

# Yushin Precision Equipment Co., Ltd.

FY2016

## Investors Presentation

May, 2016

This document contains some estimates of future business performance. Such references should not be taken to be a guarantee. Please note that future performance is subject to various risks and uncertainties, and goals and projections may vary due to changes in the business environment.

# Company Profile

Name: Yushin Precision Equipment Co., Ltd.

President: Mayumi Kotani

Establishment: October, 1973

Capital: 1,985 million yen

Number of employees:  
636 (Consolidated, as of March 31, 2016)

Consolidated net sales:  
21,148 million yen (FY2016)

Securities code: 6482 (First Section of the TSE)

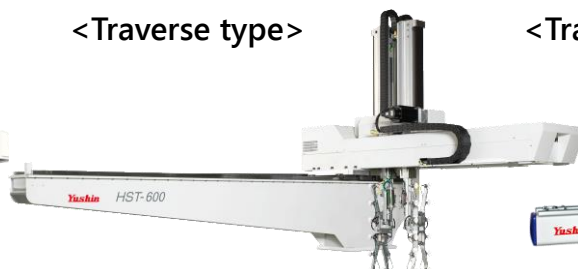
# Product Lineup (1)

## Take-out Robots

**HSA series**  
<Traverse type>



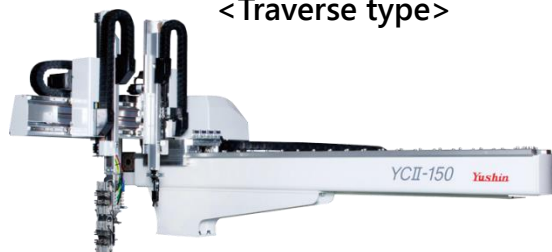
**HST series**  
<Traverse type>



**RC series**  
<Traverse type>



**YC series**  
<Traverse type>



**SC series**  
<Traverse type>



**TSXA series**  
<Side-entry type>



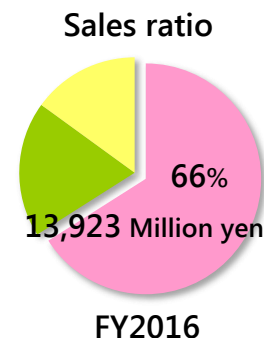
**HOP series**  
<Swing type>  
<For vertical type molding machines>



**DRD series**  
<Side-entry type>  
(For optical Disc)



**SXC series**  
<Side-entry type>



# Product Lineup (2)

## Custom-ordered Equipment

Flexible  
module stocker



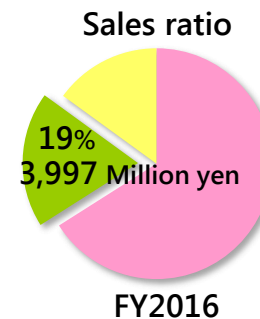
In-mold system



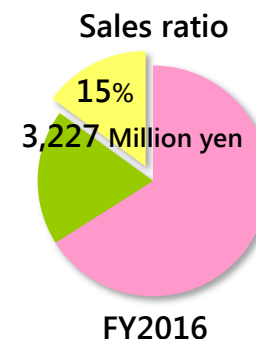
Gate cutting  
system



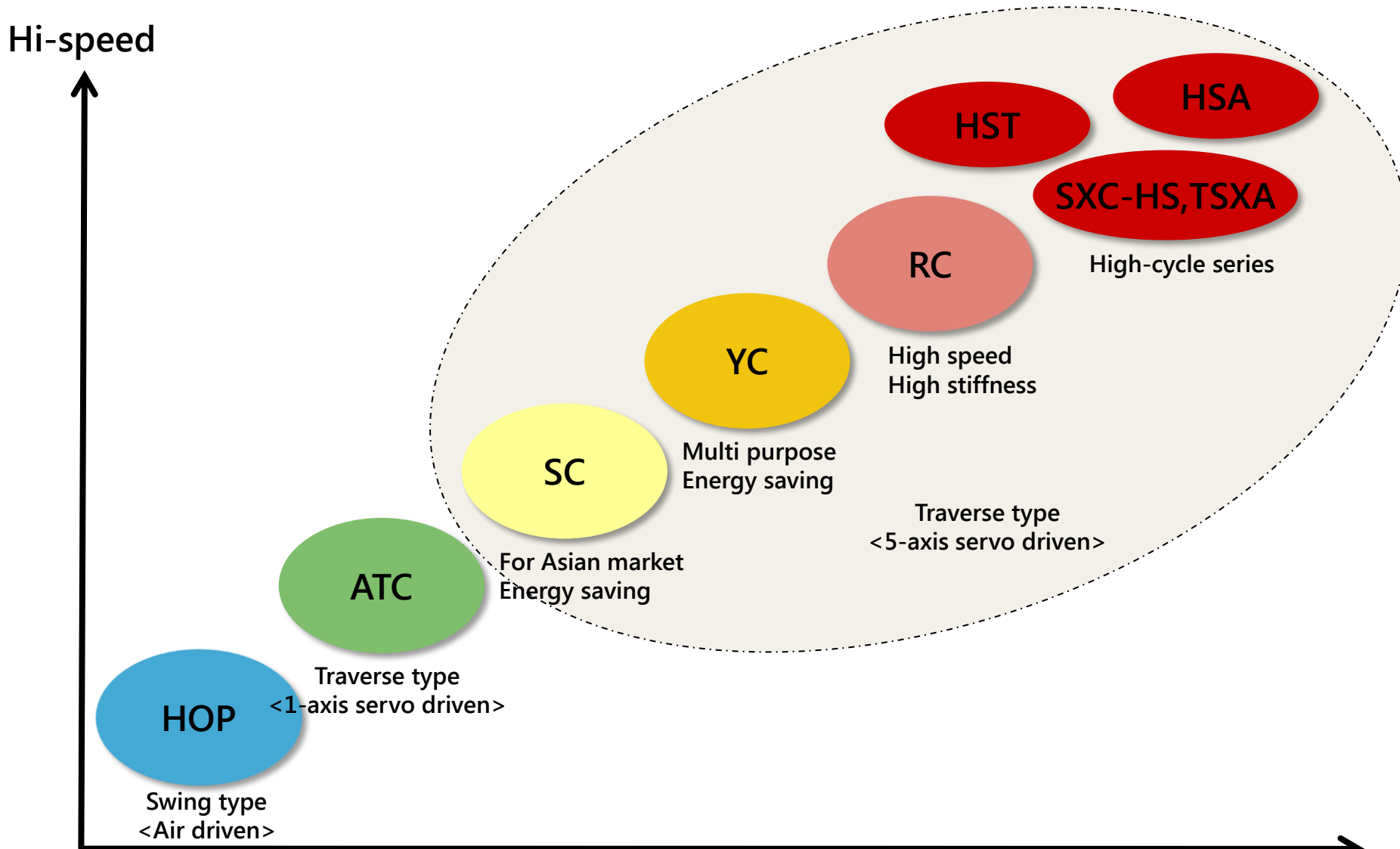
Palletizing robots



## Parts and Maintenance service



# Performance and Price of Take-out Robots



# Company Strength

## Philosophy & Policy

Accurate response to Customers' request and offering high-quality products  
Challenge to new business areas

## Global & Worldwide

High-leveled ratio of overseas sales  
Global sales and technical support network - largest in the take-out robot industry

## Customer Acceptance

Quick response in sales and technical service  
Industry-leading technological capability & Reliability based on the delivery strictly being on time

## Stable Financial Foundation

Efficient operations with minimum facility & equipment  
No loan payable  
High shareholders' equity ratio



**The Largest Market Share in the World**

# Results for FY2016

	FY2015			FY2016		
	Amount	Ratio	Change <sup>*</sup>	Amount	Ratio	Change <sup>*</sup>
	Mil. Yen	%	%	Mil. Yen	%	%
Net Sales	17,799	100.0	(0.6)	21,148	100.0	18.8
Gross Profit	7,277	40.9	(4.7)	8,442	39.9	16.0
Operating Income	2,304	12.9	(17.5)	3,086	14.6	33.9
Ordinary Income	2,542	14.3	(17.8)	2,921	13.8	14.9
Net Income attributable to shareholders of the parent company	1,683	9.5	(11.1)	1,908	9.0	13.4

\*Note "Change" : Percentage indicates year-on-year changes

# Summary of FY2016

## Analysis of the Results

Net Sales	<p>➤ 18.8% increase from the previous FY to 21,148 million yen</p> <p>a) Take-out robots sales increased by 6.3% Y/Y</p> <ul style="list-style-type: none"> <li>-Sales growth in main models of take-out robot</li> <li>-Sales growth in US and Mexico</li> </ul> <p>b) Custom-ordered equipment sales increased by 122.7% Y/Y</p> <ul style="list-style-type: none"> <li>-Customer needs for automatization all over the world</li> <li>-Sales growth in medical and new business area</li> </ul>
Operating Income	<p>➤ 33.9% increase from the previous FY to 3,086 million yen</p> <p>a) Increased profitability led by sales increase in quantity and cost-cutting activity</p> <p>b) Devaluated inventories relating to semi-conductor business</p>



# Forecast for FY2017

	FY2016				FY2017 (Forecast)					
	Interim		Full Year		Interim			Full Year		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Y/Y*	Amount	Ratio	Y/Y*
Net Sales	Mil. Yen 9,919	% 100.0	Mil. Yen 21,148	% 100.0	Mil. Yen 9,300	% 100.0	% (6.3)	Mil. Yen 20,000	% 100.0	% (5.4)
Gross Profit	4,166	42.0	8,442	39.9	3,900	41.9	(6.4)	8,270	41.4	(2.0)
Operating Income	1,502	15.1	3,086	14.6	1,300	14.0	(13.5)	3,000	15.0	(2.8)
Ordinary Income	1,444	14.6	2,921	13.8	1,330	14.3	(7.9)	3,000	15.0	2.7
Net Income attributable to shareholders of the parent company	1,014	10.2	1,908	9.0	860	9.2	(15.2)	1,980	9.9	3.7

\*Note "Change" : Percentage indicates year-on-year changes.

# Forecast for FY2017

## Analysis of the Forecast

### Net Sales

➤ 5.4% decrease from the previous FY to 20,000 million yen

- a) Take-out robots sales decrease by 0.5% Y/Y
  - Maintain sales of main take-out robots
  - Increase sales in overseas, US, Mexico, South Asia and etc.
  - Negative impact on the sales under a strong yen situation
- b) Custom-ordered equipment sales decrease by 33.7% Y/Y
  - Obtain more customer needs in automatization equipment
  - Steady sales of a new business area
  - No more sales in semi-conductor business

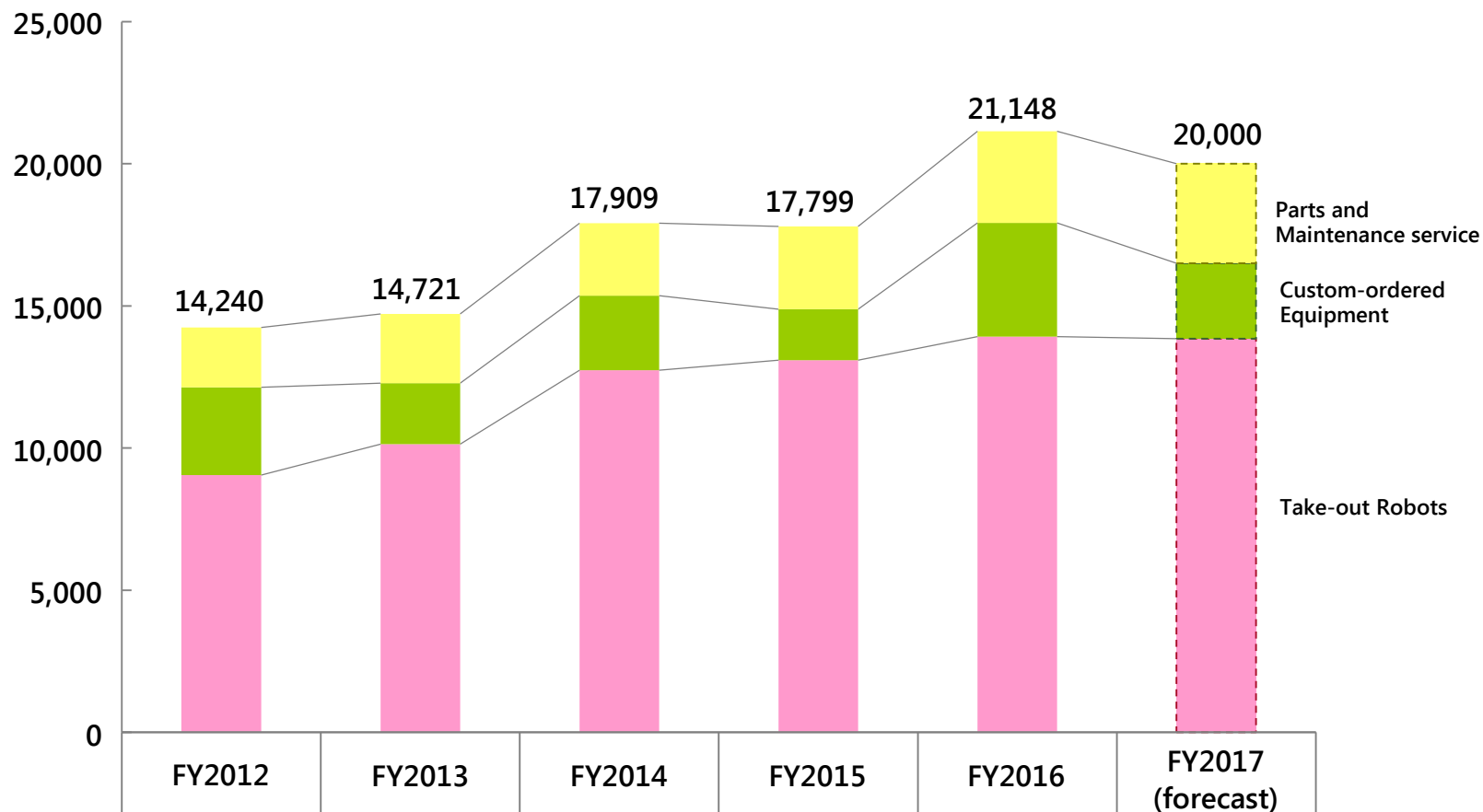
### Operating Income

➤ 2.8% decrease from the previous FY to 3,000 million yen

- a) Secure profit with ongoing efforts to improve profitability and increasing sales in quantities of main Take-out robots
- b) Increase profitability with endless cost-cutting activities and local purchasing in China
- c) Increase expenses accompanying with transferring to new location and depreciation for the new facility and equipment

# Sales Breakdown

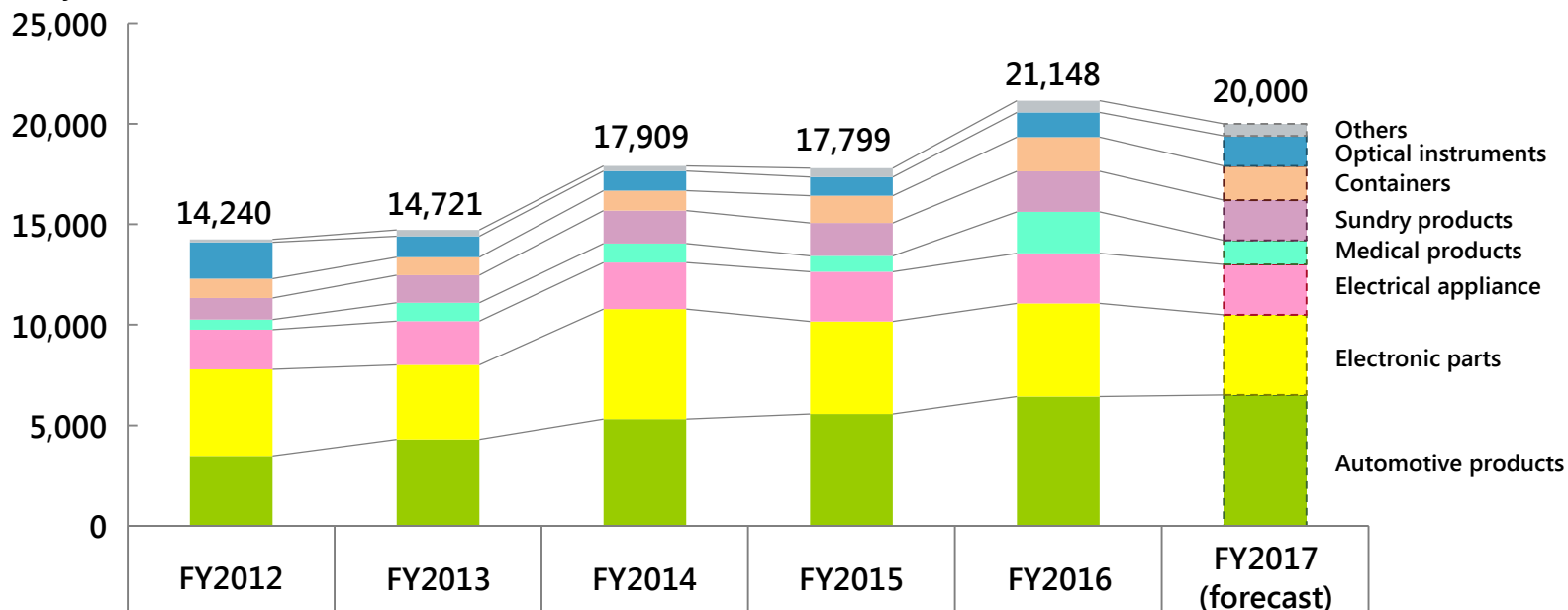
(Millions of Yen)



Parts and Maintenance service	2,105	2,436	2,547	2,911	3,227	3,500
Custom-ordered Equipment	3,085	2,144	2,626	1,794	3,997	2,650
Take-out Robots	9,048	10,141	12,736	13,092	13,923	13,850
Total	14,240	14,721	17,909	17,799	21,148	20,000

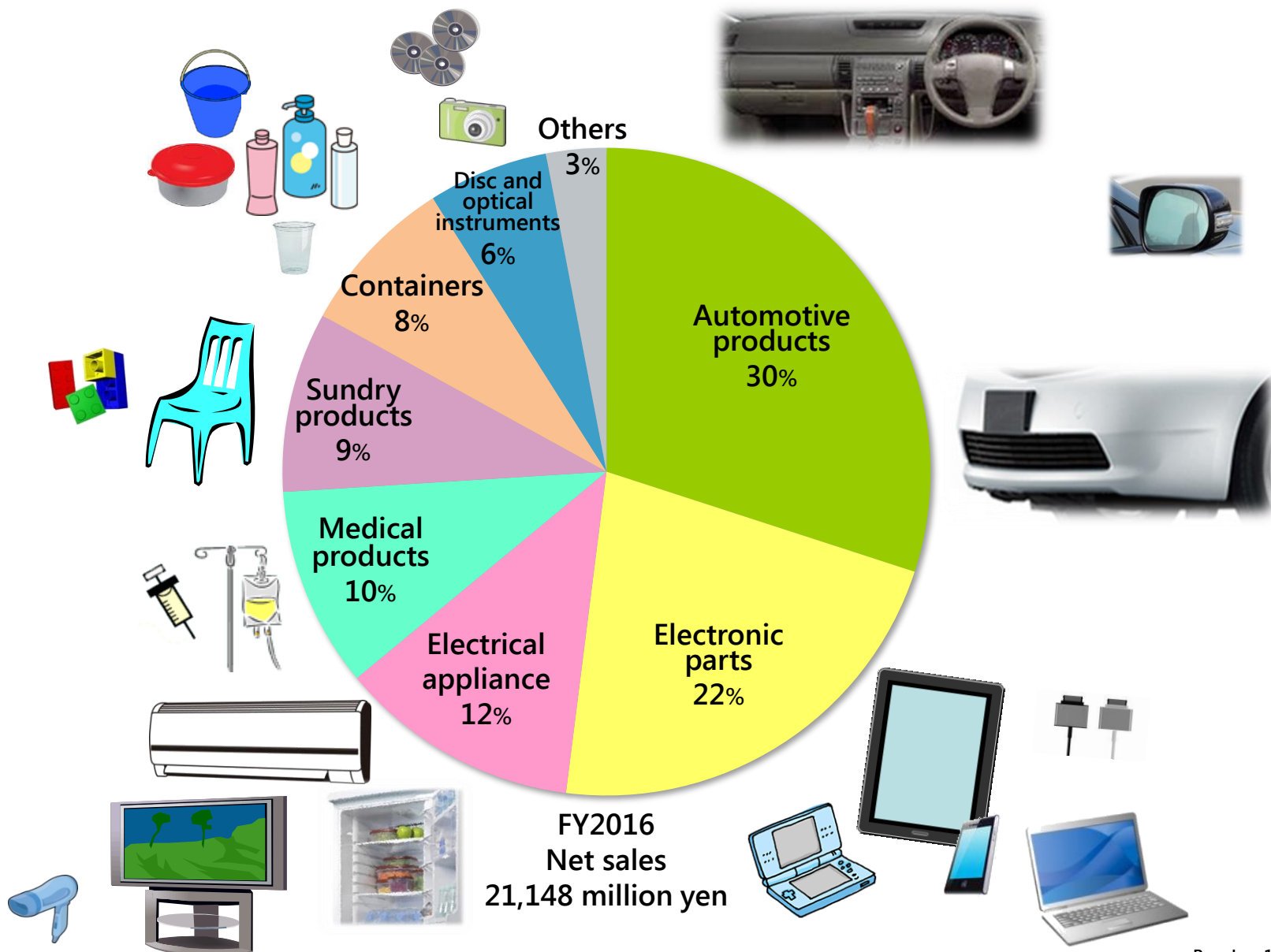
# Sales by End User Categories

(Millions of yen)



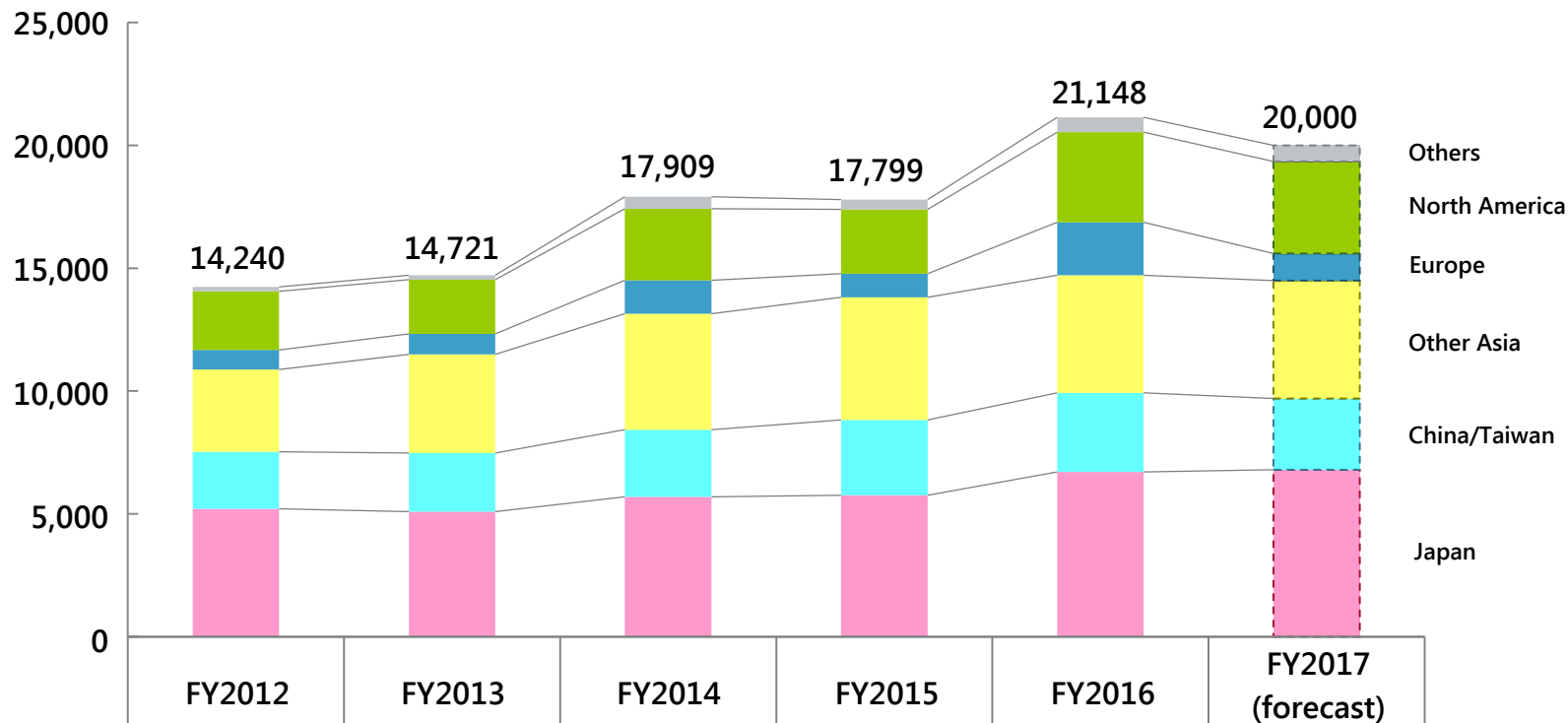
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 (forecast)
Others	141	314	257	440	580	600
Discs and optical instruments	1,813	1,042	970	930	1,232	1,500
Containers	963	898	1,008	1,361	1,708	1,700
Sundry products	1,071	1,366	1,634	1,634	2,002	2,000
Medical products	495	919	949	797	2,069	1,200
Electrical appliance	1,975	2,181	2,308	2,475	2,497	2,500
Electronic parts	4,302	3,700	5,468	4,592	4,629	4,000
Automotive products	3,478	4,296	5,312	5,567	6,428	6,500
Total	14,240	14,721	17,909	17,799	21,148	20,000

# Sales by End User Categories



# Sales by Region

(Millions of yen)

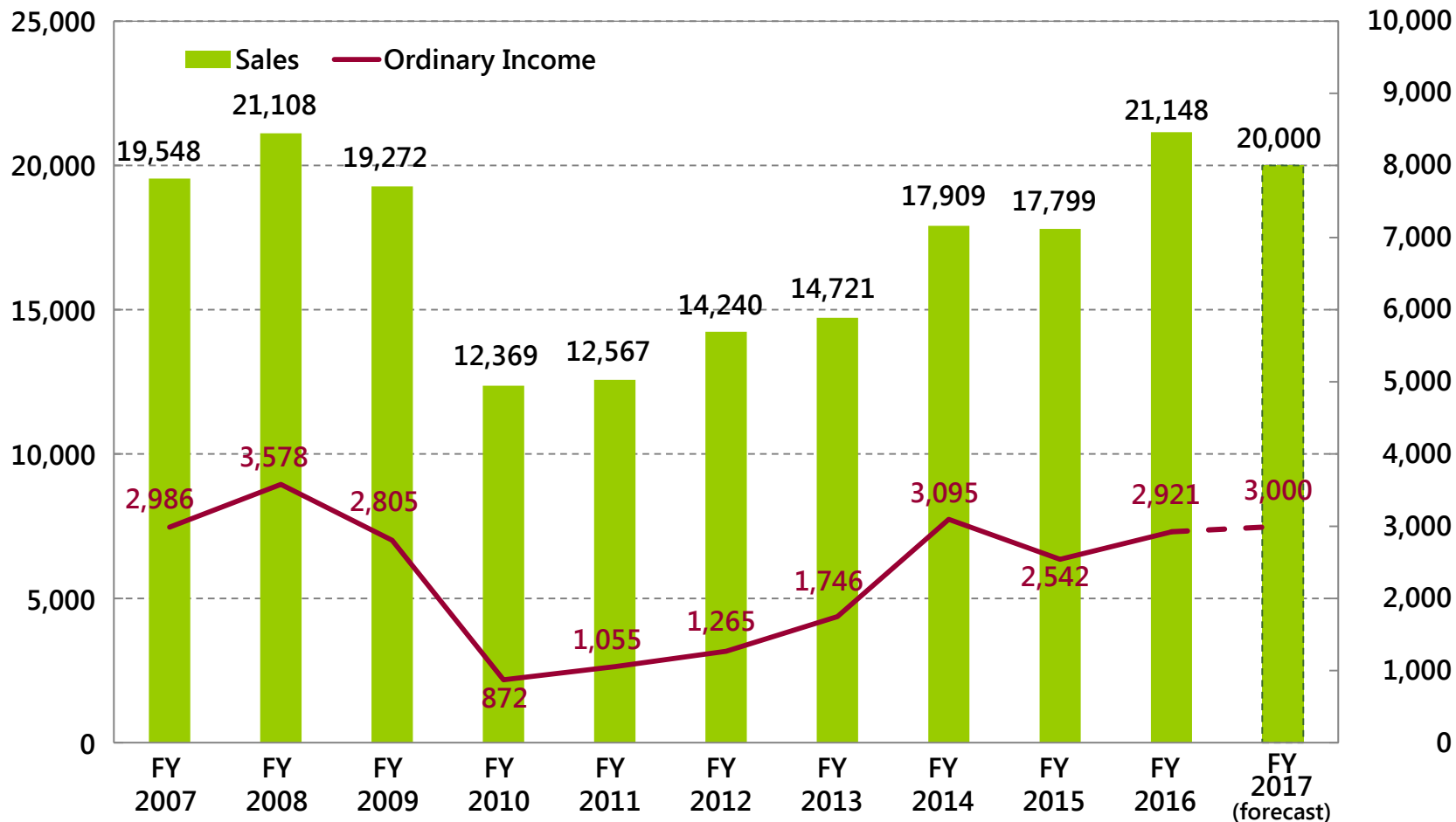


	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 (forecast)
Others	177	181	484	395	610	650
North America	2,387	2,215	2,917	2,628	3,665	3,750
Europe	801	824	1,352	959	2,163	1,100
Other Asia	3,337	4,019	4,721	4,982	4,781	4,800
China / Taiwan	2,332	2,392	2,738	3,069	3,220	2,900
Japan	5,203	5,088	5,694	5,762	6,707	6,800
Total	14,240	14,721	17,909	17,799	21,148	20,000

# Change in Performance

Sales  
(Millions of yen)

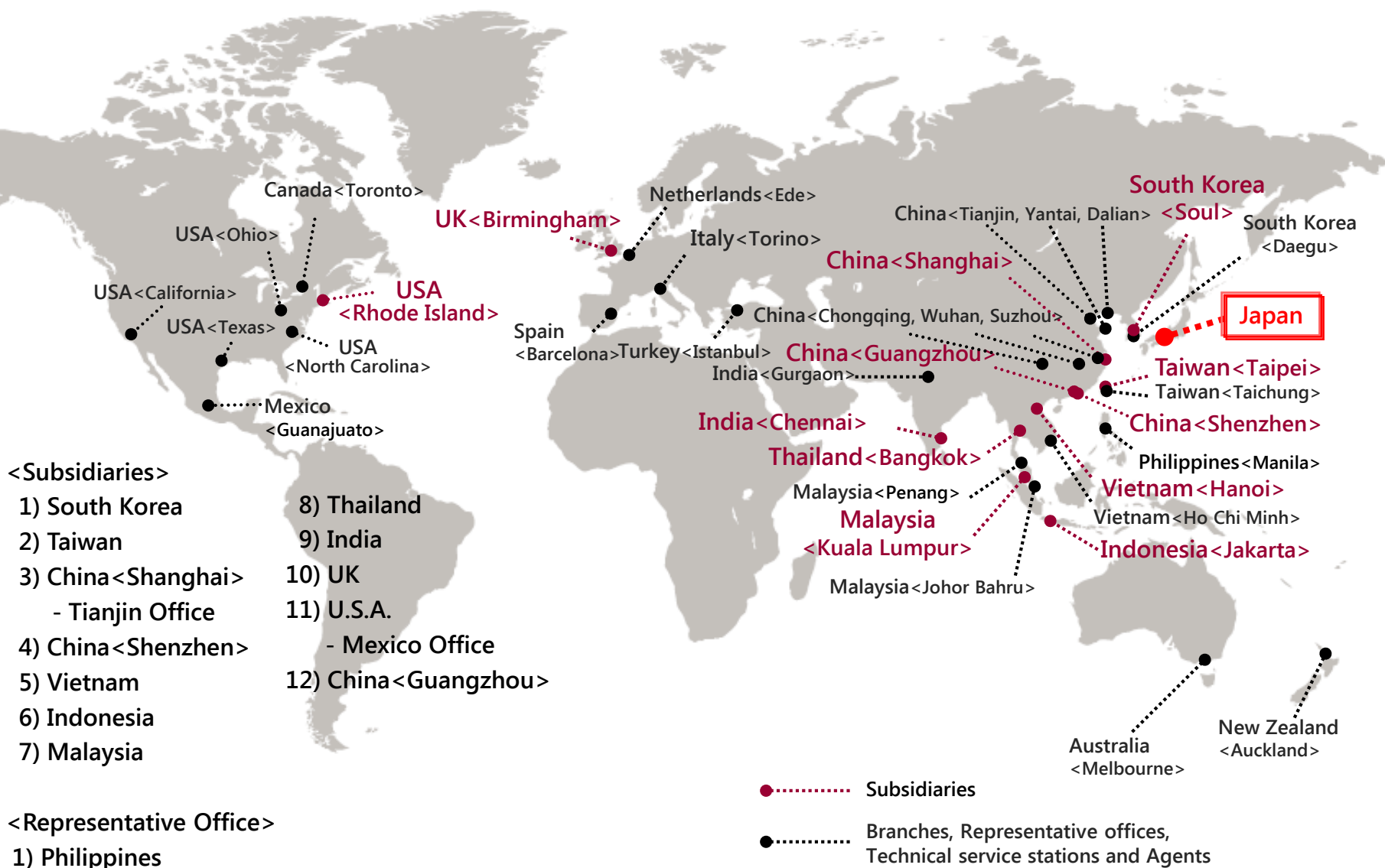
Ordinary Income  
(Millions of yen)



Ordinary Income  
Rate (%)

15.3	17.0	14.6	7.1	8.4	8.9	11.9	17.3	14.3	13.8	15.0
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# Global Network



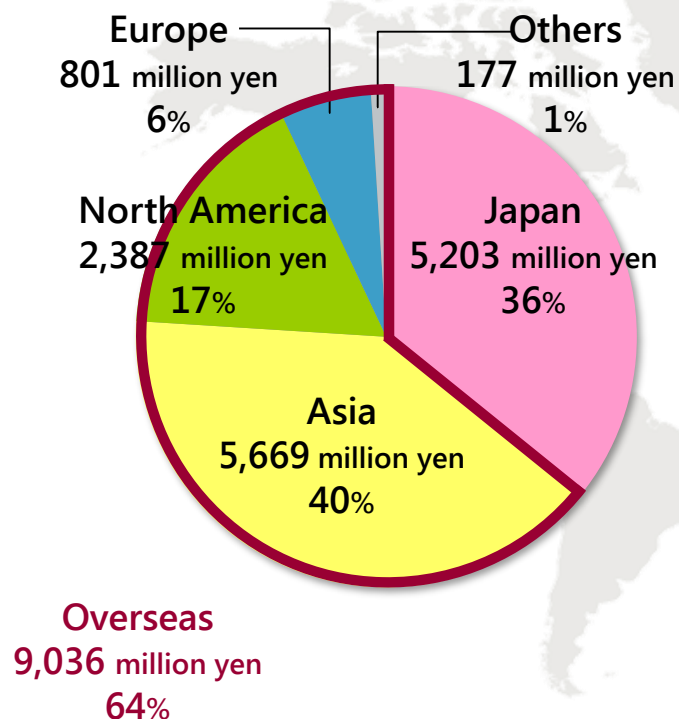


# Expansion of Sales to Overseas

FY2012

Net sales

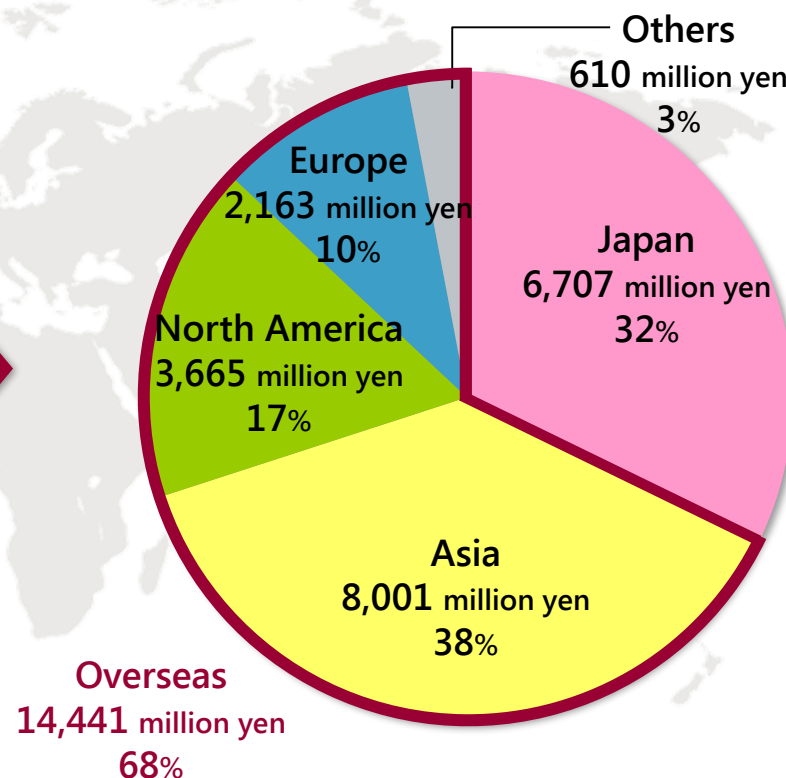
14,240 million yen



FY2016

Net sales

21,148 million yen



# Change in Performance of Subsidiaries

(Millions of yen)

Country	Setup	Invest ment ratio	FY2015			FY2016			FY2017 (forecast)		
			Sales	Operating income	Net income	Sales	Operating income	Net income	Sales	Operating income	Net income
South Korea	2000.10	100.0%	1,874	259	258	1,866	260	167	1,638	258	201
Taiwan	2001. 7	100.0%	102	15	7	92	11	20	92	16	13
China (Shanghai)	2007. 2	100.0%	995	-5	-2	933	14	11	874	13	10
China (Shenzhen)	2004. 4	100.0%	910	43	33	1,070	46	35	949	31	24
Indonesia	2012.11	99.0%	153	21	12	164	13	6	153	3	2
Vietnam	2014. 2	100.0%	39	-2	-4	77	9	9	71	10	8
Malaysia	2001. 5	100.0%	283	41	27	130	0	-1	191	12	9
Thailand	2001. 8	49.0%	992	145	136	845	156	112	854	137	110
India	2007. 8	95.0%	26	0	-1	40	10	8	45	8	5
UK	2004. 3	95.6%	638	73	47	1,884	229	206	941	35	28
USA	1988.10	100.0%	2,789	274	189	3,583	443	229	3,150	375	235
China (Guangzhou)	2008. 9	100.0%	1,271	273	244	1,277	276	148	1,227	180	135

# Balance Sheets

(Millions of yen)

## Changes in Assets

FY2015

FY2016

FY2015

## Changes in Liabilities

Cash and deposits	-3,793
Notes and accounts receivable – trade	+177
Merchandise and finished goods	-349
Work in process	-384
Raw material and supplies	+48
Buildings and structures	+129
Land	-27
Construction in progress	+4,426
Investment securities	-109

Assets

29,463

Assets

29,409

(Y/Y) -54

Liabilities

4,693

(Y/Y) -799

Net Assets

24,715

(Y/Y) +745

Liabilities

5,493

Net Assets

23,970

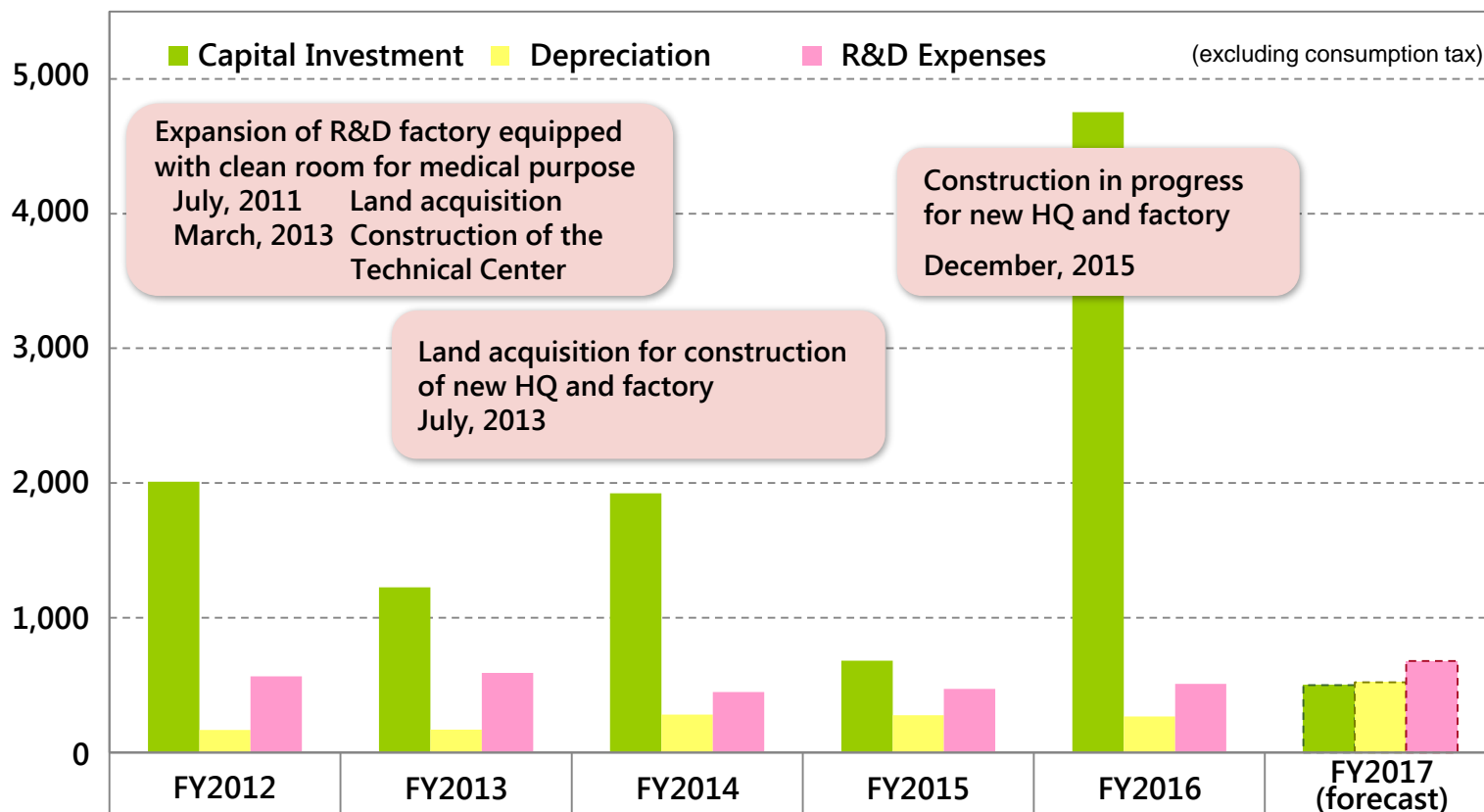
Notes and accounts payable – trade	-193
Accounts payable – other	+250
Income taxes payable	+283
Advances received	-1,003

## Changes in Net Assets

Retained earnings	+1,296
Foreign currency translation adjustment	-392

# Capital Investment / Depreciation / R&D

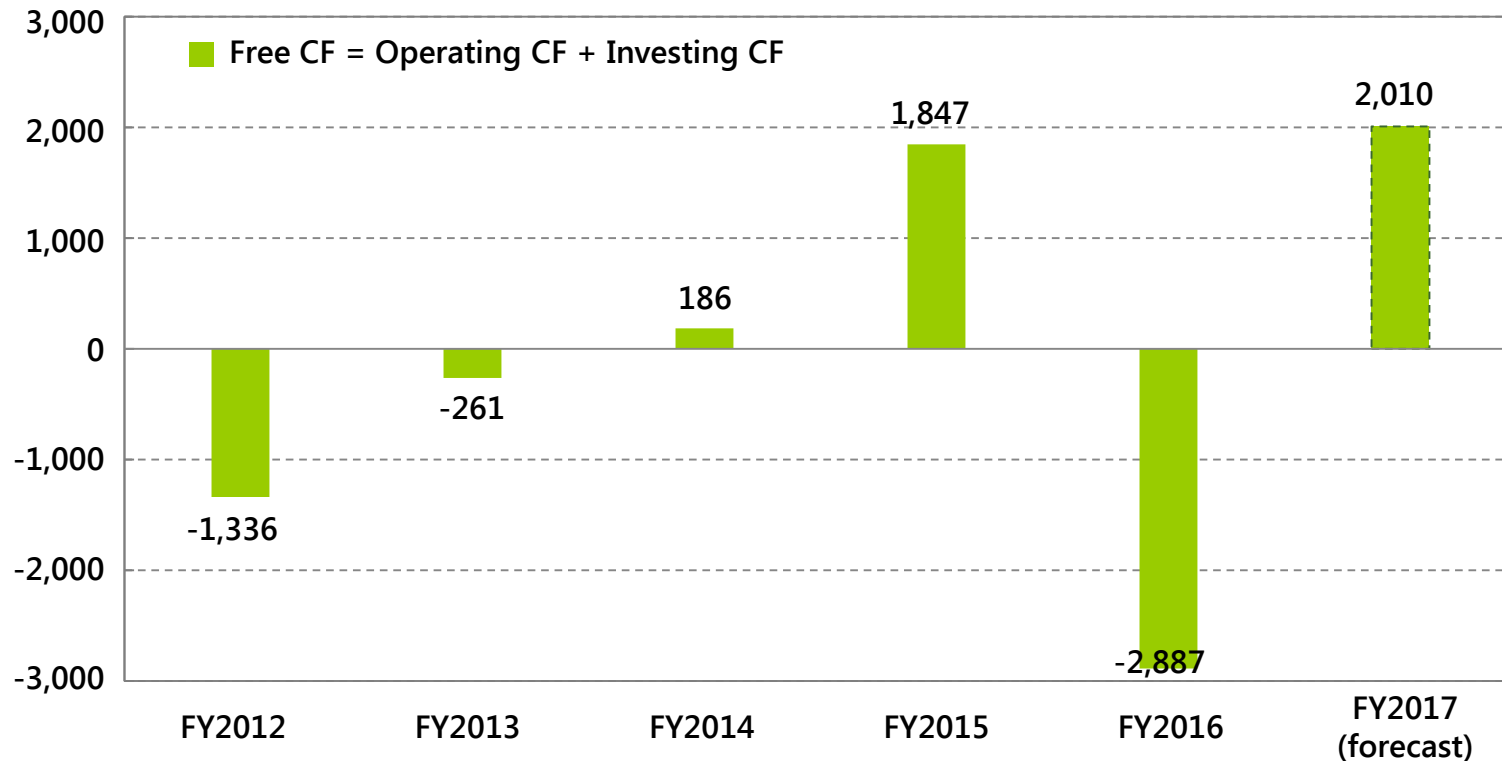
(Millions of yen)



Capital Investment	2,009	1,225	1,924	682	4,754	500
Depreciation	166	170	282	277	268	520
R&D Expenses	565	591	448	472	510	680

# Change in Cash Flow

(Millions of yen)



<Change in cash flow from operating, investing, and financing activities>

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 (forecast)
Operating CF	584	520	2,575	2,104	2,218	2,720
Investing CF	(1,920)	(781)	(2,389)	(256)	(5,105)	(710)
Financing CF	(409)	(351)	(569)	(560)	(677)	(690)

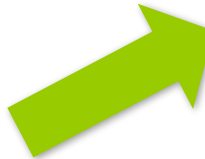
# Medium-term Objectives

FY2016

- Net Sales: 21.1 billion yen
- Ordinary Income: 2.9 billion yen
- Ordinary Profit ratio: 13%
- EPS: 109 yen

FY2019

- Net Sales: 30 billion yen or more
- Ordinary Income: 5 billion yen or more
- Ordinary Profit ratio: 15% or more
- EPS: 150 yen or more



Strategy4: Active Expansion into New Business

Strategy3: Cultivation of Human Resources

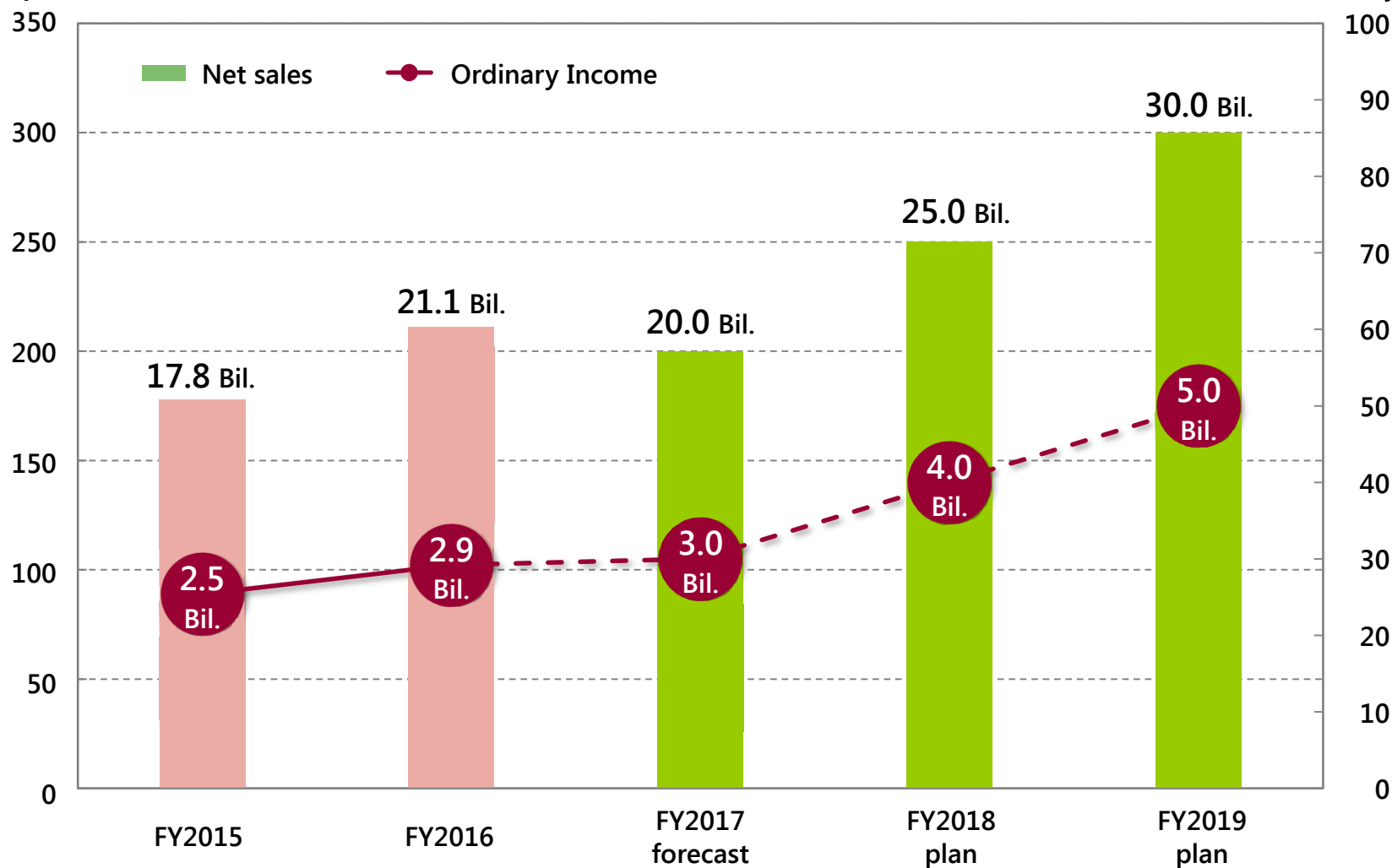
Strategy2: Enhancement of the Global Network

Strategy1: Enhancement of the Products

# Medium-term Objectives

Net sales  
(Billions of yen)

Ordinary Income  
(Billions of yen)



# Strategy 1: Enhancement of the Products (1)

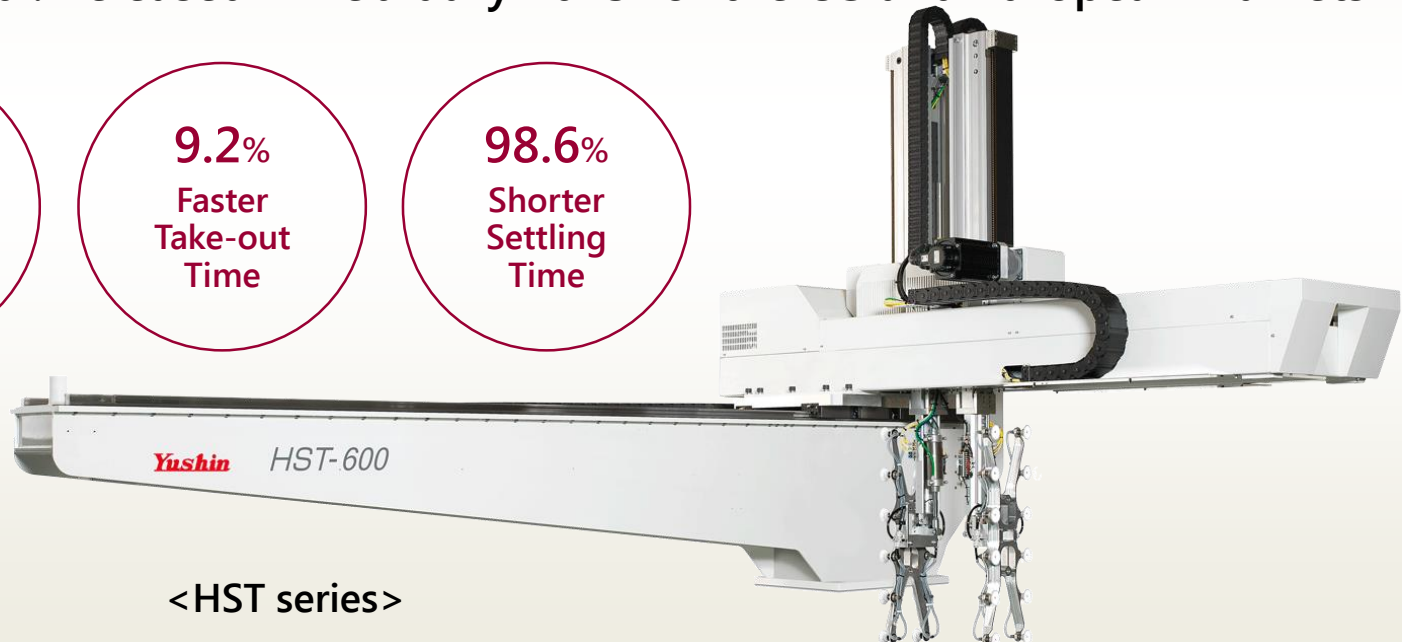
## Expansion of lineup of take-out robots

- Built Lighter & Faster
- Vibration Control – Shorter Settling Times  
Design Optimization + CFRP + Anti-Vibration Controls
- HST-600 : Released in February 2015 for the US and European markets

**25.4%**  
Weight  
Reduction

**9.2%**  
Faster  
Take-out  
Time

**98.6%**  
Shorter  
Settling  
Time



<HST series>



# Strategy 1: Enhancement of the Products (2)

## Expansion of lineup of take-out robots

- Super high-speed side-entry type robot  
(Improve productivity in production for built-in micro connectors inside of mobile devices such as a smartphone)



<SXC-HSY series>

Released in September 2015

63%  
Faster  
Cycle  
Time

68%  
Less  
Vibration

- Take-out robot with a double horizontal telescopic arm for vertical type IMM  
(Available for a limited space)



<V-HOP series>

Released in April 2015

## Strategy 2: Enhancement of the Global Network

- Group-wide strength corresponding to customers' globalizations
- Target on the top class companies in the world
- Sales and technical support offices located in major industrial area in the world
- Actively recruit world-class human resources at HQ



## Strategy 3: Cultivation of Human Resources

- Cultivation of engineering designers with high level technology such as "Product Design" collaborating with Osaka University
- Cultivation of Safety Assessors, certified people qualified requirements to ISO 12100 (Safety of machinery and General principles for designing)
- A wide variety of training  
High level technical training program, Training program for managers, International training program for staffs and etc.

# New HQ and Factory Open in November 2016

- Investment in new HQ and factory to achieve consolidated net sales of 30 billion yen in FY2019
- Improve productivity and streamline business processes, thereby promoting sustainable growth for the entire Yushin group



Land : 20,597m<sup>2</sup> Total floor area : 20,068m<sup>2</sup>

Planning a childcare facility

# New HQ and Factory Open in November 2016

- Integration of manufacturing functions
  - Improve productivity by integrating receiving, assembling, inspection and shipping into a whole
- More capacity to receive orders of large type take-out robot
  - Expand production area for assembling and inspection of large type robot used for IMM with 2,000t or more clamping force
  - Design to maximize height of 3-story open ceiling in place of current 2-story one
- Streamlining and sophistication of business processes by boosting in-house communication
  - Gathering sales force, R&D team, engineering designers and administrative section into 4<sup>th</sup> floor



Double the production capacity of HQ's factory

# Factory Expansion at Subsidiary in the U.S.

U.S. subsidiary  
Yushin America, Inc.  
Rhode Island, U.S.A



Expanded area, highlighted in red

At opening ceremony  
September 25, 2015

Added production area 2,082m<sup>2</sup> to existing  
facility 3,516m<sup>2</sup>  
Extended 1.5 times in production capacity

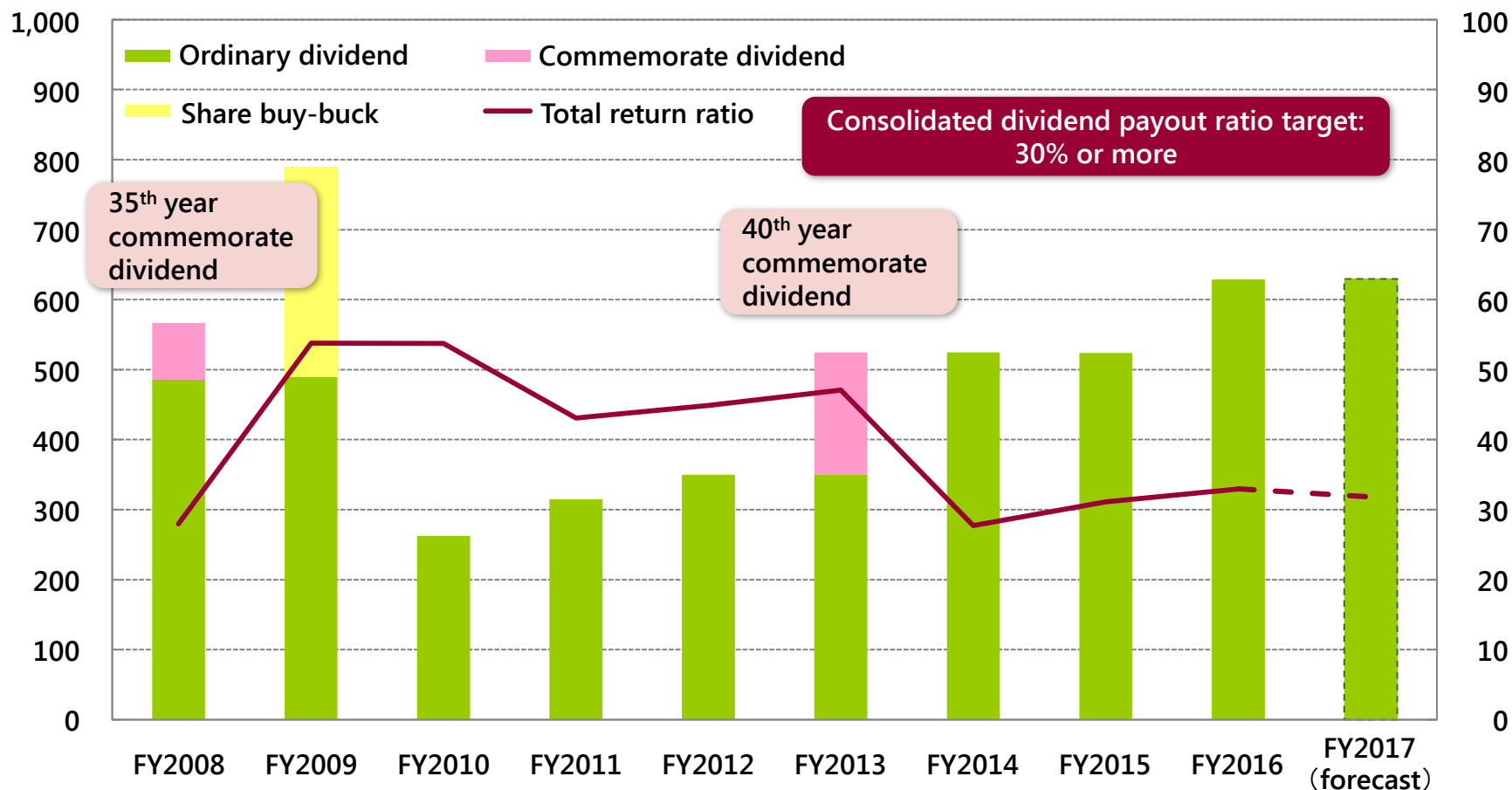


President, Mayumi Kotani    Senator, Mr. Jack Reed  
Mayor, Mr. Allan W. Fung    CEO of SPI, Mr. William R. Cardeaux

# Return to Shareholders

(Millions of yen)

(%)



Annual Dividend	35yen	28yen	15yen	18yen	20yen	30yen	30yen	30yen	36yen	36yen
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# **Yushin Precision Equipment Co., Ltd.**

Contact: Corporate Planning Department

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[www.ype.co.jp](http://www.ype.co.jp)

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