

<Translation>



August 3, 2017

## Consolidated Financial Results for the First Quarter Ended June 30, 2017 <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 10, 2017

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, 2017

(from April 1, 2017 to June 30, 2017)

#### (1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2017	4,566	9.1	451	(30.0)	481	2.8	344	4.4
June 30, 2016	4,184	(14.9)	644	5.4	468	(28.9)	330	(27.8)

Note: Comprehensive income

Three months ended June 30, 2017: 391 million yen [ - %]

Three months ended June 30, 2016: (70) million yen [ - %]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2017	19.71	-
June 30, 2016	18.89	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	30,756	25,450	82.2
As of March 31, 2017	30,761	25,451	82.1

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

As of June 30, 2017: 25,272 million yen

As of March 31, 2017: 25,258 million yen

**2. Cash Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2017	-	15.00	-	21.00	36.00
FY2018	-				
FY2018 (Forecast)		15.00	-	18.00	33.00

Note: Revisions to projected dividends most recently announced: None

**3. Consolidated Earnings Forecasts for the FY2018 (from April 1, 2017 to March 31, 2018)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2017	10,200	14.0	1,250	(7.0)	1,250	8.7	850	0.0	48.61
FY2018	21,000	8.5	2,700	27.8	2,700	31.2	1,900	37.7	108.65

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) 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 stock)
 

As of June 30, 2017	17,819,033 shares
As of March 31, 2017	17,819,033 shares
  - 2) Number of shares of treasury stock at the end of the period
 

As of June 30, 2017	331,740 shares
As of March 31, 2017	331,715 shares
  - 3) Average number of outstanding shares during the period
 

Three months ended June 30, 2017	17,487,312 shares
Three months ended June 30, 2016	17,487,793 shares

\* Information regarding the implementation of quarterly review procedures

This quarterly financial information included in this summary is out of scope of quarterly review.

\* 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]

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## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

### **(1) Explanation on the business results**

As for the world economy during the first quarter ended June 30, 2017, there was modest recovery centering around developed countries. Although economic growth in China and emerging countries slowed down, the economy of the US continued a mild expansion against a background of steady individual consumption and improvements of the employment environment. In Europe, the economy was steady despite uncertainty caused by geopolitical risk.

In these circumstances, Yushin Group has strived to expand operation in a new business area, to develop new products and to obtain new world-class customers and the booking remained steady in the first quarter ended June 30, 2017. The consolidated net sales increased by 9.1% year on year to 4,566 million yen due to the increase of sales of take-out robots. However operating income decreased by 30.0% year on year to 451 million yen mainly due to cost for development of new take-out robot and increase in depreciation related to new HQ building. Ordinary income increased by 2.8% year on year to 481 million yen due to foreign exchange gains and net income attributable to the parent company increased by 4.4% year on year to 344 million yen.

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

<Assets>

Total assets decreased by 5 million yen from the end of the previous fiscal year to 30,756 million yen.

<Liabilities>

Total liabilities decreased by 4 million yen from the end of the previous fiscal year to 5,305 million yen.

<Net assets>

Net assets decreased by 1 million yen from the end of the previous fiscal year to 25,450 million yen.

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

No revisions for interim and full year have been made to consolidated earnings forecasts for the FY2018 released on May 10, 2017.

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

	(Thousands of yen)	
	As of March 31, 2017	As of June 30, 2017
<ASSETS>		
Current assets		
Cash and deposits	5,734,493	5,830,793
Notes and accounts receivable - trade	6,479,748	6,011,243
Merchandise and finished goods	769,815	1,022,312
Work in process	884,830	905,593
Raw materials and supplies	2,179,141	2,661,490
Deferred tax assets	431,885	433,179
Other	890,084	621,723
Allowance for doubtful accounts	(21,298)	(26,293)
Total current assets	17,348,701	17,460,044
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,041,212	5,889,256
Land	5,784,160	5,778,419
Other	430,441	436,638
Total property, plant and equipment	12,255,813	12,104,314
Intangible assets	473,285	474,838
Investments and other assets		
Investment securities	220,783	264,628
Net defined benefit asset	292,959	292,389
Other	170,444	160,069
Allowance for doubtful accounts	(251)	(251)
Total investments and other assets	683,936	716,836
Total non-current assets	13,413,034	13,295,988
Total assets	30,761,736	30,756,032

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
<b>&lt;LIABILITIES&gt;</b>		
Current liabilities		
Notes and accounts payable - trade	2,992,278	2,890,324
Accounts payable - other	750,992	616,032
Income taxes payable	100,112	232,740
Advances received	604,929	577,950
Provision for bonuses	252,861	132,591
Provision for directors' bonuses	22,710	9,624
Provision for product warranties	122,870	130,381
Other	253,458	498,498
Total current liabilities	5,100,213	5,088,143
Non-current liabilities		
Provision for directors' retirement benefits	66,780	66,780
Net defined benefit liability	53,853	49,639
Deferred tax liabilities	29,739	43,063
Other	59,431	57,912
Total non-current liabilities	209,805	217,395
Total liabilities	5,310,018	5,305,538
<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	21,273,290	21,250,771
Treasury stock	(353,994)	(354,063)
Total shareholders' equity	24,928,866	24,906,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58,545	88,995
Foreign currency translation adjustment	203,291	209,708
Remeasurements of defined benefit plans	67,699	67,814
Total accumulated other comprehensive income	329,536	366,518
Non-controlling interests	193,315	177,697
Total net assets	25,451,718	25,450,494
Total liabilities and net assets	30,761,736	30,756,032

**(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, 2016	Three months ended June 30, 2017
Net sales	4,184,845	4,566,613
Cost of sales	2,313,541	2,538,301
Gross profit	1,871,304	2,028,312
Selling, general and administrative expenses	1,226,991	1,577,186
Operating income	644,312	451,125
Non-operating income		
Interest income	1,806	1,466
Dividends income	2,346	2,337
Purchase discounts	2,927	3,540
Foreign exchange gains	-	18,047
Subsidy income	11,672	-
Other	3,405	5,034
Total non-operating income	22,157	30,427
Non-operating expenses		
Sales discounts	249	210
Foreign exchange losses	198,075	-
Other	0	0
Total non-operating expenses	198,324	210
Ordinary income	468,145	481,342
Extraordinary income		
Gain on sales of non-current assets	823	134
Total extraordinary income	823	134
Extraordinary loss		
Loss on sales and retirement of non-current assets	252	164
Total extraordinary losses	252	164
Income before income taxes	468,715	481,312
Income taxes	132,227	129,065
Net income	336,488	352,246
Net income attributable to non-controlling interests	6,209	7,532
Net income attributable to shareholders of the parent company	330,279	344,713



**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	336,488	352,246
Other comprehensive income		
Valuation difference on available-for-sale securities	(18,227)	30,450
Foreign currency translation adjustments	(389,059)	8,404
Remeasurements of defined benefit plans, net of tax	(15)	115
Total other comprehensive income	(407,301)	38,970
Comprehensive income	(70,812)	391,217
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	(62,926)	381,696
Comprehensive income attributable to non-controlling interests	(7,886)	9,520

**(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.

Income taxes—deferred are included in income taxes in the consolidated statements of income.

**< Segment information >**

FY2017 1Q (from April 1, 2016 to June 30, 2016)

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	2,072,051	893,380	1,109,646	109,766	4,184,845	-	4,184,845
Inter-segment sales or transfers	970,616	3,674	51,757	-	1,026,048	(1,026,048)	-
Total	3,042,668	897,054	1,161,403	109,766	5,210,893	(1,026,048)	4,184,845
Segment profit	254,430	140,058	120,565	12,037	527,091	117,221	644,312

\*Notes 1: The 117,221 thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 37,543 thousand yen and inventory adjustments of 79,678 thousand yen.

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

FY2018 1Q (from April 1, 2017 to June 30, 2017)

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	2,336,506	837,492	1,247,566	145,049	4,566,613	-	4,566,613
Inter-segment sales or transfers	1,183,668	3,022	64,295	-	1,250,986	(1,250,986)	-
Total	3,520,174	840,515	1,311,861	145,049	5,817,600	(1,250,986)	4,566,613
Segment profit	199,462	85,462	126,961	34,548	446,434	4,691	451,125

\*Notes 1: The 4,691 thousand yen adjustment to segment profit is inventory adjustments.

\*Notes 2: Segment profit is adjusted to be consistent with operating income 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	FY2017 1Q	FY2018 1Q	Change (%)
Take-out robots	3,184,336	3,820,461	120.0
Custom-ordered equipment	1,007,214	553,294	54.9
Parts and maintenance service	752,837	750,931	99.7
Total	4,944,388	5,124,687	103.6

## 2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2016	As of June 30, 2017	Change (%)
Take-out robots	2,014,271	2,879,089	142.9
Custom-ordered equipment	1,319,728	1,079,596	81.8
Parts and maintenance service	206,950	266,984	129.0
Total	3,540,950	4,225,670	119.3

## b. Net sales

(Thousands of yen)

Products	FY2017 1Q	FY2018 1Q	Change (%)
Take-out robots	3,091,216	3,362,304	108.8
Custom-ordered equipment	352,660	513,610	145.6
Parts and maintenance service	740,968	690,698	93.2
Total	4,184,845	4,566,613	109.1

**(2) Overseas Sales**

FY2017 1Q (from April 1, 2016 to June 30, 2016)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	864,216	1,567,354	166,959	67,375	2,665,906
II Consolidated net sales					4,184,845
III Ratio of overseas sales to consolidated net sales (%)	20.7	37.5	4.0	1.6	63.7

FY2018 1Q (from April 1, 2017 to June 30, 2017)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	763,103	1,811,342	180,621	133,245	2,888,312
II Consolidated net sales					4,566,613
III Ratio of overseas sales to consolidated net sales (%)	16.7	39.7	4.0	2.9	63.2