

## Consolidated Financial Results for the Six Months Ended September 30, 2022 <under Japanese GAAP>

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

Listing: Prime Market 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 14, 2022

Scheduled date to commence dividend payments: December 1, 2022

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, 2022

(from April 1, 2022 to September 30, 2022)

#### (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, 2022	10,355	6.5	1,078	(20.1)	1,251	(11.9)	884	(14.1)
September 30, 2021	9,722	20.4	1,349	54.8	1,420	57.8	1,030	56.1

Note: Comprehensive income Six months ended September 30, 2022: 1,431 million yen [40.2 %]

Six months ended September 30, 2021: 1,020 million yen [46.4 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	25.99	-
September 30, 2021	30.26	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	38,558	32,123	82.6
As of March 31, 2022	36,892	31,047	83.5

Reference: Equity capital

As of September 30, 2022: 31,852 million yen

As of March 31, 2022: 30,794 million yen

## 2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	9.00	-	10.00	19.00
FY2023	-	10.00			
FY2023 (Forecast)			-	20.00	30.00

Note 1: Revisions to projected dividends most recently announced: None

Note 2: Breakdown of dividends 4Q in FY2023 (forecast)

Ordinary dividends: 10.00 yen

Commemorative dividends: 10.00 yen (the 50<sup>th</sup> anniversary of the establishment)

## 3. Consolidated Earnings Forecasts for the FY2023 (from April 1, 2022 to March 31, 2023)

(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
FY2023	22,000	5.4	2,400	(17.0)	2,600	(15.7)	1,800	(14.8)	52.89

Note: Revisions to projected results most recently announced: Yes

### \* 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 Sept. 30, 2022	35,638,066 Shares	As of March 31, 2022	35,638,066 Shares
2) Number of treasury shares at the end of the period	As of Sept. 30, 2022	1,602,938 Shares	As of March 31, 2022	1,602,804 Shares
3) Average number of outstanding shares during the period	Six months ended Sept. 30, 2022	34,035,205 Shares	Six months ended Sept. 30, 2021	34,035,509 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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**[Attached Material]****INDEX**

1. Qualitative Information on Quarterly Consolidated Financial Performance .....	2
(1) Explanation on the business results .....	2
(2) Explanation on the financial condition .....	2
(3) Explanation on the forecast information including consolidated earnings forecast and others .....	2
2. Quarterly Consolidated Financial Statements and Notes .....	3
(1) Quarterly consolidated balance sheets .....	3
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income .....	5
Quarterly consolidated statements of income .....	5
Quarterly consolidated statements of comprehensive income .....	6
(3) Notes related to quarterly consolidated financial statements .....	7
< Notes related to going concern assumption > .....	7
< Notes in the event of significant changes in shareholders' equity > .....	7
< Adoption of special accounting methods for preparation of quarterly financial statements > .....	7
< Segment information > .....	7
3. Supplemental Information .....	8
(1) Orders, backlog and sales .....	8
(2) Overseas sales .....	8

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation on the business results

With regard to the global economy during the first half of the current fiscal year, the global economy showed positive growth due to the restrictions on business activities are loosened by the worldwide progress in vaccination against COVID-19, and the compatibility of business and economic activities, while the future outlook remains uncertain due to the exchange rate fluctuations caused by the drastic depreciation of the yen, steep rise in the raw material and ocean transport cost caused by the geopolitical risk.

Under these circumstances, YUSHIN Group has continued to expand business of custom-ordered equipment for medical field and develop new customers on a global scale. As a result, orders in the first half of the current fiscal year increased significantly compared to the first half of the previous fiscal year. During the fiscal year under review, the sales in Japan and North America increased while the sales of take-out robot in China decreased due to the lockdown. As a result, consolidated Net sales increased by 6.5% year on year to 10,355 million yen. Operating profit decreased by 20.1% year on year to 1,078 million yen due to the downturn of the gross profit margin caused by raw material price increase, and the rise in labor cost due to investment in human resources and sea transportation costs while there was improvement due to the rise of the consolidated Net sales. Although there was a foreign exchange gain, ordinary profit decreased by 11.9% year on year to 1,251 million yen, and Net income attributable to owners of the parent company decreased by 14.1% year on year to 884 million yen despite foreign exchange gain.

During the first half of the current fiscal year, YUSHIN has passed a resolution to establish the “sustainability committee.” YUSHIN aims to increase the corporate value through sustainable business activities while YUSHIN contributes to build sustainable society and environment through the business activities.

### (2) Explanation on the financial condition

#### <Assets>

Total assets increased by 1,665 million yen from the end of the previous fiscal year to 38,558 million yen. This was mainly due to increase of “Cash and deposits” by 1,122 million yen.

#### <Liabilities>

Total liabilities increased by 589 million yen from the end of the previous fiscal year to 6,435 million yen. This was mainly due to increase of “Advances received” by 918 million yen.

#### <Net assets>

Net assets increased by 1,075 million yen from the end of the previous fiscal year to 32,123 million yen.

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

As a result of reviewing the earnings forecasts based on future industry trends, the full-year Consolidated Earnings Forecasts for the fiscal year ending March 2023, that was announced in Consolidated Financial Results released on May 11, 2022, have been revised. For details, please refer to the "Difference between Forecast and Actual Result of Consolidated Cumulative Second Quarter of Fiscal Year ending March 2023, and the Revisions for Annual Earnings Forecast" announced today.

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

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>&lt;ASSETS&gt;</b>		
Current assets		
Cash and deposits	12,404,898	13,526,960
Notes and accounts receivable - trade	5,905,288	5,783,153
Merchandise and finished goods	1,074,756	1,288,382
Work in process	1,203,508	1,537,647
Raw materials and supplies	3,571,482	3,779,661
Other	348,565	411,135
Allowance for doubtful accounts	(7,869)	(9,721)
Total current assets	24,500,630	26,317,219
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,849,455	3,746,616
Land	6,812,488	6,821,434
Other, net	264,093	261,132
Total property, plant and equipment	10,926,037	10,829,183
Intangible assets	186,751	167,191
Investments and other assets		
Investment securities	263,848	249,753
Retirement benefit asset	264,457	258,227
Deferred tax assets	647,939	642,624
Other	181,809	151,394
Allowance for doubtful accounts	(78,488)	(57,195)
Total investments and other assets	1,279,566	1,244,804
Total non-current assets	12,392,355	12,241,178
Total assets	36,892,986	38,558,398

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>&lt;LIABILITIES&gt;</b>		
Current liabilities		
Notes and accounts payable - trade	2,646,296	2,587,817
Accounts payable - other	519,785	540,345
Income taxes payable	560,244	324,168
Advances received	1,162,547	2,081,188
Provision for bonuses	300,053	310,845
Provision for bonuses for directors	32,400	16,950
Provision for product warranties	137,341	129,580
Other	310,217	256,311
Total current liabilities	5,668,885	6,247,206
Non-current liabilities		
Retirement benefit liability	100,402	105,319
Deferred tax liabilities	24,179	22,077
Other	51,807	60,598
Total non-current liabilities	176,388	187,995
Total liabilities	5,845,274	6,435,201
<b>&lt;NET ASSETS&gt;</b>		
Shareholders' equity		
Capital stock	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	27,212,010	27,756,217
Treasury shares	(1,355,446)	(1,355,539)
Total shareholders' equity	29,866,827	30,410,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	88,637	78,841
Foreign currency translation adjustment	796,769	1,326,202
Remeasurements of defined benefit plans	41,960	36,808
Total accumulated other comprehensive income	927,367	1,441,851
Non-controlling interests	253,516	270,402
Total net assets	31,047,712	32,123,196
Total liabilities and net assets	36,892,986	38,558,398

**(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, 2021	Six months ended September 30, 2022
Net sales	9,722,592	10,355,594
Cost of sales	5,448,562	6,040,583
Gross profit	4,274,029	4,315,011
Selling, general and administrative expenses	2,924,865	3,236,460
Operating profit	1,349,164	1,078,550
Non-operating income		
Interest income	3,425	3,148
Dividend income	2,860	4,147
Purchase discounts	3,927	4,082
Foreign exchange gains	-	150,879
Surrender value of insurance policies	71,930	-
Other	10,746	11,863
Total non-operating income	92,889	174,120
Non-operating expenses		
Foreign exchange losses	20,697	-
Other	755	870
Total non-operating expenses	21,453	870
Ordinary profit	1,420,600	1,251,800
Extraordinary income		
Gain on sales of non-current assets	708	149
Total extraordinary income	708	149
Extraordinary losses		
Loss on sales and retirement of non-current assets	202	352
Total extraordinary losses	202	352
Profit before income taxes	1,421,106	1,251,598
Income taxes	381,017	342,792
Profit	1,040,089	908,805
Profit attributable to non-controlling interests	10,081	24,245
Profit attributable to owners of parent	1,030,007	884,559

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

	(Thousands of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,040,089	908,805
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,332)	(9,795)
Foreign currency translation adjustments	12,395	537,457
Remeasurements of defined benefit plans, net of tax	(4,371)	(5,152)
Total other comprehensive income	(19,309)	522,508
Comprehensive income	1,020,779	1,431,313
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,025,270	1,399,043
Comprehensive income attributable to non-controlling interests	(4,490)	32,270



**(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 net profit before income taxes for the quarterly period under review

**< Segment information >**

First Six Months of FY2022 (from April 1, 2021 to September 30, 2021)

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	4,767,489	1,934,555	2,580,446	440,101	9,722,592	-	9,722,592
Inter-segment sales or transfers	2,317,070	2,479	215,027	1,785	2,536,362	(2,536,362)	-
Total	7,084,559	1,937,035	2,795,473	441,886	12,258,955	(2,536,362)	9,722,592
Segment profit	808,142	265,152	300,444	62,168	1,435,908	(86,744)	1,349,164

\*Notes 1: The (86,744) thousand yen adjustment to segment profit is 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 FY2023 (from April 1, 2022 to September 30, 2022)

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	5,218,452	2,270,123	2,579,205	287,813	10,355,594	-	10,355,594
Inter-segment sales or transfers	2,228,625	4,276	170,138	3,715	2,406,755	(2,406,755)	-
Total	7,447,078	2,274,399	2,749,344	291,528	12,762,350	(2,406,755)	10,355,594
Segment profit or (loss)	757,775	186,812	289,825	(68,349)	1,166,064	(87,513)	1,078,550

\*Notes 1: The (87,513) thousand yen adjustment to segment profit or loss is the 1,284 thousand yen of inter-segment transaction eliminations, and the (88,797) thousand yen of inventory adjustments.

\*Notes 2: Segment profit or loss 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 FY2022	First Six Months of FY2023	Change (%)
Take-out robots	7,601,276	7,983,860	105.0
Custom-ordered equipment	1,707,457	2,631,742	154.1
Parts and maintenance service	1,683,066	1,855,703	110.3
Total	10,991,800	12,471,306	113.5

## 2) Backlog of orders

(Thousands of yen)

Products	As of September 30, 2021	As of September 30, 2022	Change (%)
Take-out robots	3,784,474	4,236,969	112.0
Custom-ordered equipment	1,854,376	3,174,174	171.2
Parts and maintenance service	261,972	294,106	112.3
Total	5,900,823	7,705,250	130.6

## b. Net sales

(Thousands of yen)

Products	First Six Months of FY2022	First Six Months of FY2023	Change (%)
Take-out robots	6,817,537	6,867,708	100.7
Custom-ordered equipment	1,276,855	1,667,159	130.6
Parts and maintenance service	1,628,199	1,820,726	111.8
Total	9,722,592	10,355,594	106.5

**(2) Overseas Sales**

First Six Months of FY2022 (from April 1, 2021 to September 30, 2021)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
Overseas sales	1,871,794	3,498,535	341,799	290,002	6,002,133
Consolidated net sales					9,722,592
Ratio of overseas sales to consolidated net sales (%)	19.3	36.0	3.5	3.0	61.7

First Six Months of FY2023 (from April 1, 2022 to September 30, 2022)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
Overseas sales	2,291,099	3,417,996	158,873	255,955	6,123,924
Consolidated net sales					10,355,594
Ratio of overseas sales to consolidated net sales (%)	22.1	33.0	1.5	2.5	59.1