

## Consolidated Financial Results for the First Quarter Ended June 30, 2023 <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/>

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Scheduled date to submit quarterly report: August 10, 2023

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, 2023

(from April 1, 2023 to June 30, 2023)

#### (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, 2023	4,668	(8.4)	143	(71.5)	256	(60.6)	129	(70.8)
June 30, 2022	5,096	7.0	504	(6.4)	651	9.7	442	3.1

Note: Comprehensive income

Three months ended June 30, 2023: 691 million yen [ (23.1) % ]

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

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	3.80	-
June 30, 2022	13.01	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	42,256	32,556	76.4
As of March 31, 2023	40,843	32,586	79.0

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

As of June 30, 2023: 32,264 million yen

As of March 31, 2023: 32,277 million yen

## 2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	10.00	-	20.00	30.00
FY2024	-				
FY2024 (Forecast)		10.00	-	10.00	20.00

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

Note 2: Breakdown of dividends 4Q in FY2023

Ordinary dividends: 10.00 yen

Commemorative dividends: 10.00 yen (the 50<sup>th</sup> anniversary of the establishment)

## 3. Consolidated Earnings Forecasts for the FY2024 (from April 1, 2023 to March 31, 2024)

(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
FY2024	23,000	2.8	2,400	(9.1)	2,400	(13.9)	1,600	(16.8)	47.01

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, 2023	35,638,066 shares	As of March 31, 2023	35,638,066 shares
2) Number of shares of treasury shares at the end of the period	As of June 30, 2023	1,603,136 Shares	As of March 31, 2023	1,603,076 shares
3) Average number of outstanding shares during the period	Three months ended June 30, 2023	34,034,960 shares	Three months ended June 30, 2022	34,035,245 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, although some parts of the global economy are showing signs of recovery, the outlook remains uncertain due to soaring resource prices caused by geopolitical risks and the downward pressure on the economy caused by global monetary tightening.

Under these circumstances, YUSHIN Group has continued to develop new customers on a global scale and expand the business of custom-ordered equipment for the medical field. However, orders in Japan and China, mainly for take-out robots, were sluggish and orders for custom-ordered equipment for the medical field decreased compared to the first quarter of the previous fiscal year. During the fiscal year under review, the sales increased in Europe while the sales in Japan decreased, compared to the first quarter of the previous fiscal year. As a result, consolidated Net sales decreased by 8.4% year on year to 4,668 million yen. As for the profit, Operating profit decreased by 71.5% year on year to 143 million yen due to an increase in personnel costs as a result of aggressive investments in human resources in addition to a deterioration in the gross profit margin caused due to a decrease in consolidated Net sales and escalating raw material prices, while the increase in sea transportation costs was eased. Ordinary profit decreased by 60.6% year on year to 256 million yen despite Foreign exchange gains, and Profit attributable to owners of parent decreased by 70.8% year on year to 129 million yen.

During the first quarter of the fiscal year under review, YUSHIN acquired 100% of the shares of WEMO Automation AB (“WEMO”) and made it a subsidiary. Through the acquisition of WEMO, YUSHIN will enhance the Group’s brand value and increase its market share, in the European region, and generate synergies by mutually utilizing the technological and procurement capabilities of the two companies.

### (2) Explanation on the financial condition

#### <Assets>

Total assets increased by 1,413 million yen from the end of the previous fiscal year to 42,256 million yen. This was mainly due to increase of Goodwill by 1,770 million yen.

#### <Liabilities>

Total liabilities increased by 1,442 million yen from the end of the previous fiscal year to 9,699 million yen. This was mainly due to increase of Advances received by 983 million yen.

#### <Net assets>

Net assets decreased by 29 million yen from the end of the previous fiscal year to 32,556 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, 2024 that was announced in Consolidated Financial Results released on May 10, 2023.

The impact of making WEMO a subsidiary through the share acquisition announced on May 16, 2023 on the consolidated business results for the current fiscal year is currently under review and will be announced promptly when a revision to the consolidated earnings forecasts becomes necessary.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	16,169,066	14,282,037
Notes and accounts receivable - trade	5,471,088	5,407,616
Merchandise and finished goods	1,288,257	1,221,710
Work in process	1,338,876	1,554,736
Raw materials and supplies	3,760,970	4,657,667
Other	620,761	924,282
Allowance for doubtful accounts	(10,601)	(11,848)
Total current assets	28,638,417	28,036,203
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,609,396	3,645,422
Land	6,821,488	6,843,176
Other, net	315,638	347,292
Total property, plant and equipment	10,746,522	10,835,892
Intangible assets		
Goodwill	-	1,770,449
Other	192,975	188,928
Total intangible assets	192,975	1,959,378
Investments and other assets		
Investment securities	307,324	364,373
Retirement benefit asset	215,986	212,888
Deferred tax assets	649,980	666,634
Other	141,492	232,910
Allowance for doubtful accounts	(49,464)	(51,882)
Total investments and other assets	1,265,319	1,424,924
Total non-current assets	12,204,817	14,220,194
Total assets	40,843,235	42,256,397

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>&lt;LIABILITIES&gt;</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,733,016	1,801,713
Electronically recorded obligations - operating	890,045	908,372
Accounts payable - other	586,065	634,733
Income taxes payable	275,103	123,475
Advances received	3,721,457	4,704,512
Provision for bonuses	310,344	173,265
Provision for bonuses for directors	29,840	8,250
Provision for product warranties	256,644	251,891
Other	210,302	741,016
<b>Total current liabilities</b>	<b>8,012,820</b>	<b>9,347,230</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	164,600	123,364
Deferred tax liabilities	6,260	59,638
Other	73,254	169,543
<b>Total non-current liabilities</b>	<b>244,116</b>	<b>352,546</b>
<b>Total liabilities</b>	<b>8,256,936</b>	<b>9,699,777</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	28,454,129	27,902,594
Treasury shares	(1,355,632)	(1,355,675)
<b>Total shareholders' equity</b>	<b>31,108,761</b>	<b>30,557,183</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	118,852	158,501
Foreign currency translation adjustment	1,043,867	1,545,447
Remeasurements of defined benefit plans	5,780	3,415
<b>Total accumulated other comprehensive income</b>	<b>1,168,500</b>	<b>1,707,365</b>
<b>Non-controlling interests</b>	<b>309,036</b>	<b>292,070</b>
<b>Total net assets</b>	<b>32,586,298</b>	<b>32,556,619</b>
<b>Total liabilities and net assets</b>	<b>40,843,235</b>	<b>42,256,397</b>

**(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income****Quarterly consolidated statements of income****First three months**

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	5,096,248	4,668,747
Cost of sales	2,998,692	2,870,356
Gross profit	2,097,556	1,798,390
Selling, general and administrative expenses	1,593,060	1,654,766
Operating profit	504,495	143,624
Non-operating income		
Interest income	1,569	1,596
Dividend income	4,147	4,860
Purchase discounts	2,044	1,907
Foreign exchange gains	131,533	98,253
Other	7,981	7,432
Total non-operating income	147,277	114,050
Non-operating expenses		
Other	483	934
Total non-operating expenses	483	934
Ordinary profit	651,289	256,739
Extraordinary income		
Gain on sales of non-current assets	149	2,545
Total extraordinary income	149	2,545
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	30,186
Total extraordinary losses	0	30,186
Profit before income taxes	651,439	229,098
Income taxes	195,422	88,865
Profit	456,017	140,232
Profit attributable to non-controlling interests	13,102	11,067
Profit attributable to owners of parent	442,915	129,165

**Quarterly consolidated statements of comprehensive income****First three months**

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	456,017	140,232
Other comprehensive income		
Valuation difference on available-for-sale securities	6,390	39,649
Foreign currency translation adjustment	440,267	514,300
Remeasurements of defined benefit plans, net of tax	(2,576)	(2,364)
Total other comprehensive income	444,081	551,585
Comprehensive income	900,099	691,818
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	876,022	668,030
Comprehensive income attributable to non-controlling interests	24,076	23,788



**(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 >**

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.

FY2024 1Q (from April 1, 2023 to June 30, 2023)

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	2,189,700	1,099,926	1,223,059	156,061	4,668,747	-	4,668,747
Inter-segment sales or transfers	1,010,738	3,070	99,795	374	1,113,979	(1,113,979)	-
Total	3,200,438	1,102,996	1,322,854	156,435	5,782,726	(1,113,979)	4,668,747
Segment profit or (loss)	150,978	178,364	106,630	(69,605)	366,367	(222,743)	143,624

\*Notes 1: The (222,743) thousand yen adjustment to segment profit or loss includes the (81,679) thousand yen inter-segment transactions and the (141,064) 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	FY2023 1Q	FY2024 1Q	Change (%)
Take-out robots	4,255,524	3,201,565	75.2
Custom-ordered equipment	2,043,693	1,598,706	78.2
Parts and maintenance services	909,574	979,708	107.7
Total	7,208,792	5,779,980	80.2

##### 2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2022	As of June 30, 2023	Change (%)
Take-out robots	4,047,512	3,482,256	86.0
Custom-ordered equipment	3,364,634	7,295,024	216.8
Parts and maintenance services	289,936	320,608	110.6
Total	7,702,083	11,097,890	144.1

##### b. Net sales

(Thousands of yen)

Products	FY2023 1Q	FY2024 1Q	Change (%)
Take-out robots	3,328,831	3,205,232	96.3
Custom-ordered equipment	888,649	551,206	62.0
Parts and maintenance services	878,768	912,308	103.8
Total	5,096,248	4,668,747	91.6

#### (2) Overseas sales

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

FY2024 1Q (from April 1, 2023 to June 30, 2023)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	952,976	1,611,812	168,509	256,566	2,989,864
II Consolidated net sales					4,668,747
III Ratio of overseas sales to consolidated net sales (%)	20.4	34.5	3.6	5.5	64.0