts and maintenance service	840,973	878,768	104.5
Total	4,763,649	5,096,248	107.0

(2) Overseas sales

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

FY2023 1Q (from April 1, 2022 to June 30, 2022)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,195,164	1,652,065	80,279	80,687	3,008,197
II Consolidated net sales					5,096,248
III Ratio of overseas sales to consolidated net sales (%)	23.5	32.4	1.6	1.6	59.0