

## Consolidated Financial Results for the First Quarter Ended June 30, 2024 <under Japanese GAAP>

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

Listing: Standard Market of the Tokyo Stock Exchange

Securities code: 6482

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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, 2024

(from April 1, 2024 to June 30, 2024)

#### (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, 2024	5,589	19.7	122	(14.4)	163	(36.4)	103	(19.5)
June 30, 2023	4,668	(8.4)	143	(71.5)	256	(60.6)	129	(70.8)

Note: Comprehensive income

Three months ended June 30, 2024: 713 million yen [ 3.2 %]

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2024	3.06	-
June 30, 2023	3.80	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	42,976	34,753	80.1
As of March 31, 2024	42,821	34,418	79.6

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

As of June 30, 2024: 34,411 million yen

As of March 31, 2024: 34,069 million yen

**2. Cash Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	10.00	-	10.00	20.00
FY2025	-				
FY2025 (Forecast)		10.00	-	10.00	20.00

Note: Revisions to projected dividends most recently announced: None

**3. Consolidated Earnings Forecasts for the FY2025 (from April 1, 2024 to March 31, 2025)**

(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
FY2025	25,500	8.0	2,600	6.7	2,600	0.5	1,800	6.4	52.89

Note: Revisions to projected results most recently announced: None

**\* Notes**

(1) Significant changes in the scope of consolidation during the period under review: 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 < Notes to accounting procedures specific to the preparation of quarterly consolidated 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 < Notes to changes in accounting policies >” on page 7 of [Attached Material] for further information.

(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, 2024	35,638,066 shares	As of March 31, 2024	35,638,066 shares
2) Number of shares of treasury shares at the end of the period	As of June 30, 2024	1,603,237 shares	As of March 31, 2024	1,603,219 shares
3) Average number of outstanding shares during the period	Three months ended June 30, 2024	34,034,834 shares	Three months ended June 30, 2023	34,034,960 shares

\* Review of the accompanying Quarterly Consolidated Financial Statements by certified public accountant or by auditing firm: None

\* 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. Overview of Operating Results, (3) Explanation on the forecast information including consolidated earnings forecast and others” on page 2 of [Attached Material].

\* Disclaimer:

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## 1. Overview of Operating Results

### (1) Overview of operating results for the quarter ended June 30, 2024

During the first quarter of the current fiscal year, the global situation is expected to remain uncertain, with policy interest rates remaining high in many countries and a high degree of caution about geopolitical risks, despite a gradual recovery trend, while the Japanese economy is expected to pick up gradually as inflation settles down.

Under these circumstances, our Group has continued its efforts to cultivate new customers on a global scale and to expand sales of medical-related custom-ordered equipment. While capital investment demand is beginning to show signs of recovery in some regions, the need for production automation due to labor shortages remains strong, and orders for custom-ordered equipment have remained firm. With regard to medical-related custom-ordered equipment, we anticipate sales from the current fiscal year onward for the high level of backlog of orders received in the previous two consolidated fiscal years.

As for business results for the first quarter of the current consolidated fiscal year, sales in the Americas and Asia decreased compared to the previous consolidated fiscal year, while sales in Europe increased due to the influence of WEMO Automation AB, which became a subsidiary during the previous consolidated fiscal year, and the contribution of a large order for medical-related custom-ordered equipment. As a result, consolidated Net sales increased 19.7% year on year to 5,589 million yen. As for profits, Operating profit decreased 14.4% year on year to 122 million yen, despite an increase in consolidated Net sales and an improvement in the gross profit margin, because an increase in personnel expenses resulting from aggressive investment in human resources and others. Ordinary profit decreased 36.4% year on year to 163 million yen despite foreign exchange gains, and Profit attributable to owners of parent decreased by 19.5% year on year to 103 million yen.

We are developing the “PA” series of palletizing robots for logistics sites where rapid automation is required due to a shortage of manpower. In April 2024, the Company added a 2-pallet specification to the “PA-50LC”, a low overall height, high-performance palletizing robot that enables continuous palletizing without stopping the upstream process.

#### Operating result by segment category

< Japan >	Due to an increase in sales of custom-ordered equipment, net sales were 3,591 million yen (up 12.2% year-on-year), and Operating profit was 240 million yen (up 59.3% year-on-year).
< North America >	Net sales were 939 million yen (down 14.8% year-on-year), and Operating loss was 80 million yen (Operating profit of 178 million yen in the same period of the previous year).
< Asia >	Net sales were 1,111 million yen (down 15.9% year-on-year) due to a decrease in sales at the Chinese subsidiary, and Operating profit was 57 million yen (down 46.1% year-on-year).
< Europe >	Due to an increase in sales of custom-ordered equipment, net sales were 1,252 million yen (up 700.8% year-on-year), and Operating profit was 28 million yen (Operating loss of 69 million yen in the same quarter of the previous year).

### (2) Overview of financial condition for the quarter ended June 30, 2024

< Assets >	Current assets decreased by 61 million yen from the end of the previous consolidated fiscal year to 28,142 million yen. This was due to a 913 million yen decrease in Cash and deposits, due to a 234 million yen increase in Merchandise and finished goods and a 523 million yen increase in Raw materials and supplies. Non-current assets increased by 215 million yen from the end of the previous consolidated fiscal year to 14,833 million yen. This is due to factors such as an increase of 80 million yen in Customer-related intangible assets. As a result, total assets increased by 154 million yen from the end of the previous consolidated fiscal year to 42,976 million yen.
< Liabilities >	Current liabilities decreased by 213 million yen from the end of the previous consolidated fiscal year to 7,505 million yen. This was due to factors such as a 225 million yen decrease in Notes and accounts payable-trade. There were no significant changes in Non-current liabilities, and total liabilities decreased by 180 million yen from the end of the previous consolidated fiscal year to 8,222 million yen.
< Net Assets >	Net assets increased by 334 million yen from the end of the previous consolidated fiscal year to 34,753 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, 2025 that was announced in Consolidated Financial Results released on May 15, 2024.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2024	As of June 30, 2024
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	13,405,550	12,491,754
Notes and accounts receivable - trade	6,008,743	6,129,078
Merchandise and finished goods	1,039,963	1,274,841
Work in process	1,847,517	1,764,914
Raw materials and supplies	5,083,804	5,607,319
Other	825,974	883,953
Allowance for doubtful accounts	(8,144)	(9,516)
Total current assets	28,203,409	28,142,344
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,554,412	3,610,214
Land	6,851,964	6,865,527
Other, net	342,822	350,721
Total property, plant and equipment	10,749,199	10,826,463
Intangible assets		
Goodwill	495,549	509,011
Customer-related intangible assets	1,579,493	1,660,353
Other	186,509	190,227
Total intangible assets	2,261,552	2,359,592
Investments and other assets		
Investment securities	547,665	588,488
Retirement benefit asset	274,329	271,594
Deferred tax assets	594,628	605,634
Other	254,006	240,515
Allowance for doubtful accounts	(63,410)	(58,543)
Total investments and other assets	1,607,219	1,647,688
Total non-current assets	14,617,972	14,833,743
Total assets	42,821,381	42,976,087

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>&lt;LIABILITIES&gt;</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,011,414	1,785,543
Electronically recorded obligations - operating	522,006	556,325
Accounts payable - other	587,290	645,387
Income taxes payable	467,798	283,465
Advances received	3,062,706	3,006,743
Provision for bonuses	357,387	172,607
Provision for bonuses for directors	25,450	7,000
Provision for product warranties	284,344	269,893
Other	401,126	778,648
<b>Total current liabilities</b>	<b>7,719,523</b>	<b>7,505,614</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	115,810	123,532
Deferred tax liabilities	387,380	405,445
Other	179,732	187,716
<b>Total non-current liabilities</b>	<b>682,922</b>	<b>716,693</b>
<b>Total liabilities</b>	<b>8,402,446</b>	<b>8,222,307</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	29,125,446	28,889,083
Treasury shares	(1,355,730)	(1,355,742)
<b>Total shareholders' equity</b>	<b>31,779,981</b>	<b>31,543,605</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	285,889	314,261
Foreign currency translation adjustment	1,958,804	2,511,493
Remeasurements of defined benefit plans	45,210	41,737
<b>Total accumulated other comprehensive income</b>	<b>2,289,904</b>	<b>2,867,492</b>
<b>Non-controlling interests</b>	<b>349,049</b>	<b>342,681</b>
<b>Total net assets</b>	<b>34,418,934</b>	<b>34,753,780</b>
<b>Total liabilities and net assets</b>	<b>42,821,381</b>	<b>42,976,087</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, 2023	Three months ended June 30, 2024
Net sales	4,668,747	5,589,491
Cost of sales	2,870,356	3,421,269
Gross profit	1,798,390	2,168,221
Selling, general and administrative expenses	1,654,766	2,045,228
Operating profit	143,624	122,993
Non-operating income		
Interest income	1,596	7,056
Dividend income	4,860	7,157
Foreign exchange gains	98,253	15,383
Other	9,340	10,769
Total non-operating income	114,050	40,367
Non-operating expenses		
Other	934	153
Total non-operating expenses	934	153
Ordinary profit	256,739	163,206
Extraordinary income		
Gain on sales of non-current assets	2,545	3,900
Total extraordinary income	2,545	3,900
Extraordinary losses		
Loss on sales and retirement of non-current assets	30,186	1,270
Total extraordinary losses	30,186	1,270
Profit before income taxes	229,098	165,836
Income taxes	88,865	45,434
Profit	140,232	120,401
Profit attributable to non-controlling interests	11,067	16,416
Profit attributable to owners of parent	129,165	103,985

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

	(Thousands of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	140,232	120,401
Other comprehensive income		
Valuation difference on available-for-sale securities	39,649	28,371
Foreign currency translation adjustment	514,300	568,696
Remeasurements of defined benefit plans, net of tax	(2,364)	(3,472)
Total other comprehensive income	551,585	593,595
Comprehensive income	691,818	713,997
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	668,030	681,573
Comprehensive income attributable to non-controlling interests	23,788	32,423



**(3) Notes related to quarterly consolidated financial statements****< Notes to changes in accounting policies >**

## Application of Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied since the beginning of the first-quarter period. Revisions concerning the recognition classification of income taxes follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "2022 Revised Guidance"). This change in accounting policy has no impact on the quarterly consolidated financial statements.

**< Notes to accounting procedures specific to the preparation of quarterly consolidated financial statements >**

## Calculation of tax expenses

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after the application of tax effect accounting to income before income taxes for the consolidated fiscal year, including the first quarter of the current fiscal year, and multiplying income before income taxes by the estimated effective tax rate.

**< Notes to Segment information >**

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

## (1) 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	North America	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.

## (2) Information on Impairment losses on Non-current assets or Goodwill, etc. by reportable segment

**< Significant Impairment losses on Non-current assets >**

None

**< Significant changes in the amount of Goodwill >**

In the "Europe" segment, regarding for the acquisition of all shares of WEMO Automation AB, which was made a subsidiary in the first quarter of the previous fiscal year, the amount of goodwill was provisionally calculated because the allocation of acquisition costs had not been completed, but in the second quarter of the previous fiscal year, the allocation of acquisition costs was completed and the provisional accounting treatment accounting was finalized. The amount of goodwill has changed from the provisionally calculated amount of 1,770,449 thousand yen to 524,028 thousand yen.

**< Significant Negative goodwill >**

None

## 2. FY2025 1Q (from April 1, 2024 to June 30, 2024)

## (1) 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	North America	Asia	Europe			
Net sales							
Sales to customers	2,389,185	937,234	1,010,286	1,252,784	5,589,491	-	5,589,491
Inter-segment sales or transfers	1,202,279	2,663	101,614	-	1,306,557	(1,306,557)	-
Total	3,591,464	939,898	1,111,900	1,252,784	6,896,048	(1,306,557)	5,589,491
Segment profit or (loss)	240,439	(80,006)	57,446	28,267	246,147	(123,154)	122,993

\*Notes 1: The (123,154) thousand yen adjustment to segment profit or loss includes the 3,761 thousand yen inter-segment transactions and the (126,915) thousand yen inventory adjustments.

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

## (2) Information on Impairment losses on Non-current assets or Goodwill, etc. by reportable segment

&lt; Significant Impairment losses on Non-current assets &gt;

None

&lt; Significant changes in the amount of Goodwill &gt;

None

&lt; Significant Negative goodwill &gt;

None

## &lt; Notes in the event of significant changes in shareholders' equity &gt;

None

## &lt; Notes related to going concern assumption &gt;

None

## &lt; Notes to quarterly consolidated statements of cash flows &gt;

A quarterly consolidated cash flow statement for the first quarter of the current consolidated fiscal year has not been prepared. Depreciation (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the first quarter of the current consolidated fiscal year are as follows.

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	119,089	155,904
Amortization of goodwill	-	20,452

### 3. Supplemental Information

#### (1) Orders, backlog and sales

##### a. Orders

##### 1) Order received

(Thousands of yen)

Products	FY2024 1Q	FY2025 1Q	Change (%)
Robots	3,201,565	3,994,853	124.8
Custom-ordered equipment	1,598,706	1,340,884	83.9
Parts and maintenance services	979,708	1,152,209	117.6
Total	5,779,980	6,487,947	112.2

##### 2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2023	As of June 30, 2024	Change (%)
Robots	3,482,256	4,148,025	119.1
Custom-ordered equipment	7,295,024	5,131,775	70.3
Parts and maintenance services	320,608	379,764	118.5
Total	11,097,890	9,659,565	87.0

##### b. Net sales

(Thousands of yen)

Products	FY2024 1Q	FY2025 1Q	Change (%)
Robots	3,205,232	2,927,850	91.3
Custom-ordered equipment	551,206	1,461,951	265.2
Parts and maintenance services	912,308	1,199,689	131.5
Total	4,668,747	5,589,491	119.7

#### (2) Overseas sales

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

FY2025 1Q (from April 1, 2024 to June 30, 2024)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	843,595	1,323,527	1,248,975	207,997	3,624,096
II Consolidated net sales					5,589,491
III Ratio of overseas sales to consolidated net sales (%)	15.1	23.7	22.3	3.7	64.8