

November 14, 2024

Semi-Annual Consolidated Financial Results for the Six Months Ended September 30, 2024 <under Japanese GAAP>

Company Name: YUSHIN PRECISION EQUIPMENT CO., LTD.

Listing: Standard Market of the Tokyo Stock Exchange

Securities code: 6482

URL: <https://www.ype.co.jp/en/>

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Scheduled date to submit semi-annual report: November 14, 2024

Scheduled date to commence dividend payments: December 2, 2024

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing: Yes (for Analysts)

(Amounts less than one million yen are omitted, unless otherwise noted)

1. Semi-Annual Consolidated Business Results for the Six Months Ended September 30, 2024

(from April 1, 2024 to September 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	%
Six months ended								
September 30, 2024	12,133	21.6	911	31.4	738	(12.2)	534	(1.0)
September 30, 2023	9,975	(3.7)	693	(35.7)	840	(32.8)	539	(39.0)

Note: Comprehensive income Six months ended September 30, 2024: 329 million yen [(76.0) %]

Six months ended September 30, 2023: 1,373 million yen [(4.0) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	15.69	-
September 30, 2023	15.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	41,565	34,369	81.8
As of March 31, 2024	42,821	34,418	79.6

Reference: Equity capital

As of September 30, 2024: 34,015 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	-	10.00			
FY2025 (Forecast)			-	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) 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. Semi-Annual Consolidated Financial Statements and Notes, (3) Notes related to semi-annual consolidated financial statements < Adoption of special accounting methods for preparation of semi-annual 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 |

(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 Sept. 30, 2024	35,638,066 Shares	As of March 31, 2024	35,638,066 Shares
2) Number of treasury shares at the end of the period	As of Sept. 30, 2024	1,603,299 Shares	As of March 31, 2024	1,603,219 Shares
3) Average number of outstanding shares during the period	Six months ended Sept. 30, 2024	34,034,823 Shares	Six months ended Sept. 30, 2023	34,034,947 Shares

* This “Semi-Annual Consolidated Financial Results for the Six Months” report is not subject to 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 Semi-Annual 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 Semi-Annual Consolidated Financial Performance

(1) Explanation on the business results

The outlook for the global economy during the current semi-annual consolidated accounting period remains uncertain, with factors such as the continued high-interest rate levels in Europe and the United States, the continued rise in material prices due to prolonged geopolitical risks, and the stagnation of the Chinese economy due to the continued real estate slump. On the other hand, in Japan, there are signs of a gradual economic recovery and a recovery in capital investment, such as the expansion of inbound demand.

In this environment, our Group continued to work on cultivating new customers on a global scale and expanding sales of custom-ordered medical equipment. The high level of orders received in the previous consolidated fiscal year and the year before were steadily shipped and accepted, leading to an increase in sales of custom-ordered equipment. In terms of business performance for the current semi-annual consolidated accounting period, compared to the previous semi-annual consolidated accounting period, sales in Europe increased due to the contribution of large orders for custom-ordered medical equipment. In addition, sales of custom-ordered equipment and palletizing robots based on demand for labor-saving measures were successful, and sales in Japan also increased. As a result, consolidated Net sales increased by 21.6% year on year to 12,133 million yen. As for the profit, Operating profit increased by 31.4% year on year to 911 million yen due to the impact of the increase in consolidated Net sales, despite factors such as the increase in personnel expenses associated with proactive investment in human resources. Ordinary profit decreased by 12.2% year on year to 738 million yen due to foreign exchange losses, and Profit attributable to owners of parent decreased by 1.0% year on year to 534 million yen.

(2) Explanation on the financial condition

<Assets>

Total assets decreased by 1,256 million yen from the end of the previous fiscal year (March 31, 2024) to 41,565 million yen. This was mainly due to decrease of Cash and deposits by 912 million yen.

<Liabilities>

Total liabilities decreased by 1,206 million yen from the end of the previous fiscal year to 7,195 million yen. This was mainly due to decrease of Notes and accounts payable - trade by 457 million yen.

<Net assets>

Net assets decreased by 49 million yen from the end of the previous fiscal year to 34,369 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. Semi-Annual Consolidated Financial Statements and Notes

(1) Semi-annual consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<ASSETS>		
Current assets		
Cash and deposits	13,405,550	12,493,111
Notes and accounts receivable - trade	6,008,743	5,968,206
Merchandise and finished goods	1,039,963	1,058,094
Work in process	1,847,517	1,869,214
Raw materials and supplies	5,083,804	5,167,075
Other	825,974	684,886
Allowance for doubtful accounts	(8,144)	(13,925)
Total current assets	28,203,409	27,226,662
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,554,412	3,494,743
Land	6,851,964	6,840,772
Other, net	342,822	329,803
Total property, plant and equipment	10,749,199	10,665,319
Intangible assets		
Goodwill	495,549	456,227
Customer-related intangible assets	1,579,493	1,525,150
Other	186,509	174,978
Total intangible assets	2,261,552	2,156,355
Investments and other assets		
Investment securities	547,665	473,205
Retirement benefit asset	274,329	268,643
Deferred tax assets	594,628	593,353
Other	254,006	234,850
Allowance for doubtful accounts	(63,410)	(53,278)
Total investments and other assets	1,607,219	1,516,774
Total non-current assets	14,617,972	14,338,450
Total assets	42,821,381	41,565,113

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,011,414	1,554,401
Electronically recorded obligations - operating	522,006	456,873
Accounts payable - other	587,290	454,557
Income taxes payable	467,798	374,699
Advances received	3,062,706	2,769,979
Provision for bonuses	357,387	322,669
Provision for bonuses for directors	25,450	14,000
Provision for product warranties	284,344	259,750
Other	401,126	333,724
Total current liabilities	7,719,523	6,540,656
Non-current liabilities		
Retirement benefit liability	115,810	112,950
Deferred tax liabilities	387,380	373,163
Other	179,732	168,695
Total non-current liabilities	682,922	654,809
Total liabilities	8,402,446	7,195,466
<NET ASSETS>		
Shareholders' equity		
Share capital	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	29,125,446	29,319,229
Treasury shares	(1,355,730)	(1,355,782)
Total shareholders' equity	31,779,981	31,973,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285,889	234,139
Foreign currency translation adjustment	1,958,804	1,769,003
Remeasurements of defined benefit plans	45,210	38,264
Total accumulated other comprehensive income	2,289,904	2,041,408
Non-controlling interests	349,049	354,527
Total net assets	34,418,934	34,369,647
Total liabilities and net assets	42,821,381	41,565,113

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income**Semi-annual consolidated statements of income**

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	9,975,578	12,133,663
Cost of sales	5,862,477	7,238,625
Gross profit	4,113,100	4,895,038
Selling, general and administrative expenses	3,419,363	3,983,606
Operating profit	693,737	911,431
Non-operating income		
Interest income	9,853	13,820
Dividend income	4,860	7,157
Foreign exchange gains	105,858	-
Other	27,458	14,968
Total non-operating income	148,029	35,946
Non-operating expenses		
Foreign exchange losses	-	207,889
Other	1,142	1,003
Total non-operating expenses	1,142	208,892
Ordinary profit	840,624	738,484
Extraordinary income		
Gain on sales of non-current assets	5,037	4,280
Total extraordinary income	5,037	4,280
Extraordinary losses		
Loss on sales and retirement of non-current assets	30,186	1,269
Total extraordinary losses	30,186	1,269
Profit before income taxes	815,474	741,495
Income taxes	248,607	179,783
Profit	566,867	561,711
Profit attributable to non-controlling interests	27,495	27,580
Profit attributable to owners of parent	539,371	534,131

Semi-annual consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	566,867	561,711
Other comprehensive income		
Valuation difference on available-for-sale securities	87,065	(51,749)
Foreign currency translation adjustments	724,339	(173,112)
Remeasurements of defined benefit plans, net of tax	(4,728)	(6,945)
Total other comprehensive income	806,675	(231,807)
Comprehensive income	1,373,543	329,904
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,332,005	285,634
Comprehensive income attributable to non-controlling interests	41,537	44,269

(3) Notes related to semi-annual consolidated financial statements**< Notes on changes in accounting policies >****< Application of “Accounting Standard for Current Income Taxes” and others >**

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standards”) and others have been applied from the beginning of the current semi-annual consolidated accounting period.

The amendments to the classification of income taxes (taxation on Other comprehensive income) and others are in accordance with the transitional treatment prescribed in the proviso of Article 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso of Article 65-2(2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”).

There is no impact on the semi-annual consolidated financial statements due to this change in accounting policy.

< 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 semi-annual financial statements >

Calculation method for tax expenses

The effective tax rate on profit before income taxes for the semi-annual consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to net Profit before income taxes for the semi-annual period under review

< Segment information >

First Six Months of FY2024 (from April 1, 2023 to September 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 semi-annual consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	4,546,040	2,343,681	2,237,838	848,018	9,975,578	-	9,975,578
Inter-segment sales or transfers	1,898,253	4,377	198,645	8,592	2,109,867	(2,109,867)	-
Total	6,444,293	2,348,058	2,436,483	856,610	12,085,446	(2,109,867)	9,975,578
Segment profit or (loss)	380,671	340,170	196,488	(66,735)	850,595	(156,858)	693,737

*Notes 1: The (156,858) thousand yen adjustment to segment profit or loss is the (85,983) thousand yen of inter-segment transaction eliminations, and the (70,875) thousand yen of inventory adjustments.

*Notes 2: Segment profit or loss is adjusted to be consistent with operating profit shown on the semi-annual consolidated statements of income.

First Six Months of FY2025 (from April 1, 2024 to September 30, 2024)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on semi-annual consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	5,226,782	2,012,212	2,426,290	2,468,378	12,133,663	-	12,133,663
Inter-segment sales or transfers	2,393,172	13,163	201,921	646	2,608,904	(2,608,904)	-
Total	7,619,954	2,025,375	2,628,212	2,469,024	14,742,567	(2,608,904)	12,133,663
Segment profit or (loss)	647,995	(34,452)	194,479	40,963	848,986	62,444	911,431

*Notes 1: The 62,444 thousand yen adjustment to segment profit or loss is the (7,276) thousand yen of inter-segment transaction eliminations, and the 69,721 thousand yen of inventory adjustments.

*Notes 2: Segment profit or loss is adjusted to be consistent with operating profit shown on the semi-annual consolidated statements of income.

3. Supplemental Information

(1) Orders, backlog and sales

a. Orders

1) Order received

(Thousands of yen)

Products	First Six Months of FY2024	First Six Months of FY2025	Change (%)
Robots	6,735,977	8,401,836	124.7
Custom-ordered equipment	2,231,454	2,228,139	99.9
Parts and maintenance services	2,271,229	2,359,708	103.9
Total	11,238,661	12,989,684	115.6

2) Backlog of orders

(Thousands of yen)

Products	As of September 30, 2023	As of September 30, 2024	Change (%)
Robots	3,538,026	4,634,998	131.0
Custom-ordered equipment	7,200,725	4,557,626	63.3
Parts and maintenance services	510,986	424,506	83.1
Total	11,249,739	9,617,131	85.5

b. Net sales

(Thousands of yen)

Products	First Six Months of FY2024	First Six Months of FY2025	Change (%)
Robots	6,683,874	6,847,861	102.5
Custom-ordered equipment	1,278,252	2,923,355	228.7
Parts and maintenance services	2,013,450	2,362,446	117.3
Total	9,975,578	12,133,663	121.6

(2) Overseas Sales

First Six Months of FY2024 (from April 1, 2023 to September 30, 2023)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
Overseas sales	2,125,000	3,043,866	685,754	543,110	6,397,732
Consolidated net sales					9,975,578
Ratio of overseas sales to consolidated net sales (%)	21.3	30.5	6.9	5.4	64.1

First Six Months of FY2025 (from April 1, 2024 to September 30, 2024)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
Overseas sales	2,189,578	3,125,991	2,264,802	335,160	7,915,531
Consolidated net sales					12,133,663
Ratio of overseas sales to consolidated net sales (%)	18.0	25.8	18.7	2.8	65.2