

<Translation>



November 6, 2020

## Consolidated Financial Results for the Six Months Ended September 30, 2020 <under Japanese GAAP>

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

Listing: First Section 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: November 13, 2020

Scheduled date to commence dividend payments: December 1, 2020

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. Consolidated Business Results for the Six Months Ended September 30, 2020

(from April 1, 2020 to September 30, 2020)

#### (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, 2020	8,072	(22.1)	871	(30.6)	900	(23.2)	659	(21.3)
September 30, 2019	10,364	(2.1)	1,255	4.4	1,172	(4.6)	838	(2.7)

Note: Comprehensive income Six months ended September 30, 2020: 697 million yen [ 9.4 %]

Six months ended September 30, 2019: 637 million yen [ (36.4) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	19.39	-
September 30, 2019	24.61	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	32,034	27,791	86.1
As of March 31, 2020	31,933	27,471	85.3

Reference: Equity capital

As of September 30, 2020: 27,576 million yen

As of March 31, 2020: 27,229 million yen

## 2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	-	8.00	-	10.00	18.00
FY2021	-	5.00			
FY2021 (Forecast)			-	6.00	11.00

Note: Revisions to projected dividends most recently announced: None

## 3. Consolidated Earnings Forecasts for the FY2021 (from April 1, 2020 to March 31, 2021)

(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
FY2021	17,000	(15.1)	1,600	(30.7)	1,610	(27.0)	1,150	(25.0)	33.79

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)

- Number of issued shares at the end of the period (including shares of treasury shares)
- Number of shares of treasury shares at the end of the period
- Average number of outstanding shares during the period

As of Sept. 30, 2020	35,638,066 shares	As of March 31, 2020	35,638,066 Shares
As of Sept. 30, 2020	1,602,454 Shares	As of March 31, 2020	1,602,454 Shares
Six months ended Sept. 30, 2020	34,035,612 shares	Six months ended Sept. 30, 2019	34,076,975 shares

\* This “Consolidated Financial Results for the Six Months” 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 half of the current fiscal year, the global economy has been in a severe situation with negative growth due to the continued significant restrictions on corporate activities caused by the global spread of COVID-19. Although some countries in Asia, including China and South Korea, have recently shown signs of recovery, the outlook for the global economy remains uncertain due to concerns about the prolonged impact of COVID-19 on the economy, as there is still no prospect of an end to the disease.

Under these circumstances, YUSHIN Group has placed the safety of its customers, business partners and employees as its first priority and has continued to develop new customers on a global scale while paying close attention to the possibility of COVID-19 infection. However, the number of orders received during the first half of the current fiscal year was sluggish compared to the first half of the previous fiscal year.

During the first half of the current fiscal year, sales of take-out robots in Japan and Asia decreased compared to the same period of the previous year due to a decline in the appetite for capital investment, although sales in North America were strong, mainly in the medical field. In Europe, sales of Custom-ordered equipment decreased compared to the same period of the previous year due to the difference in the timing of deliveries, despite a certain amount of sales. As a result, consolidated net sales were down 22.1% year on year, to 8,072 million yen. On the profit front, despite continued efforts to reduce expenses, operating profit fell 30.6% to 871 million yen and ordinary profit fell 23.2% to 900 million yen due to the decline in consolidated net sales. As a result, profit attributable to owners of parent fell 21.3% year on year to 659 million yen.

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

#### <Assets>

Total assets increased by 101 million yen from the end of the previous fiscal year to 32,034 million yen. This was mainly due to increase of “Cash and deposits” by 1,671 million yen.

#### <Liabilities>

Total liabilities decreased by 218 million yen from the end of the previous fiscal year to 4,243 million yen. This was mainly due to decrease of “Advances received” by 219 million yen.

#### <Net assets>

Net assets increased by 319 million yen from the end of the previous fiscal year to 27,791 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, 2021 that was announced in Consolidated Financial Results for the First Quarter released on August 5, 2020.

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

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	8,646,219	10,317,896
Notes and accounts receivable - trade	5,410,654	4,274,363
Merchandise and finished goods	772,690	864,362
Work in process	1,120,628	1,083,860
Raw materials and supplies	3,165,533	2,933,785
Other	295,409	291,574
Allowance for doubtful accounts	(19,247)	(15,006)
Total current assets	19,391,889	19,750,836
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,554,294	4,347,638
Land	6,107,772	6,110,470
Other, net	243,910	229,369
Total property, plant and equipment	10,905,978	10,687,477
Intangible assets	358,333	307,111
Investments and other assets		
Investment securities	159,973	209,450
Retirement benefit asset	285,556	281,276
Deferred tax assets	658,373	621,248
Other	193,669	195,863
Allowance for doubtful accounts	(20,403)	(18,663)
Total investments and other assets	1,277,168	1,289,175
Total non-current assets	12,541,479	12,283,764
Total assets	31,933,368	32,034,600

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
<b>&lt;LIABILITIES&gt;</b>		
Current liabilities		
Notes and accounts payable - trade	1,698,391	1,632,652
Accounts payable - other	418,287	339,770
Income taxes payable	137,914	211,369
Advances received	1,270,310	1,051,133
Provision for bonuses	267,606	262,618
Provision for bonuses for directors	23,410	16,950
Provision for product warranties	178,399	213,954
Other	256,484	302,372
Total current liabilities	4,250,803	4,030,820
Non-current liabilities		
Provision for retirement benefits for directors	66,780	66,780
Retirement benefit liability	62,919	69,442
Deferred tax liabilities	34,438	32,129
Other	46,466	43,827
Total non-current liabilities	210,603	212,179
Total liabilities	4,461,407	4,243,000
<b>&lt;NET ASSETS&gt;</b>		
Shareholders' equity		
Capital stock	1,985,666	1,985,666
Capital surplus	2,023,903	2,023,903
Retained earnings	24,531,217	24,850,716
Treasury shares	(1,355,167)	(1,355,167)
Total shareholders' equity	27,185,619	27,505,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,443	50,829
Foreign currency translation adjustment	(34,487)	(36,371)
Remeasurements of defined benefit plans	62,169	56,591
Total accumulated other comprehensive income	44,125	71,049
Non-controlling interests	242,216	215,432
Total net assets	27,471,961	27,791,600
Total liabilities and net assets	31,933,368	32,034,600

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

	(Thousands of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	10,364,957	8,072,037
Cost of sales	6,236,156	4,717,131
Gross profit	4,128,801	3,354,905
Selling, general and administrative expenses	2,873,206	2,483,521
Operating profit	1,255,595	871,384
Non-operating income		
Interest income	3,153	3,296
Dividend income	3,819	2,889
Purchase discounts	5,313	3,385
Foreign exchange gains	-	323
Subsidy income	-	10,590
Other	7,469	8,899
Total non-operating income	19,755	29,383
Non-operating expenses		
Sales discounts	278	267
Foreign exchange losses	101,908	-
Other	549	62
Total non-operating expenses	102,737	330
Ordinary profit	1,172,613	900,438
Extraordinary income		
Gain on sales of non-current assets	3,565	414
Total extraordinary income	3,565	414
Extraordinary losses		
Loss on sales and retirement of non-current assets	349	0
Total extraordinary losses	349	0
Profit before income taxes	1,175,829	900,853
Income taxes	310,851	230,959
Profit	864,977	669,893
Profit attributable to non-controlling interests	26,328	10,038
Profit attributable to owners of parent	838,648	659,855

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

	(Thousands of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	864,977	669,893
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,805)	34,386
Foreign currency translation adjustments	(215,751)	(1,503)
Remeasurements of defined benefit plans, net of tax	(3,377)	(5,577)
Total other comprehensive income	(227,934)	27,304
Comprehensive income	637,043	697,198
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	609,430	686,779
Comprehensive income attributable to non-controlling interests	27,612	10,418



**(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 income before income tax for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to net income for the quarterly period under review.

**< Segment information >**

First Six Months of FY2020 (from April 1, 2019 to September 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	5,375,455	1,582,980	2,014,493	1,392,028	10,364,957	-	10,364,957
Inter-segment sales or transfers	1,828,216	9,443	148,882	190	1,986,732	(1,986,732)	-
Total	7,203,671	1,592,423	2,163,376	1,392,218	12,351,690	(1,986,732)	10,364,957
Segment profit	476,618	158,667	190,422	166,323	992,033	263,561	1,255,595

\*Notes 1: The 263,561 thousand yen adjustment to segment profit includes 16,200 thousand yen eliminations for inter-segment transaction and 247,360 thousand yen inventory adjustments.

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

First Six Months of FY2021 (from April 1, 2020 to September 30, 2020)

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	3,558,379	1,682,566	1,643,445	1,187,646	8,072,037	-	8,072,037
Inter-segment sales or transfers	1,984,585	4,495	102,065	3,202	2,094,348	(2,094,348)	-
Total	5,542,964	1,687,061	1,745,510	1,190,848	10,166,385	(2,094,348)	8,072,037
Segment profit	274,254	260,407	100,201	201,998	836,861	34,523	871,384

\*Notes 1: The 34,523 thousand yen adjustment to segment profit includes 16,601 thousand yen eliminations for inter-segment transaction and 17,921 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	First Six Months of FY2020	First Six Months of FY2021	Change (%)
Take-out robots	6,778,191	5,571,468	82.2
Custom-ordered equipment	1,853,172	1,364,768	73.6
Parts and maintenance service	1,591,083	1,451,154	91.2
Total	10,222,447	8,387,391	82.0

##### 2) Backlog of orders

(Thousands of yen)

Products	As of September 30, 2019	As of September 30, 2020	Change (%)
Take-out robots	2,973,763	2,684,985	90.3
Custom-ordered equipment	2,983,266	1,780,469	59.7
Parts and maintenance service	251,042	240,121	95.6
Total	6,208,072	4,705,576	75.8

##### b. Net sales

(Thousands of yen)

Products	First Six Months of FY2020	First Six Months of FY2021	Change (%)
Take-out robots	6,808,961	5,006,631	73.5
Custom-ordered equipment	1,990,408	1,645,759	82.7
Parts and maintenance service	1,565,588	1,419,646	90.7
Total	10,364,957	8,072,037	77.9

#### (2) Overseas Sales

First Six Months of FY2020 (from April 1, 2019 to September 30, 2019)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	2,097,139	3,124,774	781,914	274,504	6,278,332
II Consolidated net sales					10,364,957
III Ratio of overseas sales to consolidated net sales (%)	20.2	30.1	7.5	2.6	60.6

First Six Months of FY2021 (from April 1, 2020 to September 30, 2020)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,676,757	2,195,792	1,244,265	197,437	5,314,253
II Consolidated net sales					8,072,037
III Ratio of overseas sales to consolidated net sales (%)	20.8	27.2	15.4	2.4	65.8