YUSHIN

YUSHIN PRECISION EQUIPMENT CO.,LTD.

FY2018

Investors Presentation

May, 2018

This document contains some estimates of future business performance. Such references should not be taken to be a guarantee. Please note that future performance is subject to various risks and uncertainties, and goals and projections may vary due to changes in the business environment.

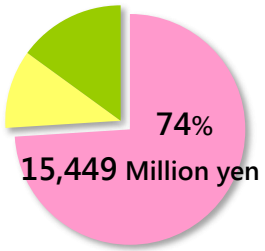
Company Profile

Name:	Yushin Precision Equipment Co., Ltd.
President:	Mayumi Kotani
Establishment:	October, 1973
Capital:	1,985 million yen
Number of employees:	683 (Consolidated, as of March 31, 2018)
Consolidated net sales:	20,878 million yen (FY2018)
Securities code:	6482 (First Section of the TSE)

Product Lineup (1)

Take-out Robots

Sales ratio



FY2018

FRA series
<Traverse type>

HSA series
<Traverse type>

HST series
<Traverse type>

RC series
<Traverse type>

YC series
<Traverse type>

TSXA series
<Side-entry type>

SC series
<Traverse type>

ATC series
<Traverse type>

HOP series
<Swing type>

Product Lineup (2)

Custom-ordered Equipment

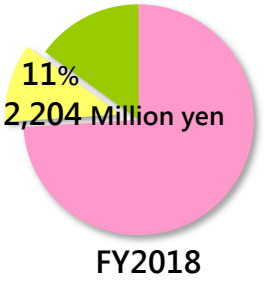
Flexible module stocker

In-mold system

Gate cutting system

Palletizing robots

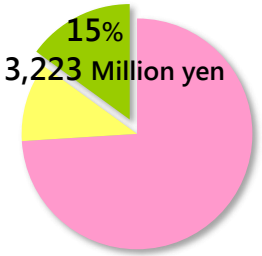
Sales ratio



FY2018

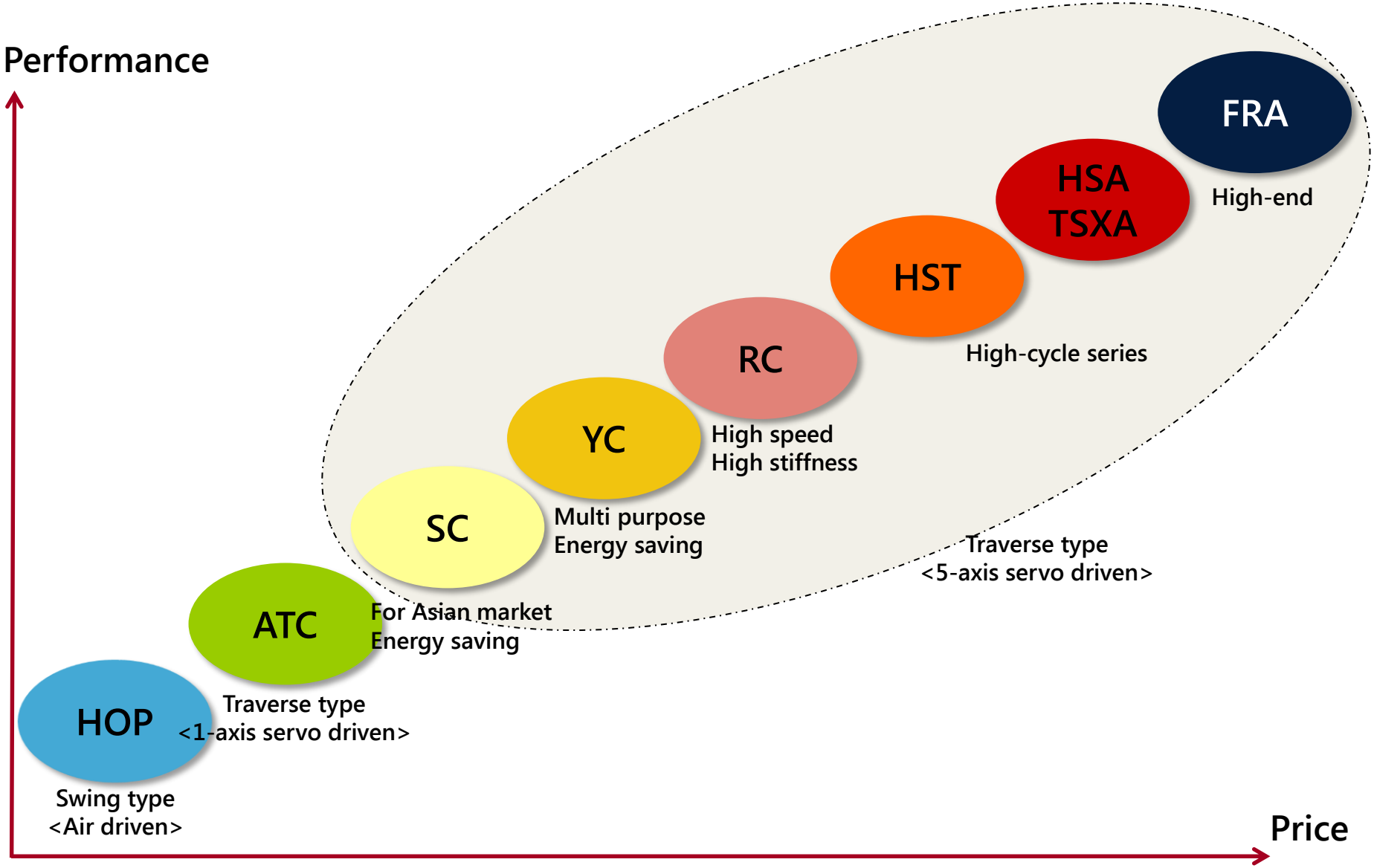
Parts and Maintenance service

Sales ratio



FY2018

Performance and Price of Take-out Robots



Company Strength

Philosophy & Policy	Accurate response to Customers' request and offering high-quality products Challenge to new business areas
Global & Worldwide	High-leveled ratio of overseas sales Global sales and technical support network - largest in the take-out robot industry
Customer Acceptance	Quick response in sales and technical service Industry-leading technological capability & Reliability based on the delivery strictly being on time
Stable Financial Foundation	Efficient operations with minimum facility & equipment No loan payable High shareholders' equity ratio

No.1 Market Share

Results for FY2018

	FY2017			FY2018		
	Amount	Ratio	Change*	Amount	Ratio	Change*
	Mil. Yen	%	%	Mil. Yen	%	%
Net Sales	19,346	100.0	(8.5)	20,878	100.0	7.9
Gross Profit	7,666	39.6	(9.2)	8,461	40.5	10.4
Operating Income	2,112	10.9	(31.5)	2,358	11.3	11.6
Ordinary Income	2,058	10.6	(29.6)	2,432	11.6	18.2
Net Income attributable to shareholders of the parent company	1,380	7.1	(27.7)	1,626	7.8	17.9

*Note "Change" : Percentage indicates year-on-year changes

<Exchange Rates>		
USD	108.38 yen	110.85 yen
GBP	141.60 yen	142.03 yen
CNY	16.11 yen	16.75 yen

Summary of FY2018

	Analysis of the Results
Net Sales	➢ 7.9% increase from the previous FY to 20,878 million yen a) Take-out robots sales increased by 15.2% Y/Y - Increase in number of units sold - Strong sales in Asia and in Japan - Strong sales in electronic parts and automotive products b) Custom-ordered equipment sales decreased by 22.2% Y/Y - Weak sales in new business area but strong in order
Operating Income	➢ 11.6% increase from the previous FY to 2,358 million yen Factor of decline: Cost of new HQ and factory (Depreciation and Tax) Factor of increase: Increase in number of take-out robot sold (Record high) Improved productivity and streamlined business process at new HQ

Forecast for FY2019

	FY2018				FY2019 (Forecast)					
	Interim		Full Year		Interim			Full Year		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Y/Y*	Amount	Ratio	Y/Y*
Net Sales	Mil. Yen 9,743	% 100.0	Mil. Yen 20,878	% 100.0	Mil. Yen 11,000	% 100.0	% 12.9	Mil. Yen 22,000	% 100.0	% 5.4
Gross Profit	4,029	41.4	8,461	40.5	4,430	40.3	9.9	8,860	40.3	4.7
Operating Income	990	10.2	2,358	11.3	1,300	11.8	31.2	2,600	11.8	10.2
Ordinary Income	1,039	10.7	2,432	11.6	1,300	11.8	25.0	2,600	11.8	6.9
Net Income attributable to shareholders of the parent company	745	7.6	1,626	7.8	900	8.2	20.8	1,800	8.2	10.6

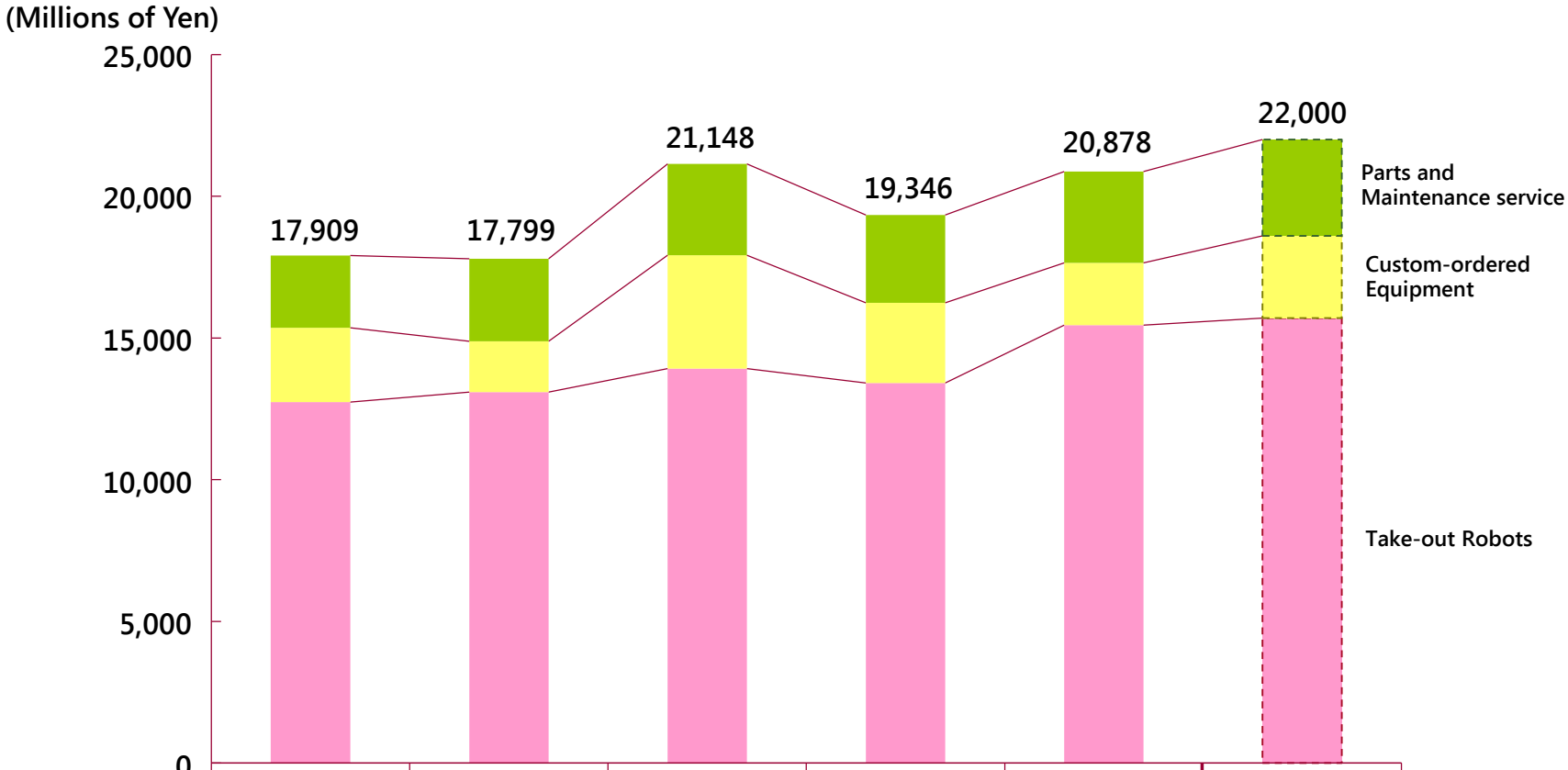
*Note "Change" : Percentage indicates year-on-year changes.

<Exchange Rates>			
USD	111.06 yen	110.85 yen	105.00 yen
GBP	143.61 yen	147.03 yen	148.00 yen
CNY	16.42 yen	16.75 yen	17.00 yen

Forecast for FY2019

	Analysis of the Forecast
Net Sales	➢ 5.4% increase from the previous FY to 22,000 million yen a) Take-out robots sales increase by 2% Y/Y - Expand sales of new type Take-out robots - Expect strong demands in Asia and Japan - Expect strong demands in automotive and medical related products b) Custom-ordered equipment sales increase by 32% Y/Y - Delivery to medical customer - Automation demand increase both in Japan and overseas
Operating Income	➢ 10.2% increase from the previous FY to 2,600 million yen a) Contribution of increase in unit of take-out robot sales b) Further improve efficiency and productivity c) Increase profitability with continued effort of cost-reducing activities

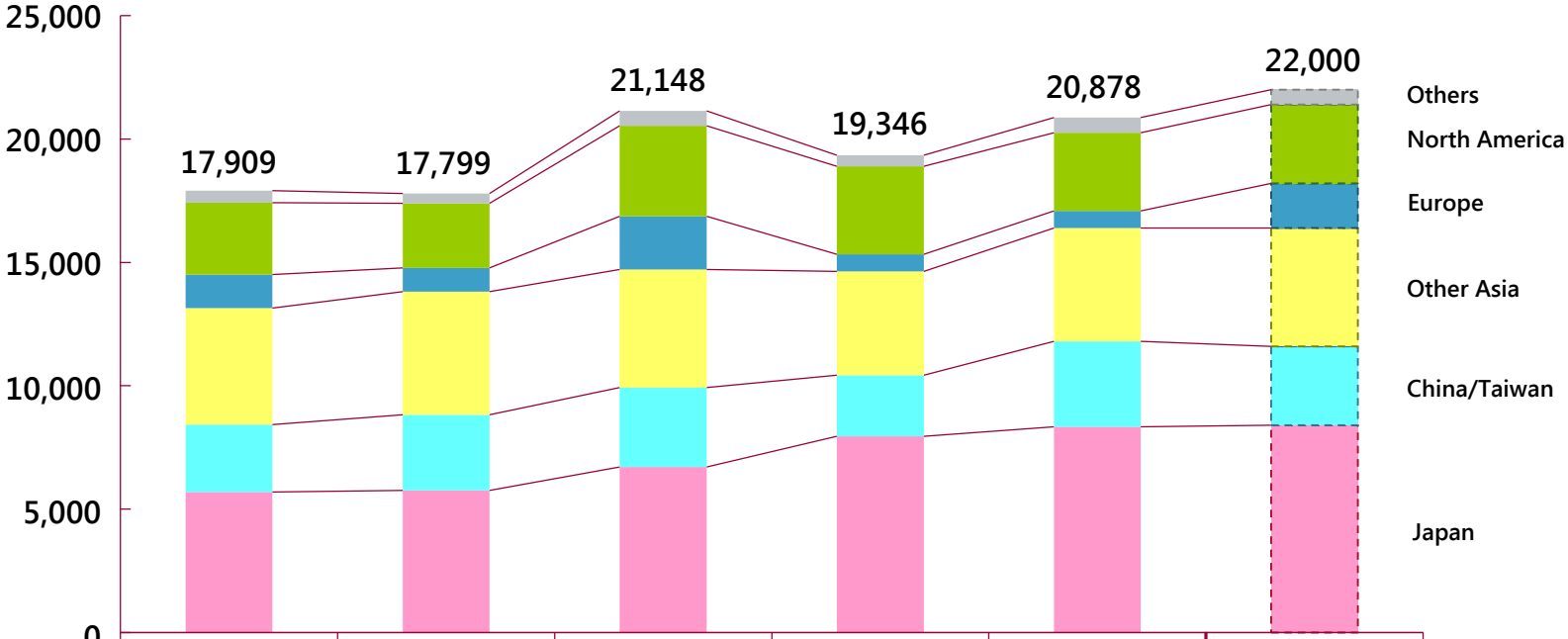
Sales Breakdown



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Parts and Maintenance service	2,547	2,911	3,227	3,103	3,223	3,400
Custom-ordered Equipment	2,626	1,794	3,997	2,832	2,204	2,900
Take-out Robots	12,736	13,092	13,923	13,410	15,449	15,700
Total	17,909	17,799	21,148	19,346	20,878	22,000

Sales by Region

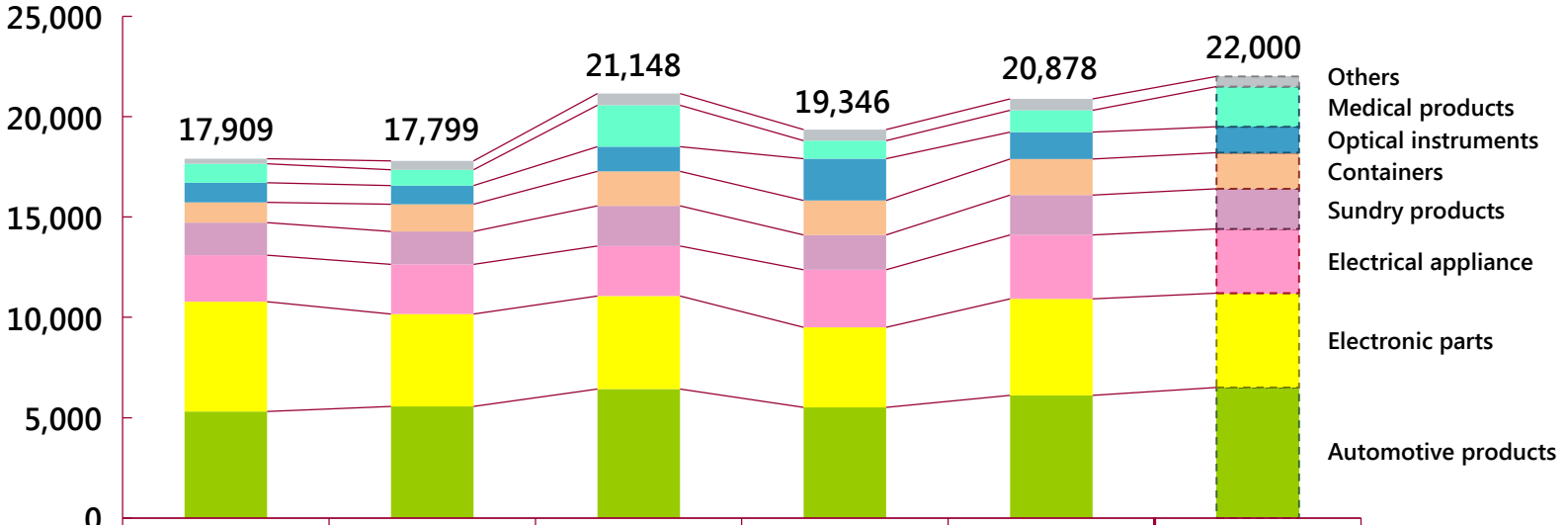
(Millions of yen)



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Others	484	395	610	445	620	600
North America	2,917	2,628	3,665	3,573	3,172	3,200
Europe	1,352	959	2,163	693	687	1,800
Other Asia	4,721	4,982	4,781	4,200	4,594	4,800
China / Taiwan	2,738	3,069	3,220	2,477	3,468	3,200
Japan	5,694	5,762	6,707	7,955	8,335	8,400
Total	17,909	17,799	21,148	19,346	20,878	22,000

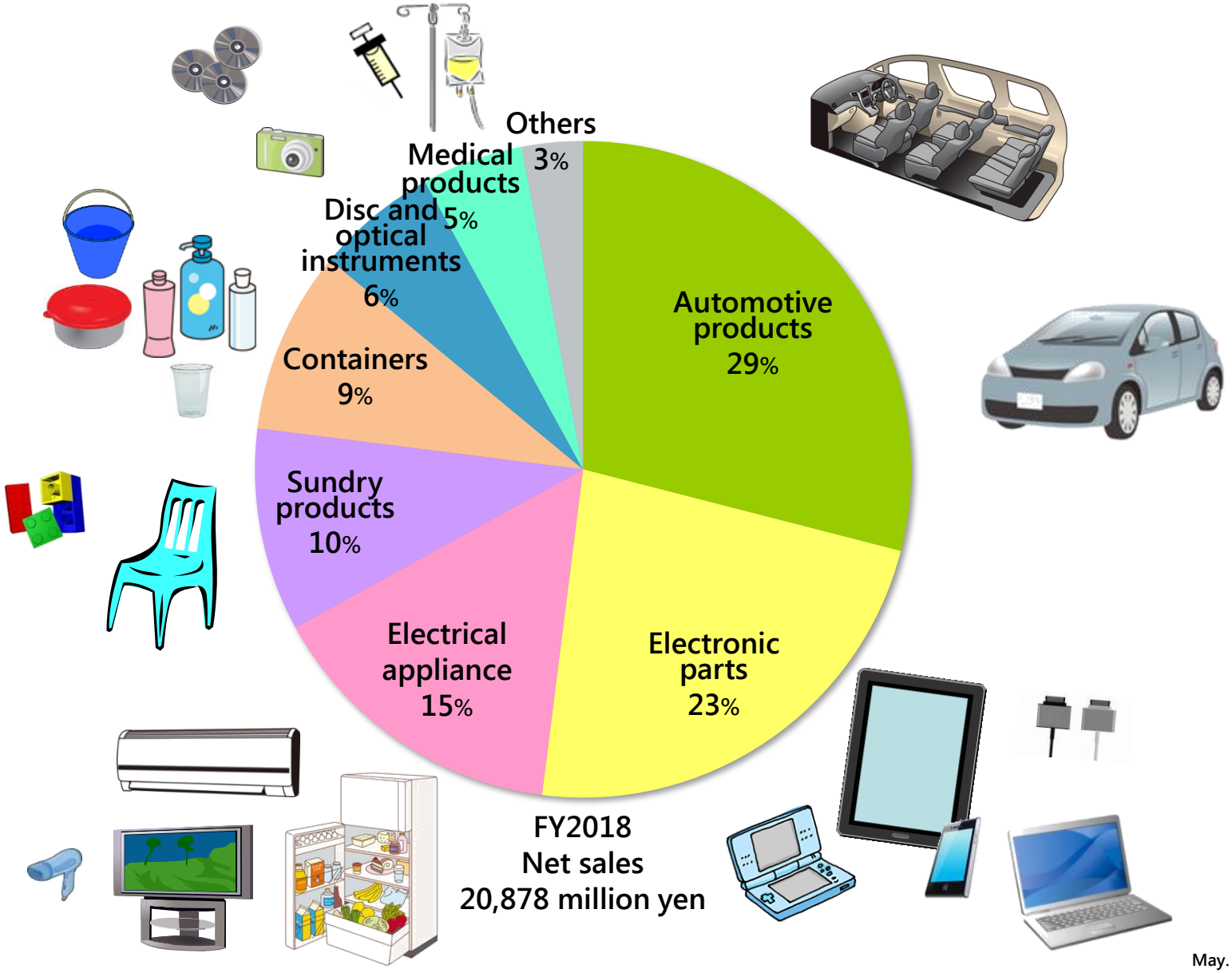
Sales by End User Categories

(Millions of yen)



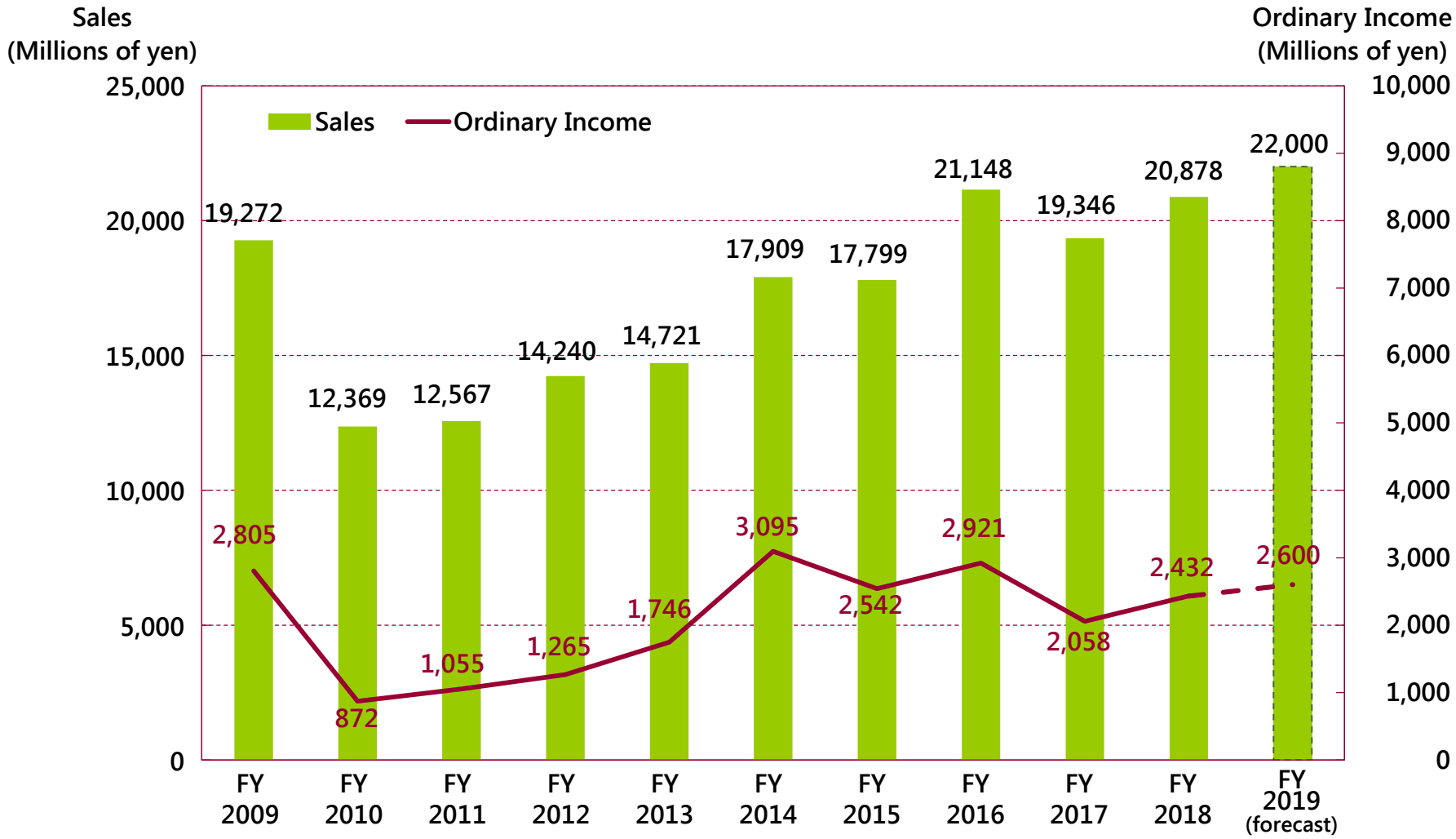
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Others	257	440	580	549	565	500
Medical products	949	797	2,069	902	1,087	2,000
Discs and optical instruments	970	930	1,232	2,072	1,342	1,300
Containers	1,008	1,361	1,708	1,715	1,799	1,800
Sundry products	1,634	1,634	2,002	1,741	1,981	2,000
Electrical appliance	2,308	2,475	2,497	2,862	3,187	3,200
Electronic parts	5,468	4,592	4,629	3,992	4,807	4,700
Automotive products	5,312	5,567	6,428	5,511	6,106	6,500
Total	17,909	17,799	21,148	19,346	20,878	22,000

Sales by End User Categories



FY2018
Net sales
20,878 million yen

Change in Performance



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 (forecast)
Ordinary Income Rate (%)	14.6	7.1	8.4	8.9	11.9	17.3	14.3	13.8	10.6	11.6	11.8

May. 11, 2018

Global Network

<Subsidiaries>

1) South Korea
2) China<Shanghai>
   - Tianjin Office
3) China<Shenzhen>
4) Taiwan
5) Indonesia
6) Vietnam
7) Malaysia
8) Thailand
9) India
10) UK
11) U.S.A.
   - Mexico Office
12) China<Guangzhou>

<Representative Office>

1) Philippines

Change in Performance of Subsidiaries

(Millions of yen)

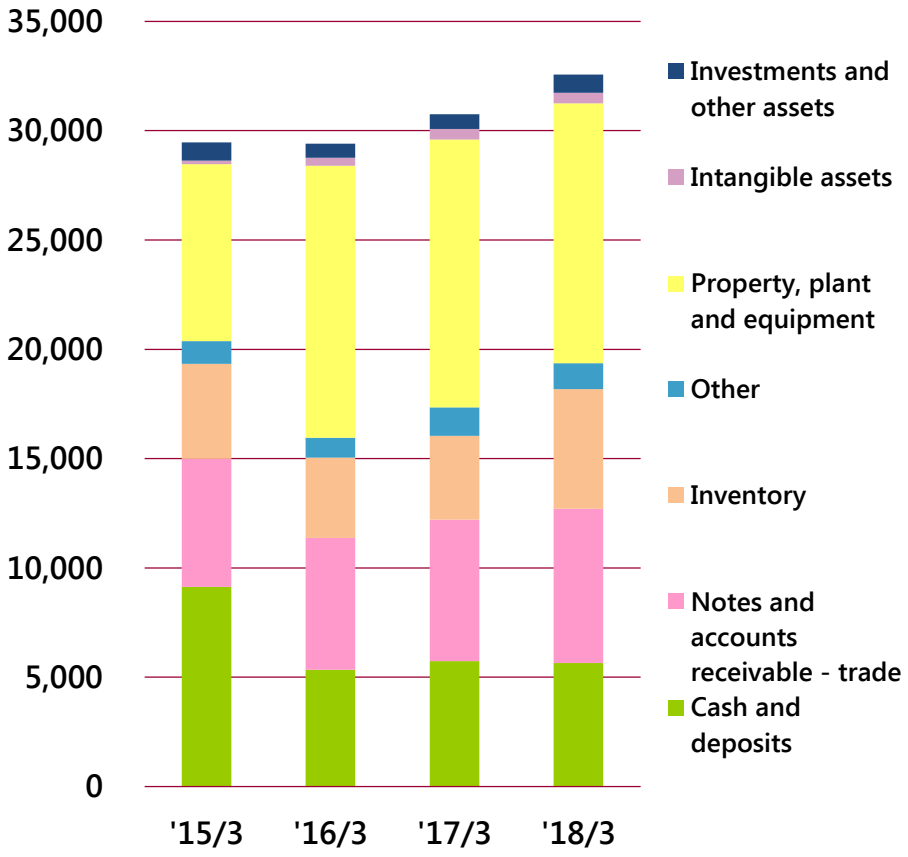
Country	Setup	Investment ratio	FY2017			FY2018			FY2019 (forecast)		
			Sales	Operating income	Net income	Sales	Operating income	Net income	Sales	Operating income	Net income
South Korea	2000.10	100.0%	1,788	202	166	1,615	213	164	1,760	162	126
China (Shanghai)	2007. 2	100.0%	885	20	19	1,451	75	50	1,105	26	20
China (Shenzhen)	2004. 4	100.0%	805	31	21	914	42	30	953	47	36
Taiwan	2001. 7	100.0%	72	5	(2)	92	19	16	92	16	14
Indonesia	2012.11	99.0%	258	38	27	286	34	22	309	42	26
Vietnam	2014. 2	100.0%	90	14	11	95	12	11	106	24	19
Malaysia	2001. 5	100.0%	209	16	8	236	24	23	256	23	17
Thailand	2001. 8	49.0%	640	66	57	850	109	97	847	84	68
India	2007. 8	95.0%	35	0	(1)	53	7	3	50	1	1
UK	2004. 3	95.6%	396	6	46	698	130	100	1,815	134	122
USA	1988.10	100.0%	3,285	348	210	3,200	260	121	3,393	323	199
China (Guangzhou)	2008. 9	100.0%	1,136	61	3	1,551	62	60	1,392	25	19

<Exchange Rates>

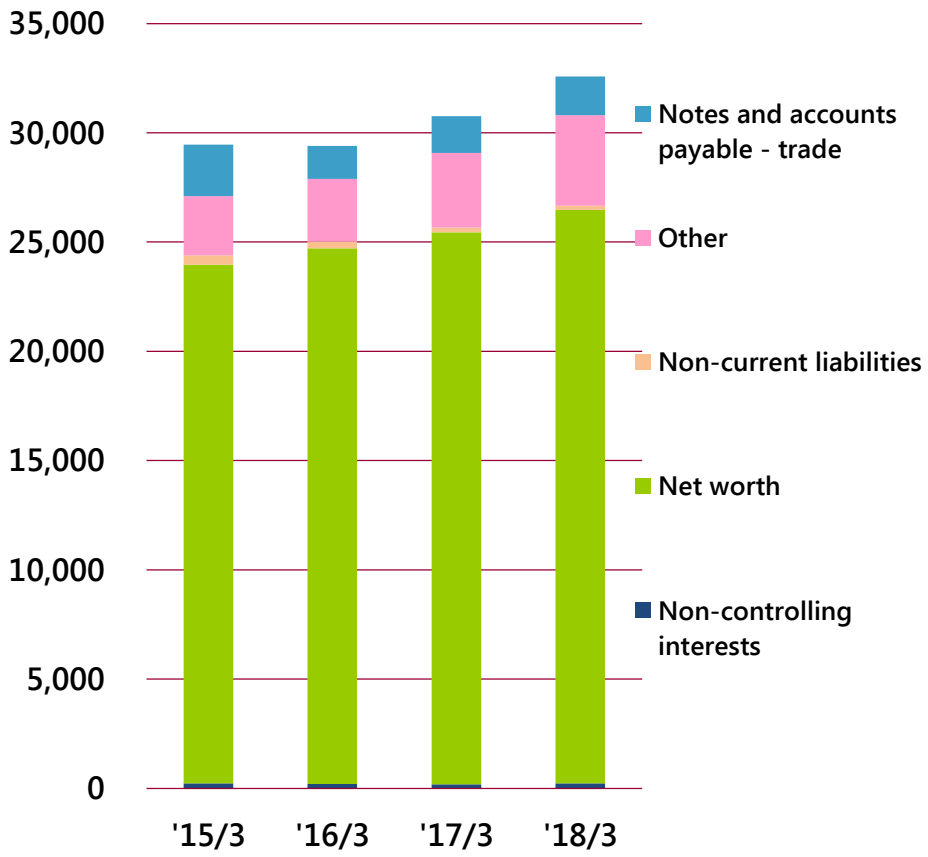
USD	108.38 yen	110.85 yen	105.00 yen
GBP	141.60 yen	147.03 yen	148.00 yen
CNY	16.11 yen	16.75 yen	17.00 yen

Balance Sheets

<Assets> (Millions of yen)



<Liabilities, Net Assets> (Millions of yen)

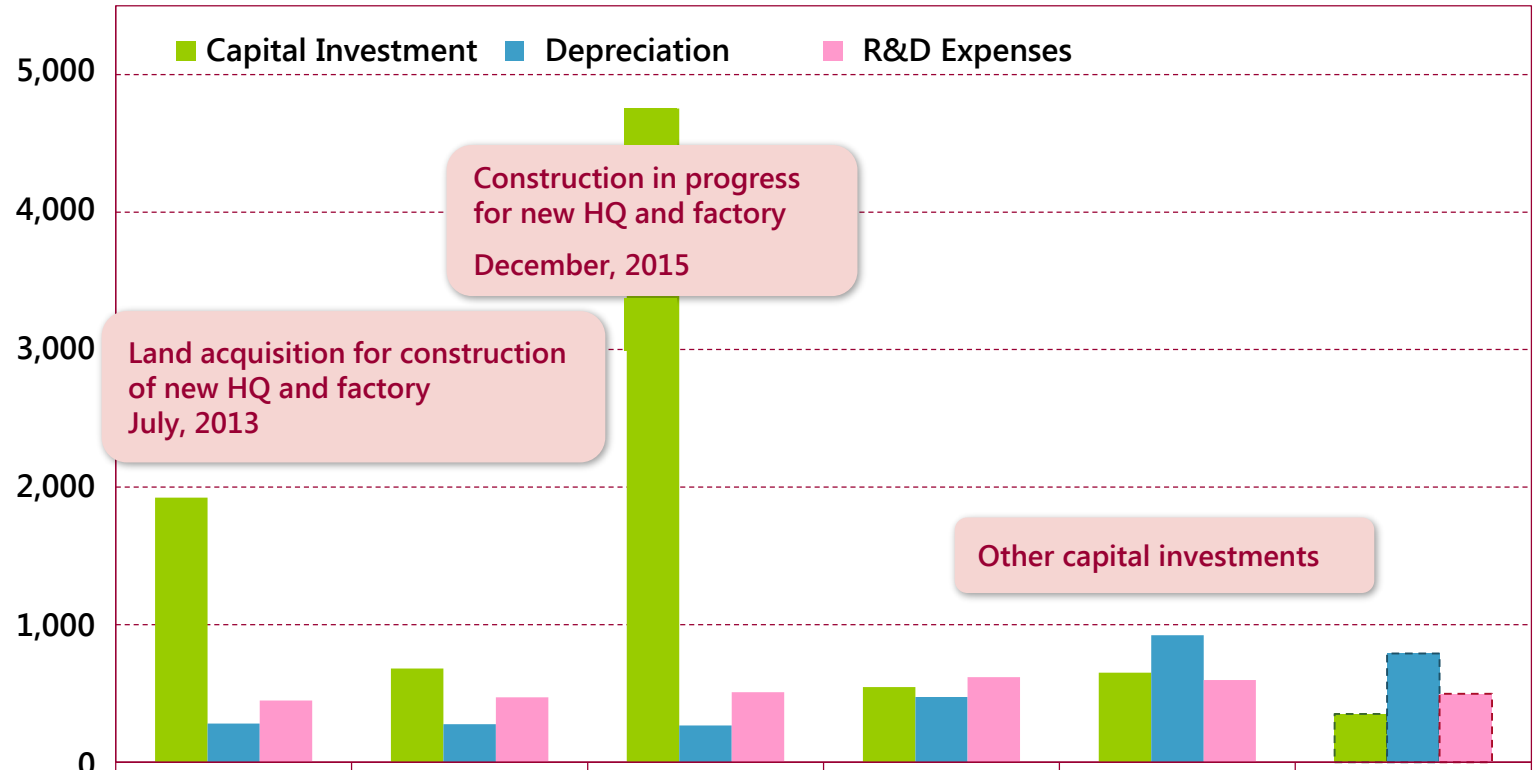


- Decrease in "Cash and deposits" and increase in "Property, plant and equipment" due to construction of new HQ and factory in Dec 2015
- Increase in "Inventory" due to backlog orders increase as of March 31, 2018

- Keep high equity ratio at more than 80%
- Keep no interest-bearing debt

Capital Investment / Depreciation / R&D

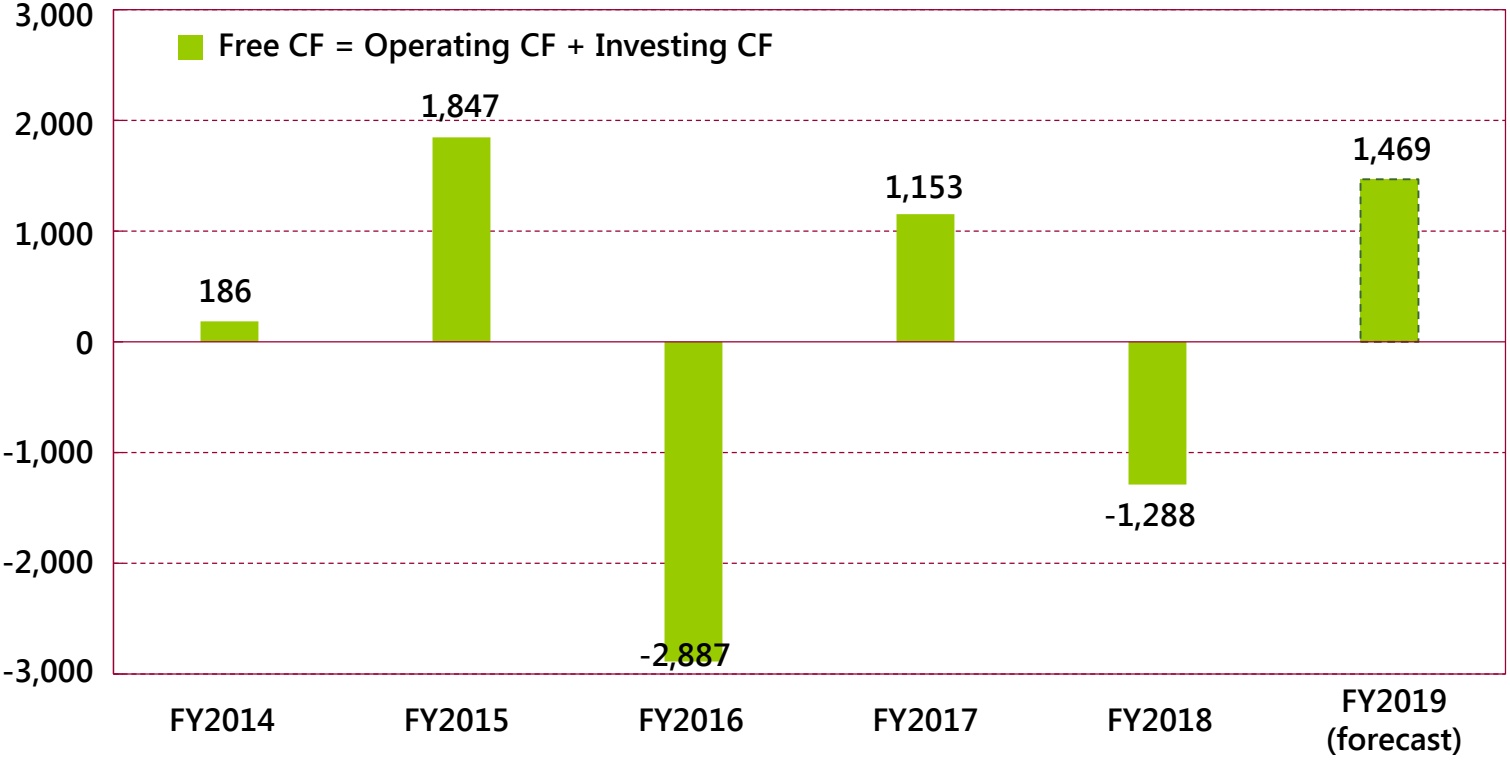
(Millions of yen)



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Capital Investment	1,924	682	4,754	546	652	350
Depreciation	282	277	268	474	924	790
R&D Expenses	448	472	510	619	598	497

Change in Cash Flow

(Millions of yen)



<Change in cash flow from operating, investing, and financing activities>

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
Operating CF	2,575	2,104	2,218	1,626	1,223	2,319
Investing CF	(2,389)	(256)	(5,105)	(471)	(2,511)	(850)
Financing CF	(569)	(560)	(677)	(678)	(659)	(587)

Medium-term Objectives

FY2018

- Net Sales: 20.8 billion yen
- Ordinary Income: 2.4 billion yen
- Ordinary Profit ratio: 11.6 %
- EPS: 93 yen (Before 1:2 split) / 46 yen (After 1:2 split)

- Net Sales: 30 billion yen
- Ordinary Income: 5 billion yen or more
- Ordinary Profit ratio: 15 % or more
- EPS: 75 yen or more (After 1:2 split)

Strategy4: Active Expansion into New Business

Strategy3: Cultivation of Human Resources

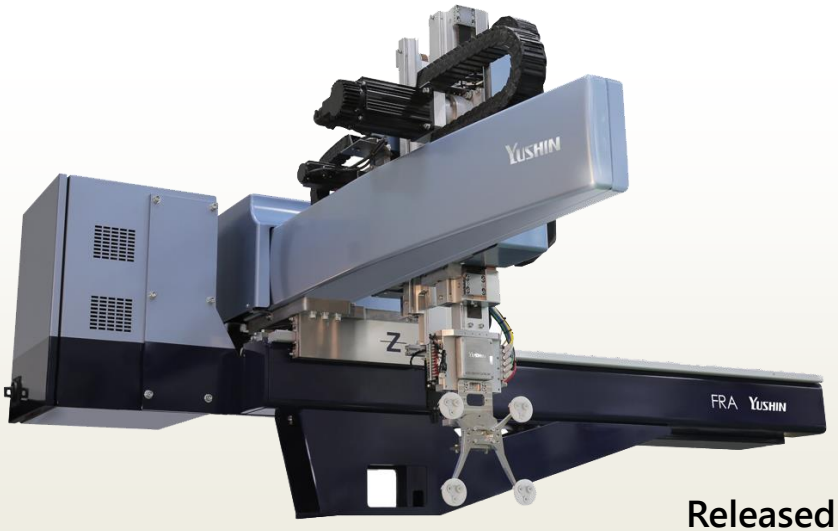
Strategy2: Enhancement of the Global Network

Strategy1: Enhancement of the Products

Strategy 1: Enhancement of the Products (1)

NEW Products : “FRA” Series

- Active vibration control
- “INTU LINE” – Yushin’s IoT service
- New controller based on ergonomic design
- International safety standard compliance



Released in July, 2017

Strategy 1: Enhancement of the Products (2)

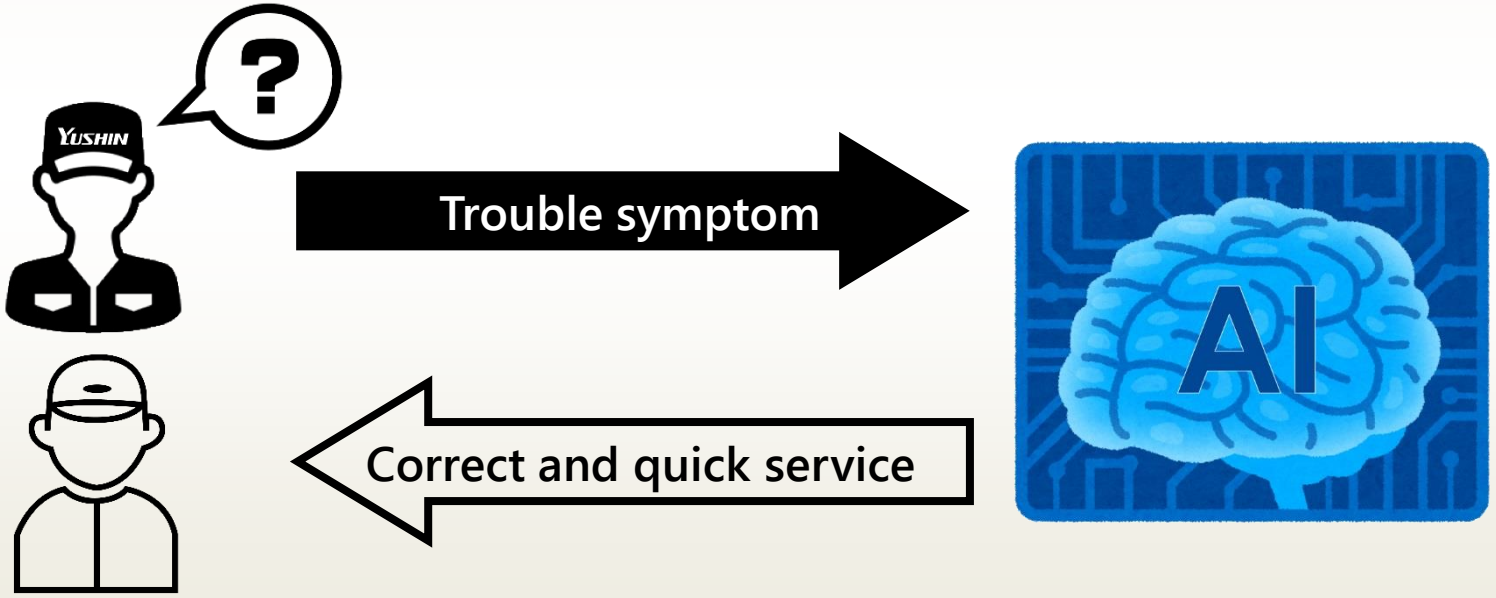
Improve efficiency of technical service by utilizing AI and increase quality of technical service

<Detecting the error>

Yushin FSE recognized abnormality of the robot

<Estimating root cause>

AI engine estimates the possible cause based on actual repair data base



Strategy 1: Enhancement of the Products (3)

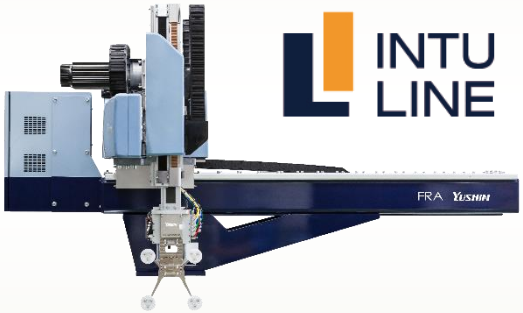
Predictive Maintenance by FRA (to be released)

<Detecting small changes>

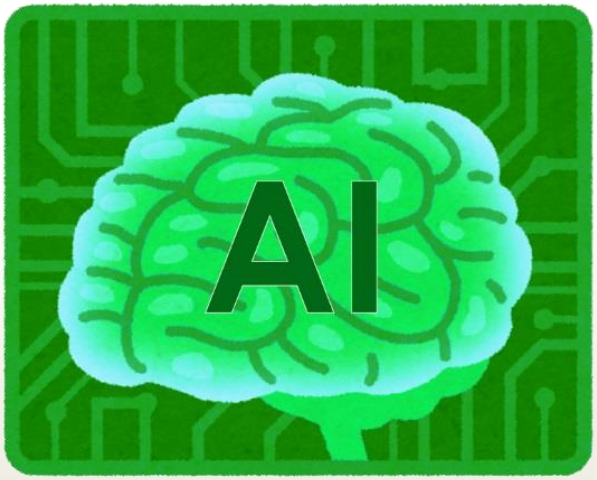
Constant self-diagnosis finds any changes

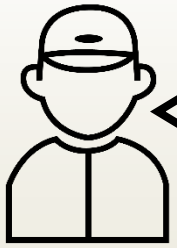
<Estimating predictor>

AI engine estimates predictor based on actual repair data base



Detected information





Predictive maintenance information

Strategy 1: Enhancement of the Products (4)

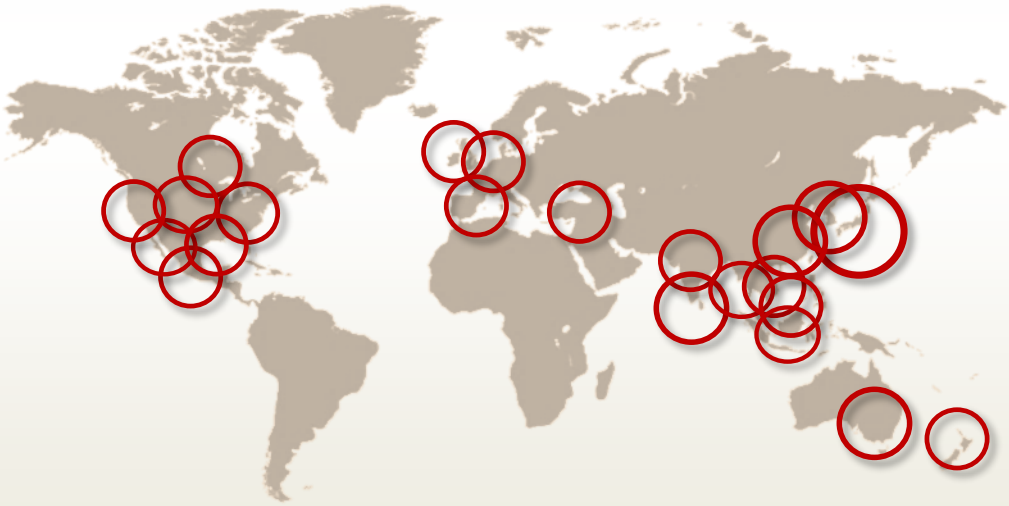
Renewal of WEB Parts Shop

Released in April 2018

- Expansion of Parts sales by “Attachment automatic design tool” that enable customers to improve their convenience
- Reduce manual work from order to shipment

Strategy 2: Enhancement of the Global Network

- Target on the top class companies in the world
- Win local customers in each counties
- Increase YUSHIN brand recognition
- Actively recruit world-class human resources



Strategy 3: Cultivation of Human Resources

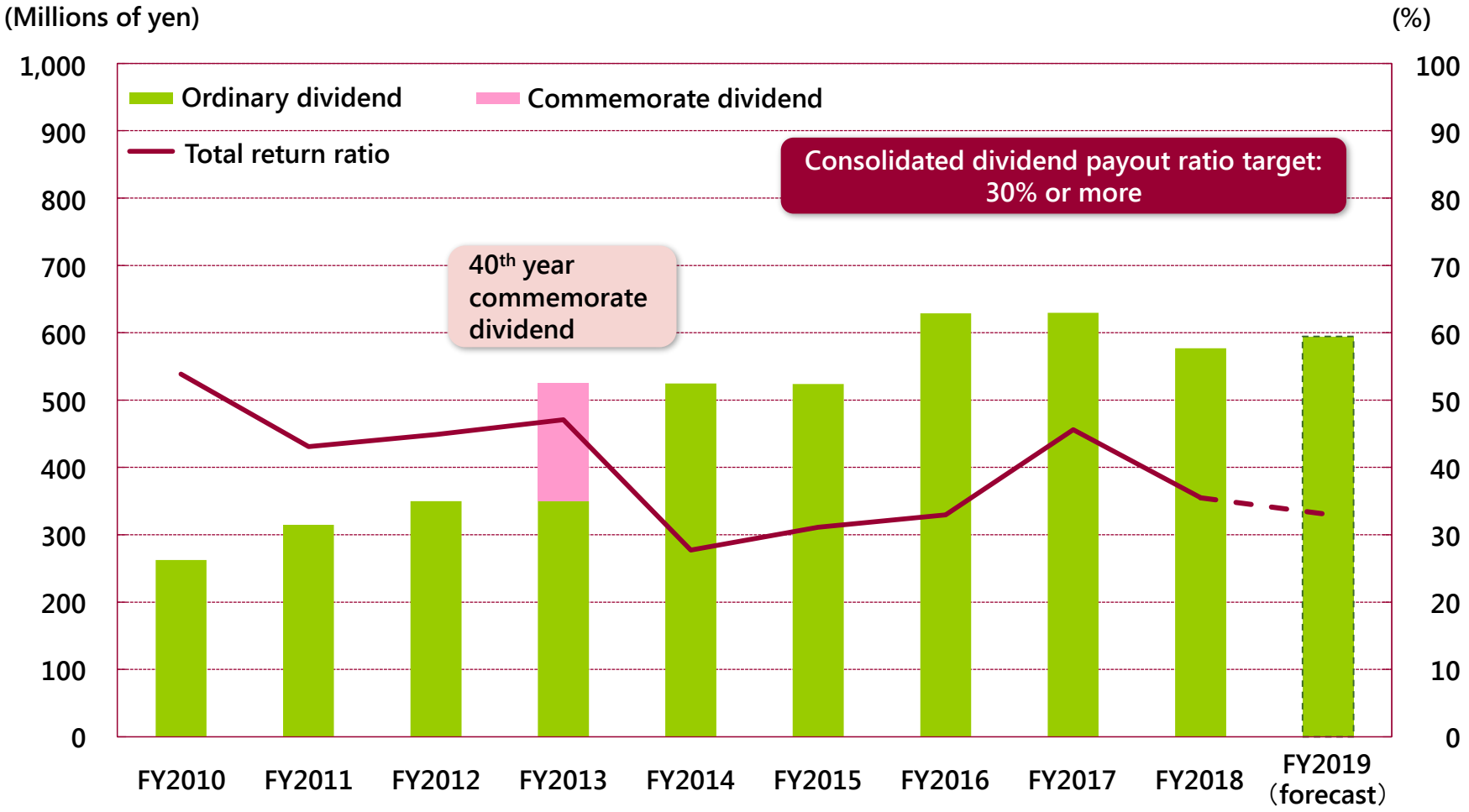
- Cultivation of System Integrator to accommodate various automation needs
- A wide variety of training

  High level technical training program, Training program for managers, International training program for staffs
- Promoting female powers

ESG

- Continued development of energy-saving products
- Improvement of working environment – Working support term, System of maternity leave and shorter working hours (more than statutory)
- Enhancement of the board of directors – Revitalization by outside Director/Auditor, Improvement by effectiveness evaluation

Return to Shareholders



Annual Dividend	15yen	18yen	20yen	30yen	30yen	30yen	36yen	36yen	33yen	17yen

May. 11, 2018

YUSHIN PRECISION EQUIPMENT CO., LTD.

Contact: Corporate Planning Department

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www.ype.co.jp/en/

Notes:
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Such references should not be taken to be a guarantee. Please note that future performance is subject to various risks and uncertainties, and goals and projections may vary due to changes in the business environment.