

## Consolidated Financial Results for the First Quarter Ended June 30, 2019 <under Japanese GAAP>

Company Name: **YUSHIN PRECISION EQUIPMENT CO., LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Securities code: 6482  
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Scheduled date to submit quarterly report: August 9, 2019  
 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, 2019 (from April 1, 2019 to June 30, 2019)

#### (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, 2019	5,428	9.0	667	50.6	618	43.2	432	46.4
June 30, 2018	4,982	9.1	443	(1.7)	431	(10.3)	295	(14.2)

Note: Comprehensive income

Three months ended June 30, 2019: 285 million yen [ ( 6.2) % ]

Three months ended June 30, 2018: 304 million yen [ (22.2) % ]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	12.69	-
June 30, 2018	8.45	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	31,676	26,733	83.7
As of March 31, 2019	33,197	27,117	80.9

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

As of June 30, 2019: 26,503 million yen

As of March 31, 2019: 26,861 million yen

**2. Cash Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	-	8.00	-	9.00	17.00
FY2020	-				
FY2020 (Forecast)		8.00	-	10.00	18.00

Note : Revisions to projected dividends most recently announced: None

**3. Consolidated Earnings Forecasts for the FY2020 (from April 1, 2019 to March 31, 2020)**

(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
First six months ending September 30, 2019	10,500	(0.8)	1,250	3.9	1,250	1.7	900	4.5	26.24
FY2020	22,000	0.8	2,800	1.4	2,800	0.3	1,950	2.4	56.84

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, 2019	35,638,066 shares	As of March 31, 2019	35,638,066 Shares
2) Number of shares of treasury shares at the end of the period	As of June 30, 2019	1,602,248 shares	As of March 31, 2019	1,333,548 Shares
3) Average number of outstanding shares during the period	Three months ended June 30, 2019	34,107,843 shares	Three months ended June 30, 2018	34,974,102 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**

As for the global economy during the first quarter ended June 30, 2019, while the U.S. and Europe have continued to show a gradual recovery, China has seen a marked slowdown in economic growth. In addition, there is growing uncertainty about the future, such as trade friction between the U.S. and China, and the UK's departure from the EU, and the decline in corporate capital investment appetite has become apparent.

In these circumstances, YUSHIN Group has continued to work on developing new customers on a global scale, but orders remained weak during the first quarter. The business results for the first quarter are as follows. Although Take-out robot sales decreased year on year due to a decrease in capital investment in Asia, especially in China, the consolidated net sales increased by 9.0% year on year to 5,428 million yen due to a significant increase year on year of Custom-ordered equipment sales in Europe. As selling, general and administrative expenses decreased with the progress of business efficiency, operating profit increased by 50.6% year on year to 667 million yen, and ordinary profit increased by 43.2% year on year to 618 million yen despite the posting of foreign exchange losses. As a result, profit attributable to owners of parent increased by 46.4% year on year to 432 million yen.

Also, we established YUSHIN EUROPE GMBH, a wholly owned subsidiary in Germany, with the aim of expanding sales channels in the European market and expanding its service network, and started operations in June 2019.

### **(2) Explanation on the financial condition**

#### <Assets>

Total assets decreased by 1,521 million yen from the end of the previous fiscal year to 31,676 million yen.

This was mainly due to decrease of "Work in process" by 465 million yen.

#### <Liabilities>

Total liabilities decreased by 1,137 million yen from the end of the previous fiscal year to 4,942 million yen.

This was mainly due to decrease of "Advances received" by 538 million yen.

#### <Net assets>

Net assets decreased by 383 million yen from the end of the previous fiscal year to 26,733 million yen.

### **(3) Explanation on the forecast information including consolidated earnings forecast and others**

No revisions for interim and full year consolidated earnings forecasts have been made for the FY2020 released on May 10, 2019.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly consolidated balance sheets**

	(Thousands of yen)	
	As of March 31, 2019	As of June 30, 2019
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	6,362,933	6,347,024
Notes and accounts receivable - trade	6,844,705	6,608,685
Merchandise and finished goods	717,394	861,283
Work in process	1,696,139	1,230,592
Raw materials and supplies	3,619,833	3,442,143
Other	742,175	241,239
Allowance for doubtful accounts	(18,327)	(18,119)
Total current assets	19,964,853	18,712,849
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,995,284	4,865,335
Land	6,130,716	6,117,831
Other	282,464	272,397
Total property, plant and equipment	11,408,464	11,255,564
Intangible assets	429,392	399,268
Investments and other assets		
Investment securities	218,062	199,924
Retirement benefit asset	294,037	292,311
Deferred tax assets	705,335	646,802
Other	196,910	190,332
Allowance for doubtful accounts	(19,795)	(20,859)
Total investments and other assets	1,394,549	1,308,512
Total non-current assets	13,232,406	12,963,344
Total assets	33,197,260	31,676,194

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
<b>&lt;LIABILITIES&gt;</b>		
Current liabilities		
Notes and accounts payable - trade	2,367,211	2,131,500
Accounts payable - other	492,256	456,155
Income taxes payable	523,827	104,494
Advances received	1,755,449	1,217,085
Provision for bonuses	273,647	143,762
Provision for bonuses for directors	37,520	8,437
Provision for product warranties	147,609	133,965
Other	262,543	532,913
Total current liabilities	5,860,064	4,728,314
Non-current liabilities		
Provision for retirement benefits for directors	66,780	66,780
Retirement benefit liability	65,723	63,454
Deferred tax liabilities	37,324	36,206
Other	49,882	47,824
Total non-current liabilities	219,710	214,264
Total liabilities	6,079,775	4,942,578
<b>&lt;NET ASSETS&gt;</b>		
Shareholders' equity		
Share capital	1,985,666	1,985,666
Capital surplus	2,023,903	2,023,903
Retained earnings	23,579,393	23,703,574
Treasury shares	(1,039,026)	(1,354,956)
Total shareholders' equity	26,549,936	26,358,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56,815	44,209
Foreign currency translation adjustment	184,923	33,378
Remeasurements of defined benefit plans	69,743	68,054
Total accumulated other comprehensive income	311,482	145,642
Non-controlling interests	256,066	229,785
Total net assets	27,117,484	26,733,615
Total liabilities and net assets	33,197,260	31,676,194

**(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income****Quarterly consolidated statements of income**

	(Thousands of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	4,982,033	5,428,963
Cost of sales	3,015,390	3,290,723
Gross profit	1,966,642	2,138,239
Selling, general and administrative expenses	1,523,089	1,470,346
Operating profit	443,553	667,893
Non-operating income		
Interest income	1,649	1,646
Dividend income	2,535	3,819
Purchase discounts	3,477	2,778
Other	5,162	4,395
Total non-operating income	12,825	12,639
Non-operating expenses		
Sales discounts	241	61
Foreign exchange losses	24,191	61,743
Other	0	107
Total non-operating expenses	24,432	61,912
Ordinary profit	431,945	618,621
Extraordinary income		
Gain on sales of non-current assets	151	3,189
Total extraordinary income	151	3,189
Extraordinary losses		
Loss on sales and retirement of non-current assets	40	342
Total extraordinary losses	40	342
Profit before income taxes	432,056	621,468
Income taxes	122,051	169,966
Profit	310,004	451,502
Profit attributable to non-controlling interests	14,348	18,579
Profit attributable to owners of parent	295,656	432,922

**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	310,004	451,502
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,101)	(12,605)
Foreign currency translation adjustment	17,564	(151,738)
Remeasurements of defined benefit plans, net of tax	(1,056)	(1,688)
Total other comprehensive income	(5,593)	(166,032)
Comprehensive income	304,411	285,469
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	294,484	267,082
Comprehensive income attributable to non-controlling interests	9,926	18,387



**(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 >**

FY2019 1Q (from April 1, 2018 to June 30, 2018)

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	2,628,343	882,555	1,378,632	92,502	4,982,033	-	4,982,033
Inter-segment sales or transfers	1,142,867	7,740	66,676	271	1,217,556	(1,217,556)	-
Total	3,771,210	890,296	1,445,309	92,773	6,199,589	(1,217,556)	4,982,033
Segment profit	193,133	41,625	158,016	(5,642)	387,133	56,419	443,553

\*Notes 1: The 56,419 thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 17,488 thousand yen and inventory adjustments of 38,931 thousand yen.

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

FY2020 1Q (from April 1, 2019 to June 30, 2019)

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	2,658,902	851,785	942,297	975,977	5,428,963	-	5,428,963
Inter-segment sales or transfers	783,108	4,997	75,697	-	863,803	(863,803)	-
Total	3,442,011	856,783	1,017,994	975,977	6,292,766	(863,803)	5,428,963
Segment profit	113,909	111,699	96,990	124,891	447,491	220,401	667,893

\*Notes 1: The 220,401 thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 9,877 thousand yen and inventory adjustments of 210,523 thousand yen.

\*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	FY2019 1Q	FY2020 1Q	Change (%)
Take-out robots	4,246,466	3,362,498	79.2
Custom-ordered equipment	847,428	1,168,283	137.9
Parts and maintenance service	840,165	771,825	91.9
Total	5,934,060	5,302,607	89.4

## 2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2018	As of June 30, 2019	Change (%)
Take-out robots	3,338,407	3,082,159	92.3
Custom-ordered equipment	2,818,158	2,915,546	103.5
Parts and maintenance service	332,388	226,520	68.1
Total	6,488,954	6,224,226	95.9

## b. Net sales

(Thousands of yen)

Products	FY2019 1Q	FY2020 1Q	Change (%)
Take-out robots	3,875,769	3,284,871	84.8
Custom-ordered equipment	351,180	1,373,240	391.0
Parts and maintenance service	755,084	770,851	102.1
Total	4,982,033	5,428,963	109.0

**(2) Overseas sales**

## FY2019 1Q (from April 1, 2018 to June 30, 2018)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	776,285	2,079,699	162,101	193,168	3,211,255
II Consolidated net sales					4,982,033
III Ratio of overseas sales to consolidated net sales (%)	15.6	41.7	3.3	3.9	64.5

## FY2020 1Q (from April 1, 2019 to June 30, 2019)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,368,002	1,559,872	383,240	153,831	3,464,947
II Consolidated net sales					5,428,963
III Ratio of overseas sales to consolidated net sales (%)	25.2	28.7	7.1	2.8	63.8