

<Translation>



February 3, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 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 Admin. Div.

Tel: +81-75-933-9555

Scheduled date to submit quarterly report: February 14, 2023

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, 2022

(From April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	16,219	4.8	2,016	(4.6)	2,176	(2.8)	1,570	(3.7)
December 31, 2021	15,472	21.7	2,113	39.5	2,238	42.8	1,630	44.5

Note: Comprehensive income
Nine months ended December 31, 2022: 1,807 million yen [0.3%]
Nine months ended December 31, 2021: 1,801 million yen [46.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	46.14	-
December 31, 2021	47.90	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	38,612	32,158	82.5
As of March 31, 2022	36,892	31,047	83.5

Reference: Equity capital

As of December 31, 2022: 31,868 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	—	10.00	—		
FY2023 (Forecast)				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 Forecast 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
FY2023	22,000	5.4	2,400	(17.0)	2,600	(15.7)	1,800	(14.8)	52.89

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 Dec. 31, 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 Dec. 31, 2022	1,603,076 shares	As of March 31, 2022	1,602,804 shares
3) Average number of outstanding shares during the period	Nine months ended Dec. 31, 2022	34,035,154 shares	Nine months ended Dec. 31, 2021	34,035,468 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
< Adoption of special accounting methods for preparation of quarterly financial statements >.....	7
< Segment information >	7
3. Supplemental Information	8
(1) Orders, backlog and sales.....	8
(2) Overseas sales.....	8

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation on the business results

During the nine months of the current fiscal year under review, the global economy showed a recovery trend toward positive growth as corporate and economic activities go hand in hand as the restriction on the corporate activities are being relaxed by the worldwide progress in vaccination against COVID-19. On the other hand, the outlook for the exchange rate is becoming increasingly uncertain, and there are concerns that the economic recovery will be delayed, due to soaring raw material and ocean transport cost caused by the geopolitical risks.

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. As a result, orders received during the nine months of the current fiscal year increased significantly year on year due to the orders received for large scale custom-ordered equipment for medical field. As for the consolidated business results for the nine months of the current year, 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 4.8% year on year to 16,219 million yen. Operating profit decreased by 4.6% year on year to 2,016 million yen due to the rise of labor and ocean transport cost while the consolidated Net sales increased and gross profit margin improved. Although there was a foreign exchange gain, Ordinary profit decreased by 2.8% year on year to 2,176 million yen, and Net profit attributable to owners of parent decreased by 3.7% year on year to 1,570 million yen.

During the third quarter of the fiscal year under review, we have started selling CTM-V, a swing type take-out robot. In addition, YD series, which was launched in the previous fiscal year, won an encouraging prize in the Promotion of Machine Industry Awards. We believe that we have received high praise for our ongoing efforts to conserve energy. We will continue to work to develop environmentally friendly products.

(2) Explanation on the financial condition

<Assets>

Total assets increased by 1,719 million yen from the end of the previous fiscal year to 38,612 million yen.

This was mainly due to increase of “Cash and deposits” by 1,521 million yen.

<Liabilities>

Total liabilities increased by 608 million yen from the end of the previous fiscal year to 6,453 million yen. This was mainly due to increase of “Advances received” by 917 million yen.

<Net assets>

Net assets increased by 1,110 million yen from the end of the previous fiscal year to 32,158 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, 2023 that was announced in Consolidated Financial Results released on November 4, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2022	As of December 31, 2022
<ASSETS>		
Current assets		
Cash and deposits	12,404,898	13,926,061
Notes and accounts receivable - trade	5,905,288	5,406,040
Merchandise and finished goods	1,074,756	1,304,810
Work in process	1,203,508	1,489,928
Raw materials and supplies	3,571,482	3,758,647
Other	348,565	485,439
Allowance for doubtful accounts	(7,869)	(6,497)
Total current assets	24,500,630	26,364,428
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,849,455	3,617,691
Land	6,812,488	6,827,057
Other, net	264,093	378,561
Total property, plant and equipment	10,926,037	10,823,310
Intangible assets	186,751	153,339
Investments and other assets		
Investment securities	263,848	301,141
Retirement benefit asset	264,457	254,901
Deferred tax assets	647,939	624,647
Other	181,809	140,371
Allowance for doubtful accounts	(78,488)	(49,812)
Total investments and other assets	1,279,566	1,271,250
Total non-current assets	12,392,355	12,247,900
Total assets	36,892,986	38,612,329

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,646,296	2,580,673
Accounts payable - other	519,785	714,636
Income taxes payable	560,244	78,752
Advances received	1,162,547	2,080,198
Provision for bonuses	300,053	209,886
Provision for bonuses for directors	32,400	25,425
Provision for product warranties	137,341	120,865
Other	310,217	406,595
Total current liabilities	5,668,885	6,217,032
Non-current liabilities		
Retirement benefit liability	100,402	146,557
Deferred tax liabilities	24,179	20,785
Other	51,807	69,442
Total non-current liabilities	176,388	236,785
Total liabilities	5,845,274	6,453,818
<NET ASSETS>		
Shareholders' equity		
Capital stock	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	27,212,010	28,101,534
Treasury shares	(1,355,446)	(1,355,632)
Total shareholders' equity	29,866,827	30,756,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	88,637	114,555
Foreign currency translation adjustment	796,769	963,938
Remeasurements of defined benefit plans	41,960	34,231
Total accumulated other comprehensive income	927,367	1,112,725
Non-controlling interests	253,516	289,618
Total net assets	31,047,712	32,158,511
Total liabilities and net assets	36,892,986	38,612,329

(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, 2021	Nine months ended December 31, 2022
Net sales	15,472,921	16,219,298
Cost of sales	8,828,884	9,122,457
Gross profit	6,644,037	7,096,840
Selling, general and administrative expenses	4,530,063	5,079,932
Operating profit	2,113,973	2,016,908
Non-operating income		
Interest income	5,048	4,690
Dividend income	6,029	8,379
Purchase discounts	6,031	6,168
Foreign exchange gains	32,725	127,000
Surrender value of insurance policies	71,930	-
Other	3,541	14,523
Total non-operating income	125,306	160,764
Non-operating expenses		
Other	933	1,095
Total non-operating expenses	933	1,095
Ordinary profit	2,238,346	2,176,577
Extraordinary income		
Gain on sales of non-current assets	715	149
Total extraordinary income	715	149
Extraordinary losses		
Loss on sales and retirement of non-current assets	221	22,717
Total extraordinary losses	221	22,717
Profit before income taxes	2,238,839	2,154,009
Income taxes	596,041	538,941
Profit	1,642,797	1,615,067
Profit attributable to non-controlling interests	12,446	44,839
Profit attributable to owners of parent	1,630,351	1,570,228

Quarterly consolidated statements of comprehensive income
Nine months ended December 31

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,642,797	1,615,067
Other comprehensive income		
Valuation difference on available-for-sale securities	(26,720)	25,918
Foreign currency translation adjustment	192,451	173,819
Remeasurements of defined benefit plans, net of tax	(6,557)	(7,729)
Total other comprehensive income	159,173	192,008
Comprehensive income	1,801,971	1,807,076
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,795,447	1,755,586
Comprehensive income attributable to non-controlling interests	6,523	51,490

(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 >

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 profit shown on the quarterly consolidated statements of income.

Nine Months of FY2023 (From April 1, 2022 to December 31, 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	7,684,209	3,691,266	4,082,404	761,417	16,219,298	-	16,219,298
Inter-segment sales or transfers	3,647,412	18,912	212,751	4,957	3,884,034	(3,884,034)	-
Total	11,331,622	3,710,179	4,295,155	766,375	20,103,332	(3,884,034)	16,219,298
Segment profit	1,227,549	458,684	383,610	(13,373)	2,056,471	(39,563)	2,016,908

*Notes 1: The (39,563) thousand yen adjustment to segment profit or loss includes eliminations for inter-segment transactions of (7,109) thousand yen and inventory adjustments of (32,453) 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 FY2022	Nine Months of FY2023	Change (%)
Take-out robots	10,997,384	11,686,212	106.3
Custom-ordered equipment	2,977,223	7,469,838	250.9
Parts and maintenance services	2,652,241	2,953,255	111.3
Total	16,626,848	22,109,307	133.0

2) Backlog of orders

(Thousands of yen)

Products	As of December 31, 2021	As of December 31, 2022	Change (%)
Take-out robots	3,273,998	4,161,482	127.1
Custom-ordered equipment	2,204,471	6,982,442	316.7
Parts and maintenance services	307,073	335,622	109.3
Total	5,785,543	11,479,548	198.4

b. Net sales

(Thousands of yen)

Products	Nine Months of FY2022	Nine Months of FY2023	Change (%)
Take-out robots	10,724,120	10,645,548	99.3
Custom-ordered equipment	2,196,527	2,696,986	122.8
Parts and maintenance services	2,552,273	2,876,763	112.7
Total	15,472,921	16,219,298	104.8

(2) Overseas sales

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

Nine months of FY2023 (from April 1, 2022 to December 31, 2022)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,758,202	5,295,194	387,684	536,823	9,977,905
II Consolidated net sales					16,219,298
III Ratio of overseas sales to consolidated net sales (%)	23.2	32.6	2.4	3.3	61.5