

# **YUSHIN PRECISION EQUIPMENT CO., LTD.**

## **FY2017**

# **Investors Presentation**

**May, 2017**

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:  
663 (Consolidated, as of March 31, 2017)

Consolidated net sales:  
19,346 million yen (FY2017)

Securities code: 6482 (First Section of the TSE)



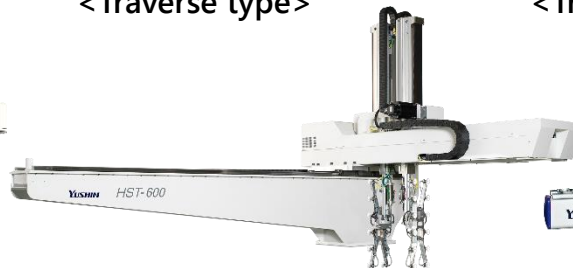
# Product Lineup (1)

## 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 >



< Side-entry type >



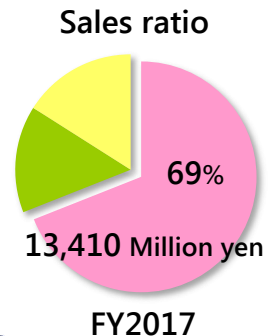
\*For vertical type  
molding machines

**DRD series**  
< Swing type >



\*For optical disc

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



# Product Lineup (2)

## Custom-ordered Equipment

Flexible  
module stocker



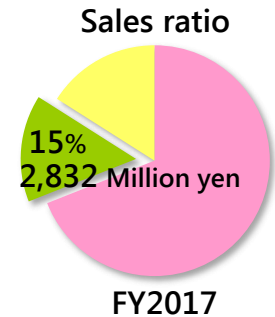
In-mold system



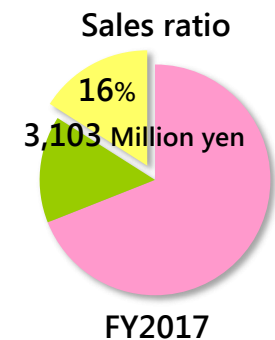
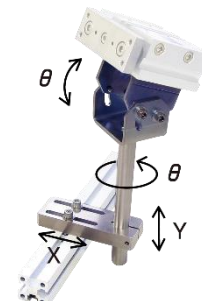
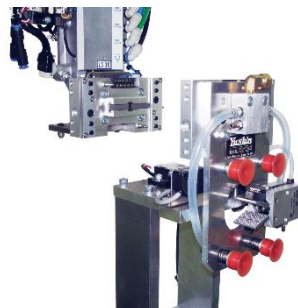
Gate cutting  
system



Palletizing robots

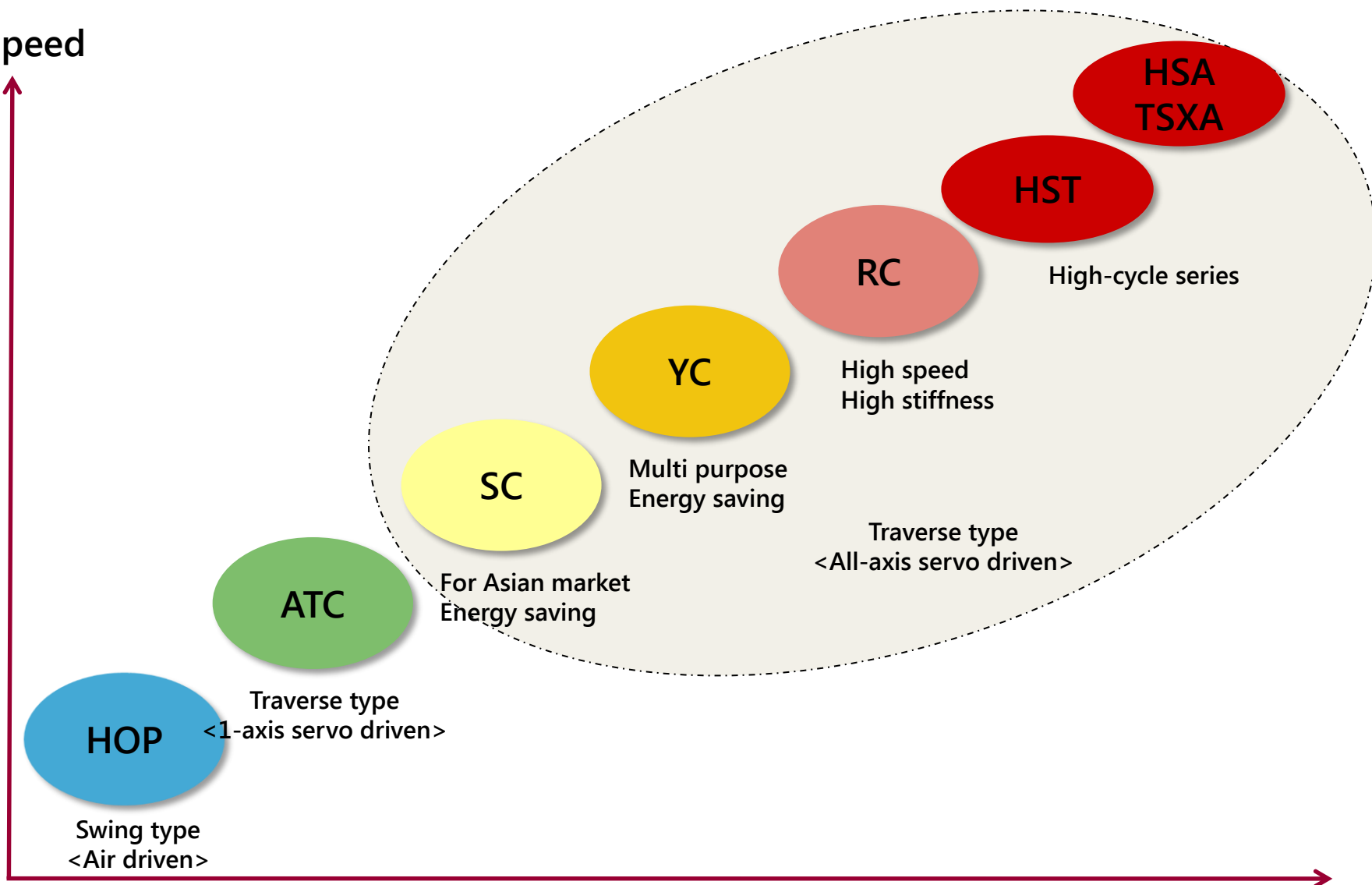


## Parts and Maintenance service



# Performance and Price of Take-out Robots

Hi-speed



# 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 FY2017

	FY2016			FY2017		
	Amount	Ratio	Change <sup>*</sup>	Amount	Ratio	Change <sup>*</sup>
	Mil. Yen	%	%	Mil. Yen	%	%
Net Sales	21,148	100.0	18.8	19,346	100.0	(8.5)
Gross Profit	8,442	39.9	16.0	7,666	39.6	(9.2)
Operating Income	3,086	14.6	33.9	2,112	10.9	(31.5)
Ordinary Income	2,921	13.8	14.9	2,058	10.6	(29.6)
Net Income attributable to shareholders of the parent company	1,908	9.0	13.4	1,380	7.1	(27.7)

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

# Summary of FY2017

## Analysis of the Results

Net Sales	<p>➤ 8.5% decrease from the previous FY to 19,346 million yen</p>
	<ul style="list-style-type: none"><li>a) Sales decreased due to Yen appreciation (Strong sales in local currency at US and South Korean subsidiaries)</li><li>b) Custom-ordered equipment in medical area brought forward to FY2018</li><li>c) Automatization needs increased</li><li>d) Strong sales of take-out robots and Custom-ordered equipment in Japan</li><li>e) Sales increase at subsidiaries in Vietnam, Malaysia and Indonesia</li></ul>
Operating Income	<p>➤ 31.5% decrease from the previous FY to 2,112 million yen</p>
	<ul style="list-style-type: none"><li>a) Charged recovering cost for new ERP system</li><li>b) Relocation cost of new HQ and factory</li></ul>



# Forecast for FY2018

	FY2017				FY2018 (Forecast)					
	Interim		Full Year		Interim			Full Year		
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Y/Y*	Amount	Ratio	Y/Y*
Net Sales	Mil. Yen 8,949	% 100.0	Mil. Yen 19,346	% 100.0	Mil. Yen 10,200	% 100.0	% 14.0	Mil. Yen 21,000	% 100.0	% 8.5
Gross Profit	3,787	42.3	7,666	39.6	4,200	41.2	10.9	8,600	41.0	12.2
Operating Income	1,343	15.0	2,112	10.9	1,250	12.3	(7.0)	2,700	12.9	27.8
Ordinary Income	1,150	12.9	2,058	10.6	1,250	12.3	8.7	2,700	12.9	31.2
Net Income attributable to shareholders of the parent company	849	9.5	1,380	7.1	850	8.3	0.0	1,900	9.0	37.7

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

# Forecast for FY2018

## Analysis of the Forecast

### Net Sales

➤ 8.5% increase from the previous FY to 21,000 million yen

- a) Take-out robots sales increase by 7.4% Y/Y
  - Strong sales forecast and release a new model
  - Expect more demands in electronic parts and automotive area in China
- b) Custom-ordered equipment sales increase by 16.5% Y/Y
  - Obtain more customer needs in automatization equipment
  - Delivery to medical customer and more opportunity to new business area

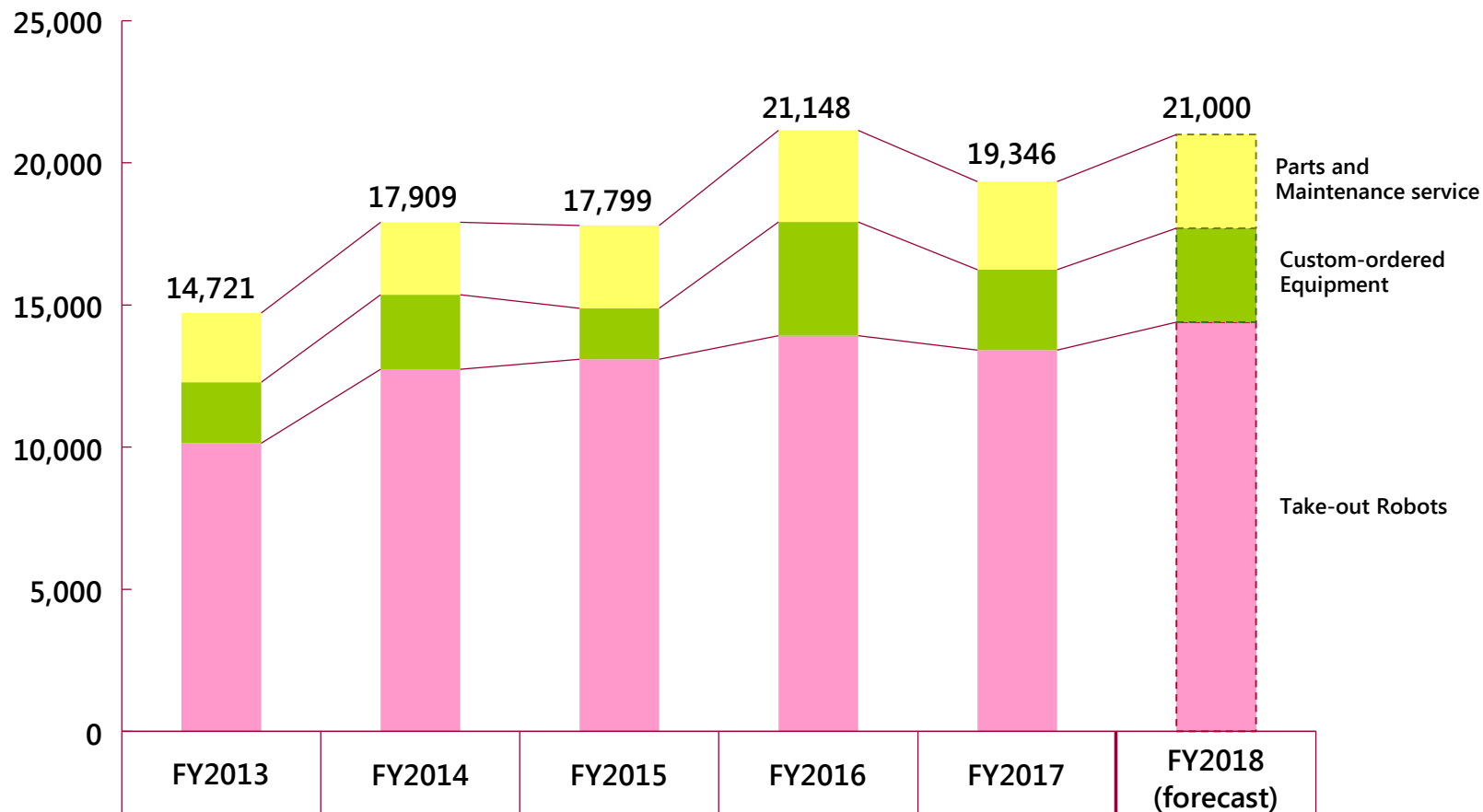
### Operating Income

➤ 27.8% increase from the previous FY to 2,700 million yen

- a) Profit increase from streamlining of business processes at new HQ fully in operation and increasing sales quantities
- b) Increase profitability with improved productivity at new HQ and continued effort of cost-reducing activities

# Sales Breakdown

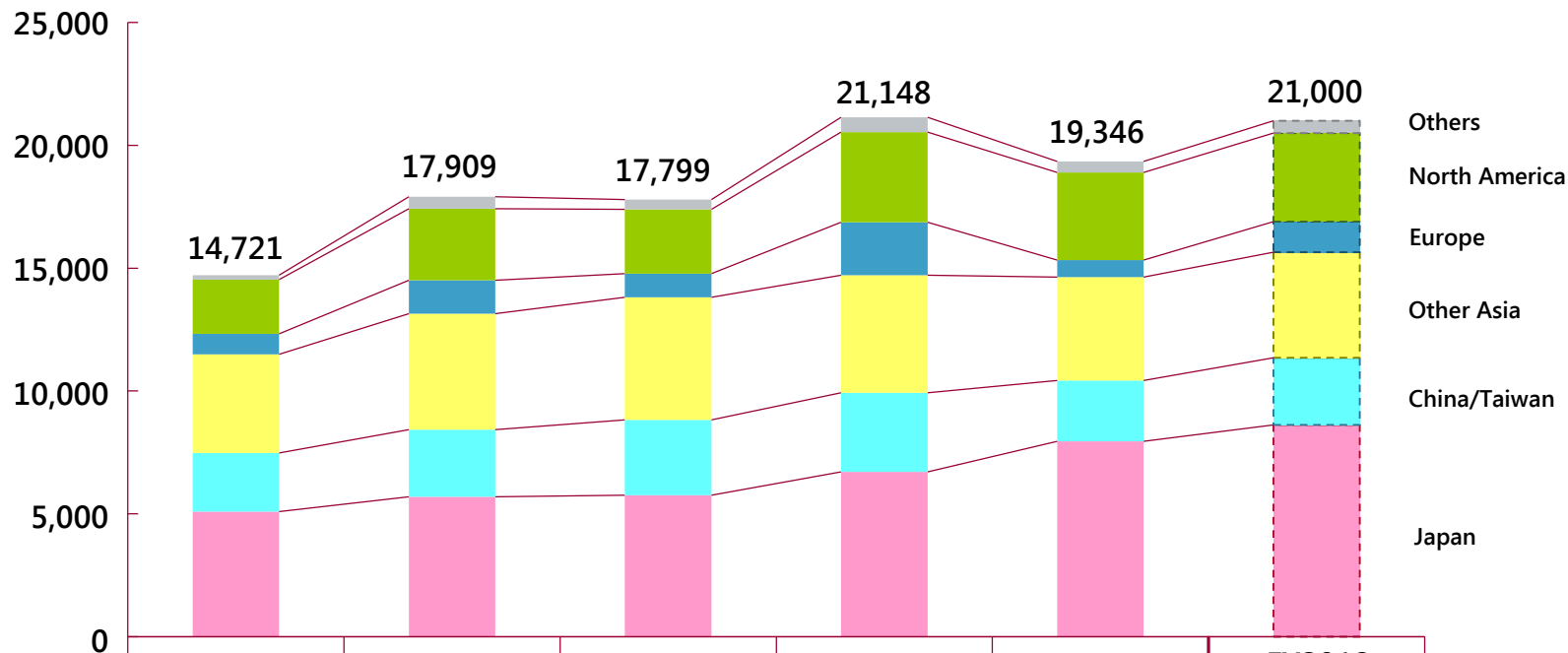
(Millions of Yen)



Parts and Maintenance service	2,436	2,547	2,911	3,227	3,103	3,300
Custom-ordered Equipment	2,144	2,626	1,794	3,997	2,832	3,300
Take-out Robots	10,141	12,736	13,092	13,923	13,410	14,400
<b>Total</b>	<b>14,721</b>	<b>17,909</b>	<b>17,799</b>	<b>21,148</b>	<b>19,346</b>	<b>21,000</b>

# Sales by Region

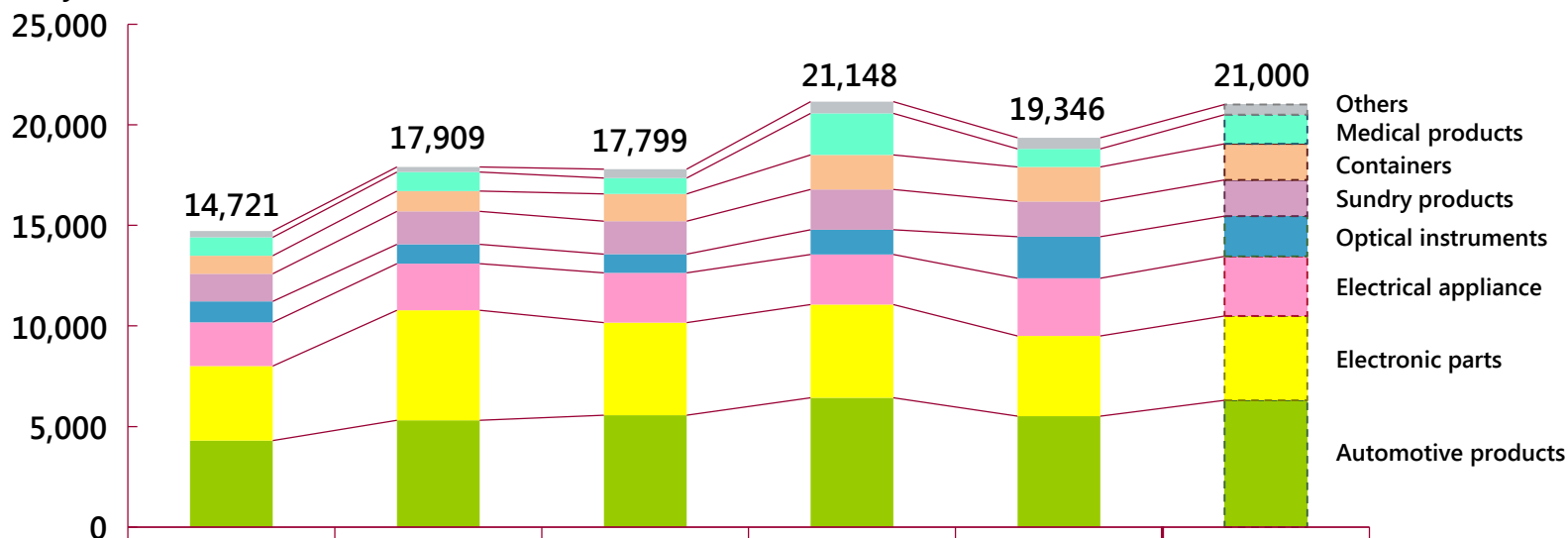
(Millions of yen)



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 (forecast)
Others	181	484	395	610	445	500
North America	2,215	2,917	2,628	3,665	3,573	3,600
Europe	824	1,352	959	2,163	693	1,250
Other Asia	4,019	4,721	4,982	4,781	4,200	4,300
China / Taiwan	2,392	2,738	3,069	3,220	2,477	2,730
Japan	5,088	5,694	5,762	6,707	7,955	8,620
<b>Total</b>	<b>14,721</b>	<b>17,909</b>	<b>17,799</b>	<b>21,148</b>	<b>19,346</b>	<b>21,000</b>

# Sales by End User Categories

(Millions of yen)



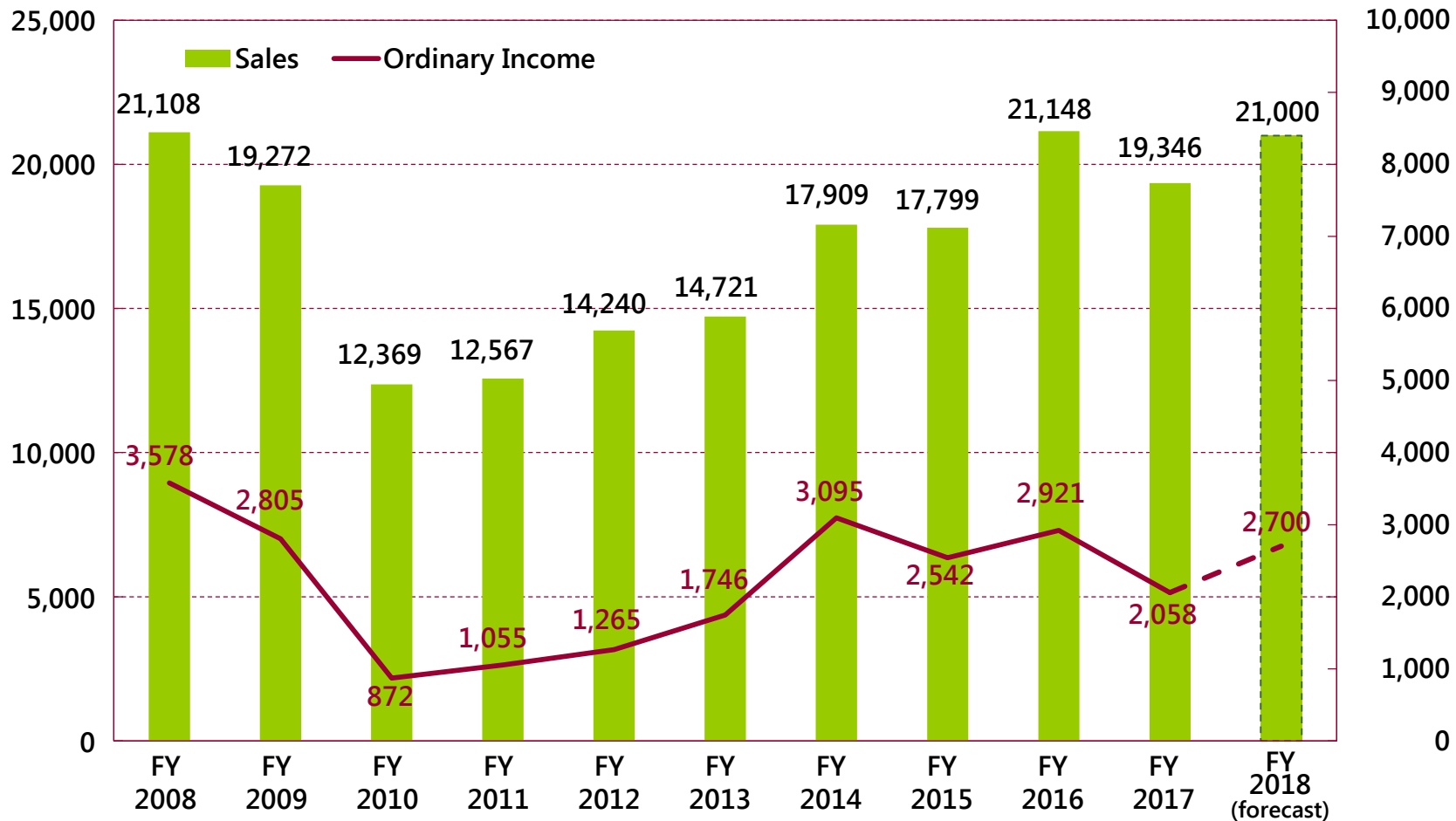
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 (forecast)
Others	314	257	440	580	549	500
Medical products	919	949	797	2,069	902	1,450
Containers	898	1,008	1,361	1,708	1,715	1,800
Sundry products	1,366	1,634	1,634	2,002	1,741	1,800
Discs and optical instruments	1,042	970	930	1,232	2,072	2,000
Electrical appliance	2,181	2,308	2,475	2,497	2,862	2,950
Electronic parts	3,700	5,468	4,592	4,629	3,992	4,200
Automotive products	4,296	5,312	5,567	6,428	5,511	6,300
<b>Total</b>	<b>14,721</b>	<b>17,909</b>	<b>17,799</b>	<b>21,148</b>	<b>19,346</b>	<b>21,000</b>



# Change in Performance

Sales  
(Millions of yen)

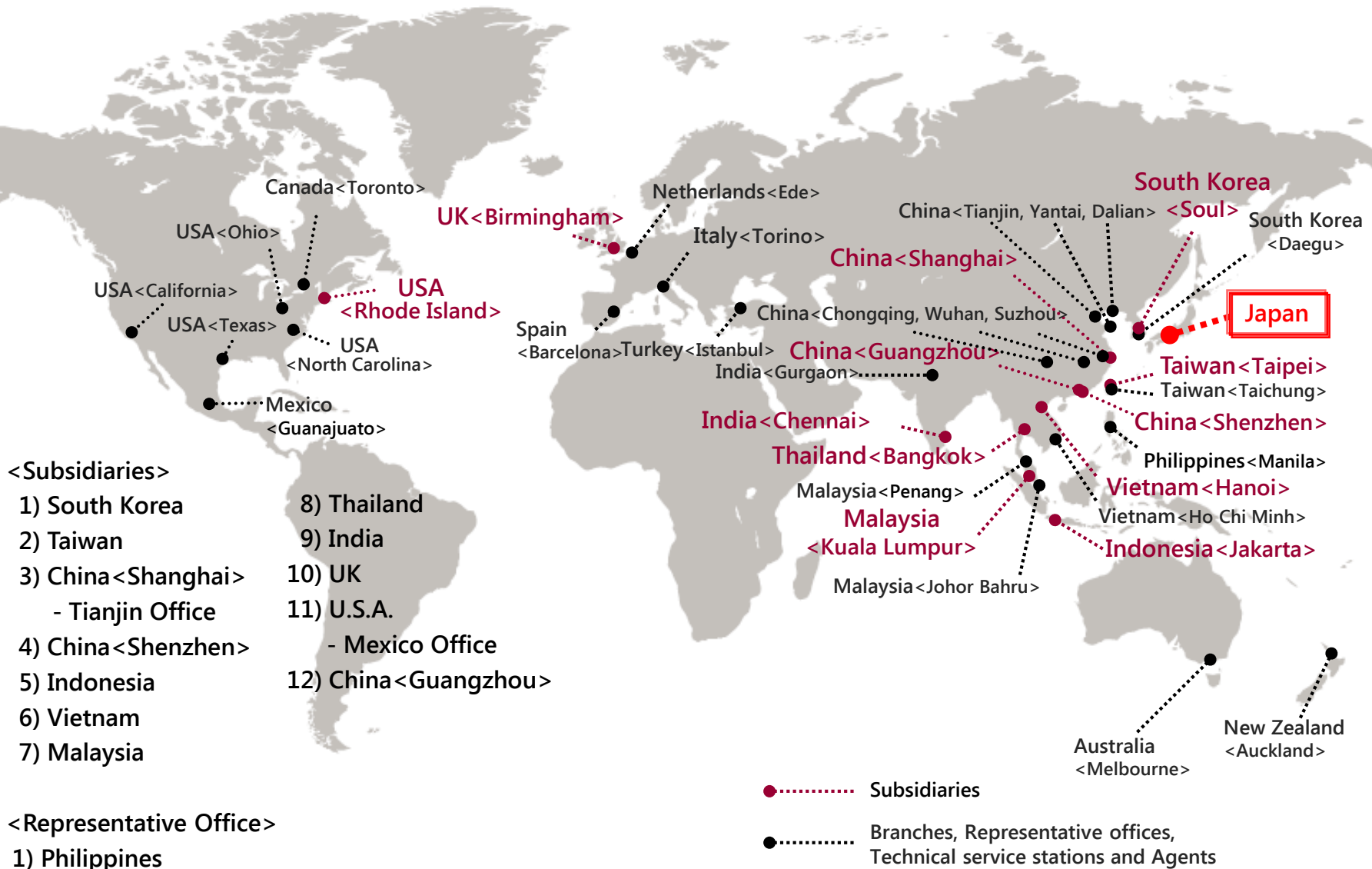
Ordinary Income  
(Millions of yen)



Ordinary Income  
Rate (%)

17.0	14.6	7.1	8.4	8.9	11.9	17.3	14.3	13.8	10.6	12.9
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# Global Network





# Change in Performance of Subsidiaries

(Millions of yen)

Country	Setup	Invest ment ratio	FY2016			FY2017			FY2018 (forecast)		
			Sales	Operating income	Net income	Sales	Operating income	Net income	Sales	Operating income	Net income
South Korea	2000.10	100.0%	1,866	260	167	1,788	202	166	1,652	112	87
Taiwan	2001. 7	100.0%	92	11	20	72	5	(2)	80	11	9
China (Shanghai)	2007. 2	100.0%	933	14	11	885	20	19	876	9	7
China (Shenzhen)	2004. 4	100.0%	1,070	46	35	805	31	21	783	22	17
Indonesia	2012.11	99.0%	164	13	6	258	38	27	275	29	20
Vietnam	2014. 2	100.0%	77	9	9	90	14	11	100	22	18
Malaysia	2001. 5	100.0%	130	0	(1)	209	16	8	203	11	8
Thailand	2001. 8	49.0%	845	156	112	640	66	57	702	79	64
India	2007. 8	95.0%	40	10	8	35	0	(1)	43	1	0
UK	2004. 3	95.6%	1,884	229	206	396	6	46	901	64	51
USA	1988.10	100.0%	3,583	443	229	3,285	348	210	3,572	355	223
China (Guangzhou)	2008. 9	100.0%	1,277	276	148	1,136	61	3	1,056	43	32

&lt;Exchange Rates&gt;

USD/JPY

120.15 yen

108.38 yen

110.00 yen

GBP/JPY

181.32 yen

141.60 yen

142.00 yen

CNY/JPY

18.85 yen

16.11 yen

16.11 yen

# Balance Sheets

(Millions of yen)

## Changes in Assets

## Changes in Liabilities

Cash and deposits +393

Notes and accounts receivable – trade +453

Merchandise and finished goods +7

Work in process +259

Raw material and supplies (106)

Other current assets +384

Buildings and structures +4,185

Other fixed assets +210

Construction in progress (4,581)

Intangible assets +103

Investment securities +35

Notes and accounts payable – trade +169

Electronically recorded obligations – operating +653

Income taxes payable (448)

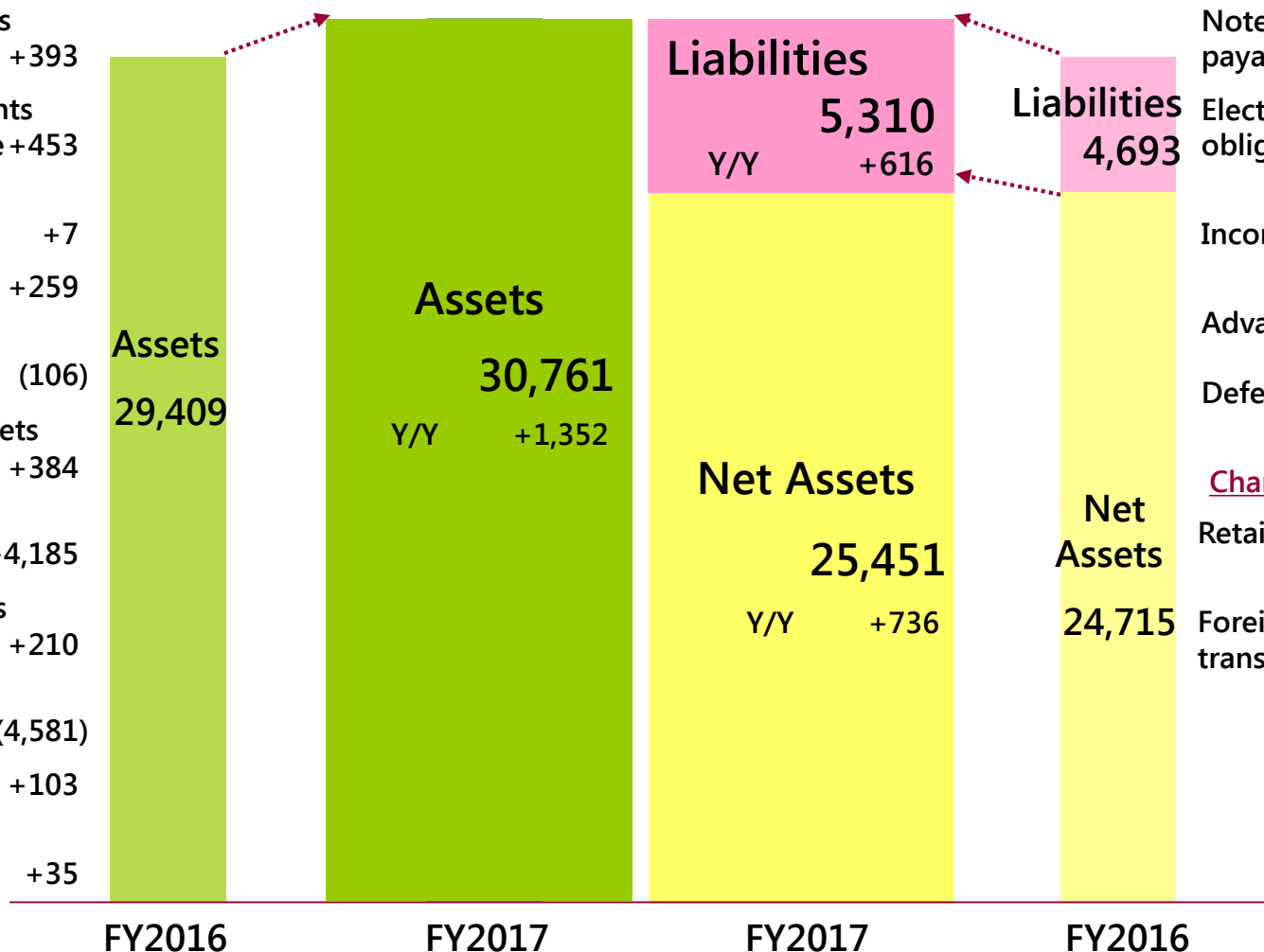
Advances received 326

Deferred tax liabilities (93)

## Changes in Net Assets

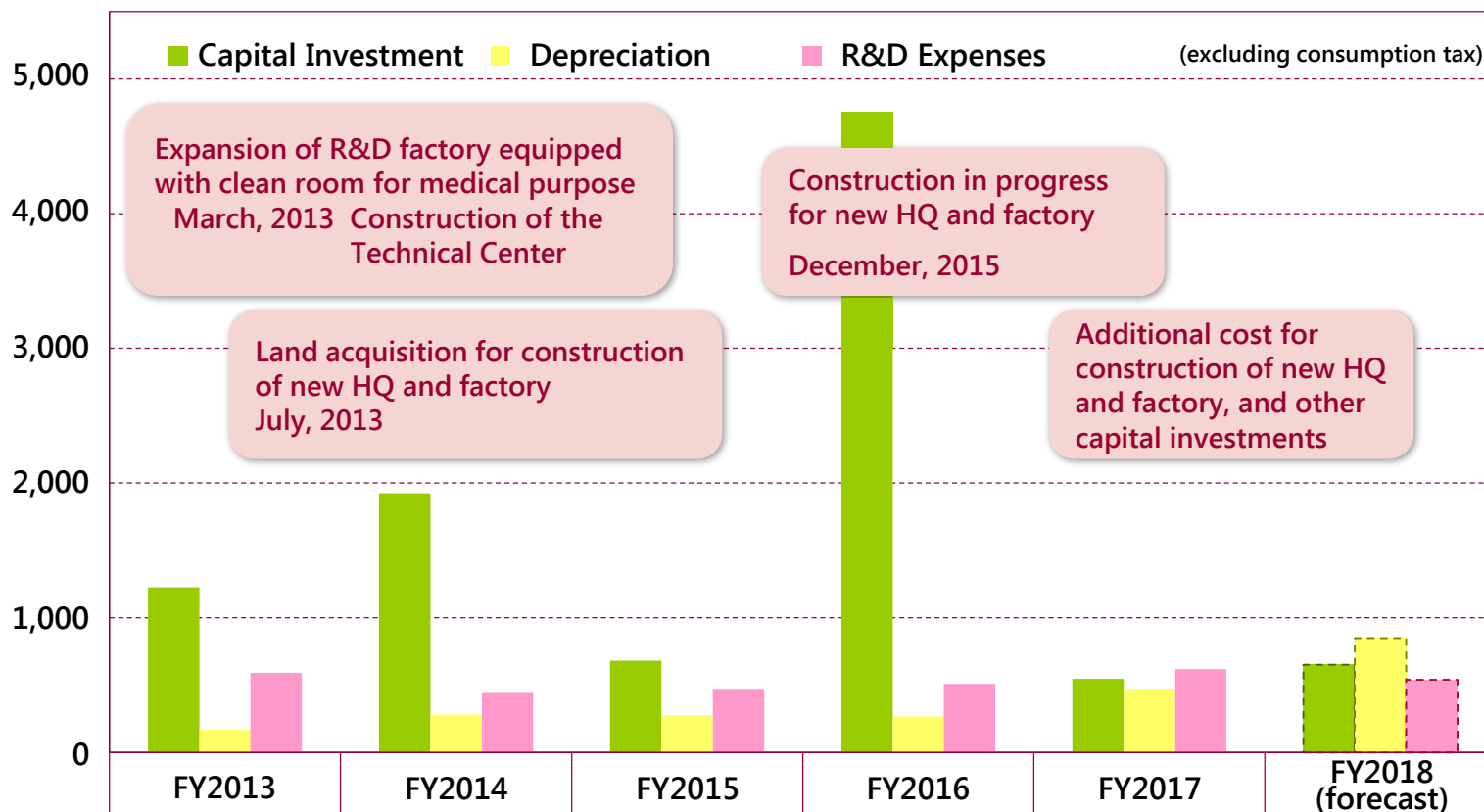
Retained earnings +771

Foreign currency translation adjustment (63)



# Capital Investment / Depreciation / R&D

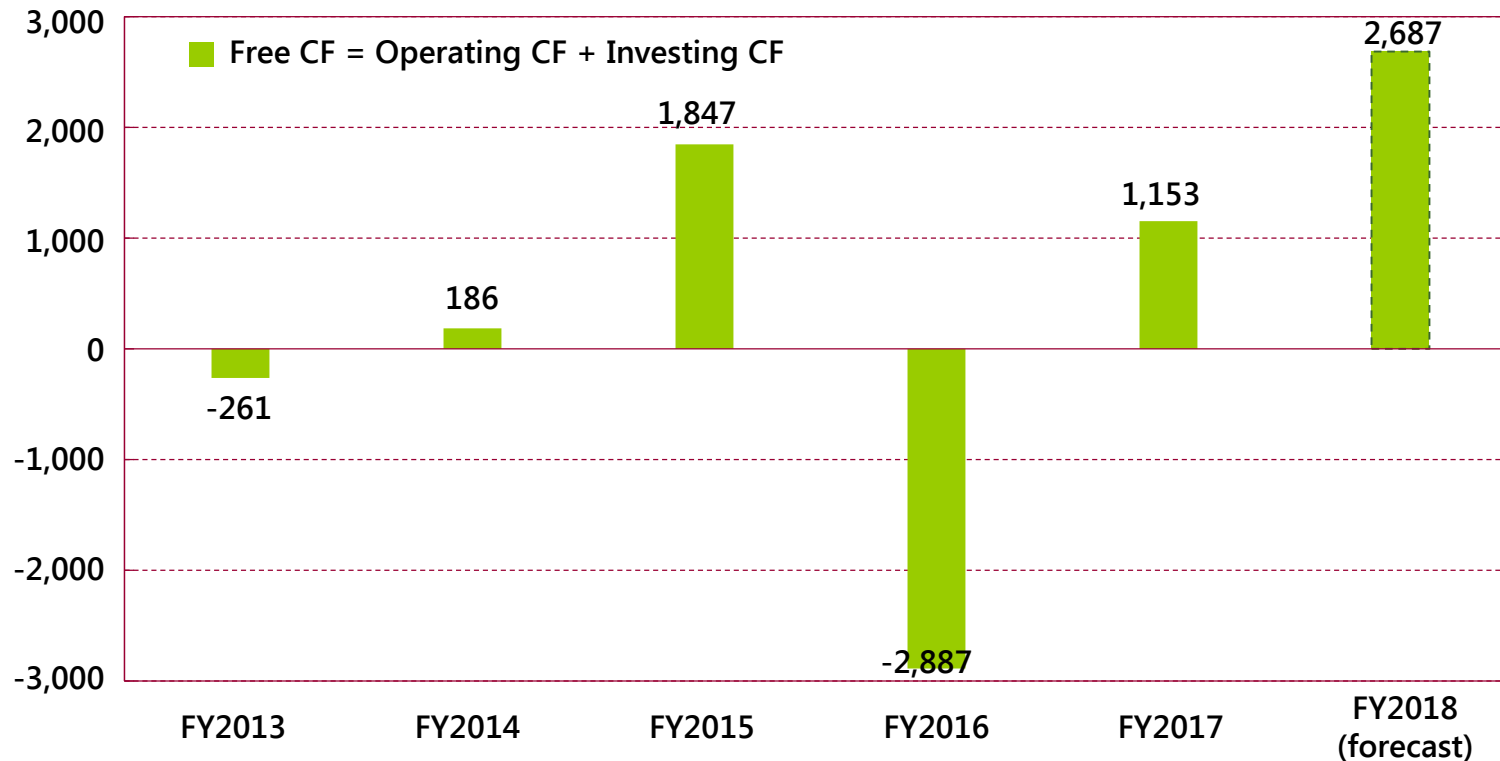
(Millions of yen)



Capital Investment	1,225	1,924	682	4,754	546	650
Depreciation	170	282	277	268	474	850
R&D Expenses	591	448	472	510	619	540

# Change in Cash Flow

(Millions of yen)

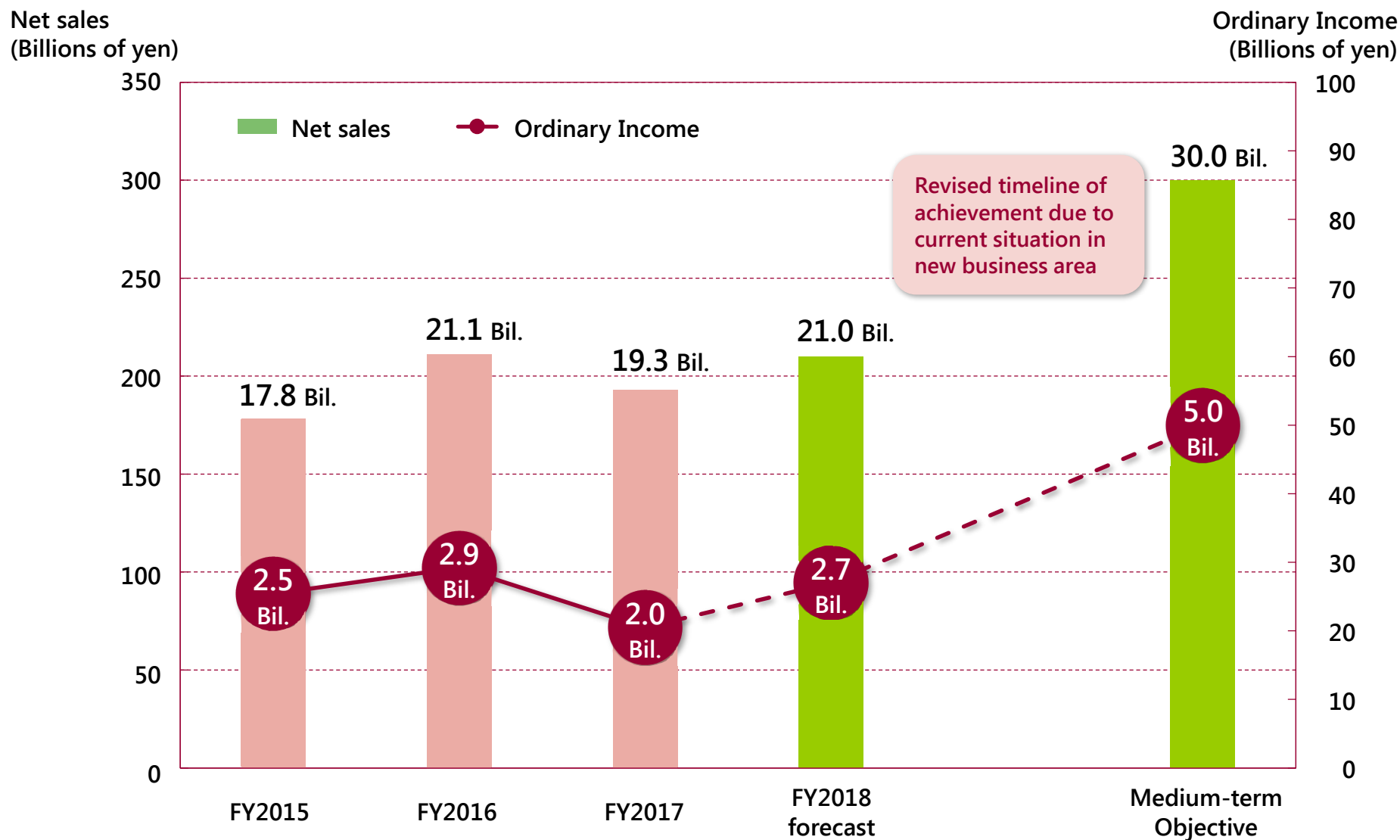


<Change in cash flow from operating, investing, and financing activities>

(Millions of yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 (forecast)
Operating CF	520	2,575	2,104	2,218	1,626	3,302
Investing CF	(781)	(2,389)	(256)	(5,105)	(471)	(615)
Financing CF	(351)	(569)	(560)	(677)	(678)	(664)

# Medium-term Objectives



# Medium-term Objectives

FY2017

- Net Sales: 19.3 billion yen
- Ordinary Income: 2.0 billion yen
- Ordinary Profit ratio: 11 %
- EPS: 79 yen

- Net Sales: 30 billion yen
- 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

# Strategy 1: Enhancement of the Products (1)

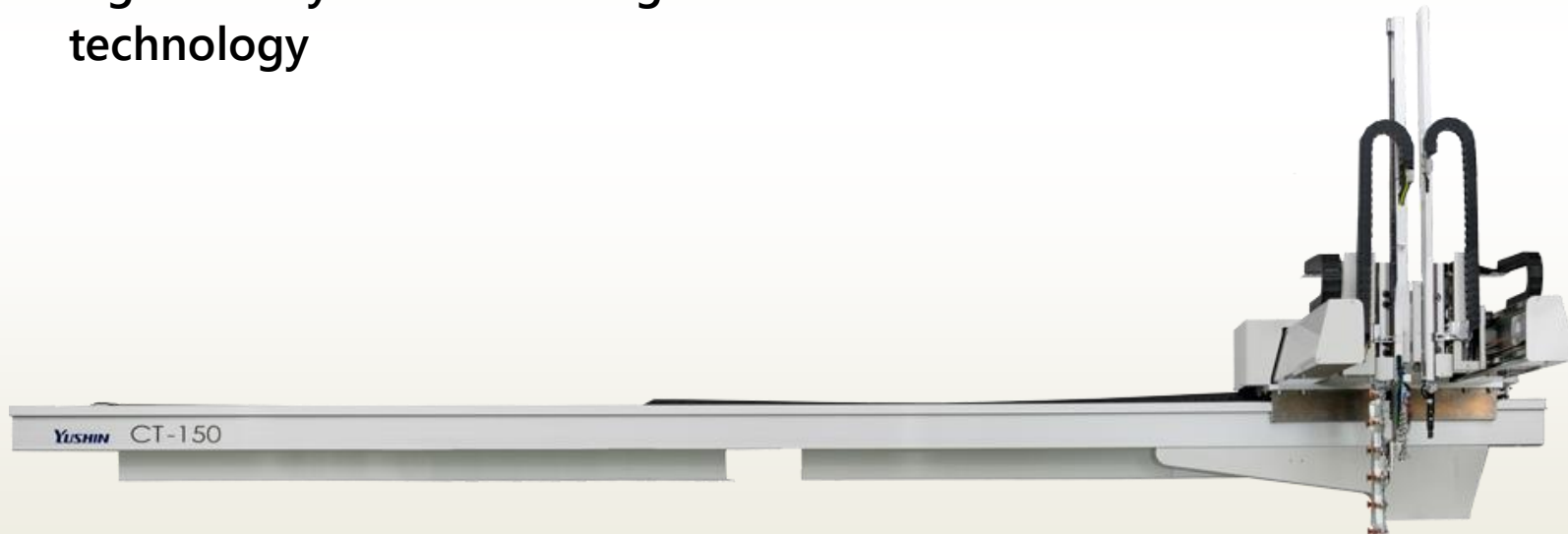
Unveil new take-out robot (top graded model) in July

- Development period: 3 years
- Total R&D resources: 200 people

## Strategy 1: Enhancement of the Products (2)

### Clump-end Travers type Take-out robots

- Space efficient of floor planning in factory and centralization of conveyor belts
- Energy conservation with design optimization, downsized motors and ECO vacuum circuit
- Significantly reduce settling times with CFRP and vibration control technology



Released on April 5, 2017

<CT-150>



# Strategy 1: Enhancement of the Products (3)

## Collaboration with Universities

### ➤ KYOTO UNIVERSITY

**“Robot frame structural design using 3D Design Optimization”**

→ Design of Robot frame with light weight and high rigidity

### ➤ OSAKA UNIVERSITY

**“Establish methodology of robot design with broadened Product Design”**

→ Modularized design considered with customers' needs, and capability and structure of Take-out robot

### ➤ DOSHISHA UNIVERSITY

**“Develop mathematical model for vibration analysis on Take-out robot”**

→ Prognostic of vibration transmission at a developing phase of Take-out robots

## 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.
- Enhancement hiring and promoting female powers



# New HQ and Factory Opened in December 2016

- Investment in new HQ and factory to achieve consolidated net sales of 30 billion yen
- Improve productivity and streamline business processes, thereby promoting sustainable growth for the entire Yushin group
- Integration of manufacturing functions
  - Improve productivity by integrating receiving, assembling, inspection and shipping into a whole



Land : 20,597m<sup>2</sup>

Total floor area : 20,095m<sup>2</sup>

# New HQ and Factory Opened in December 2016

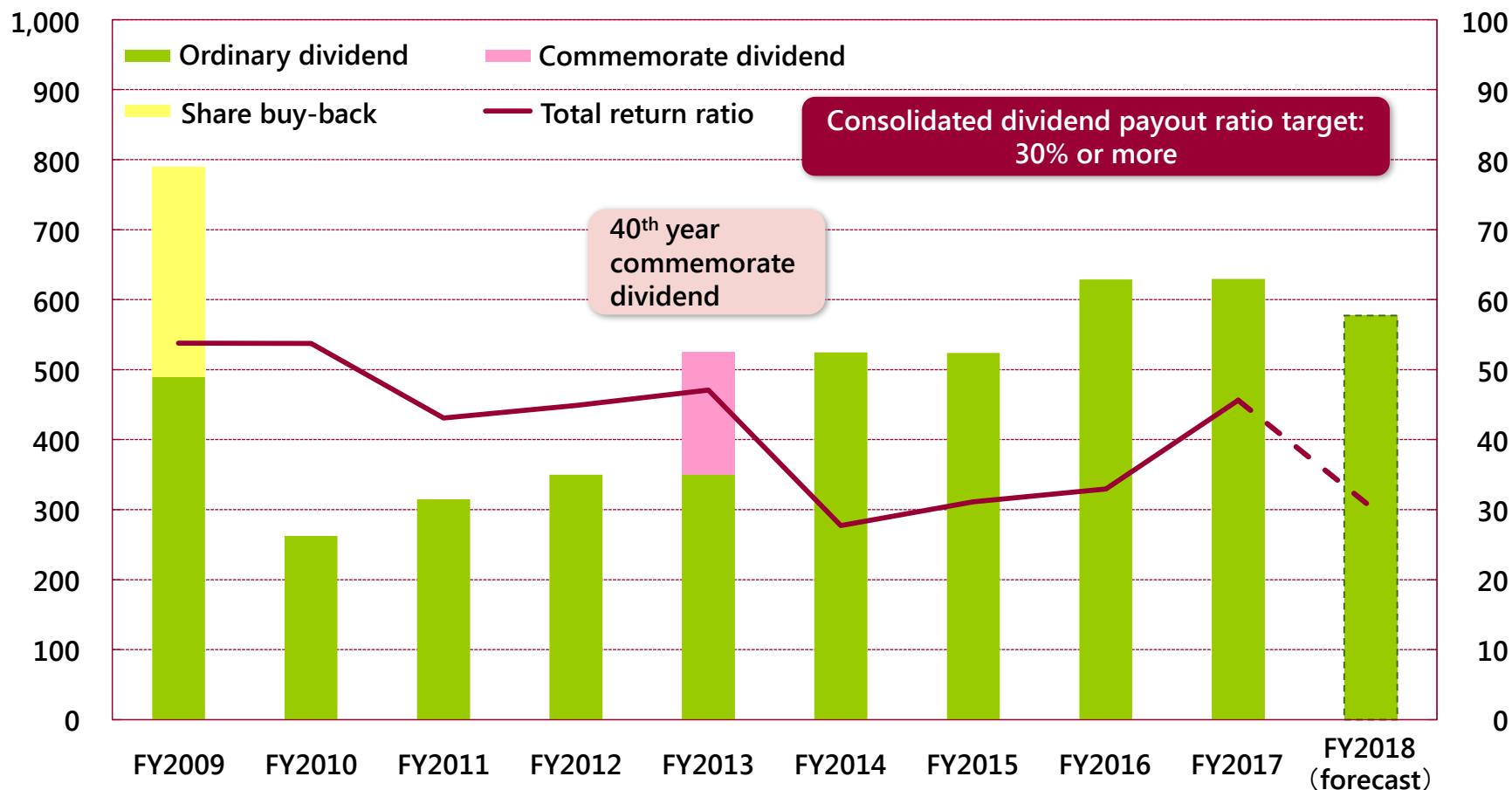
- More capacity to receive orders of large type take-out robot
  - Expand production area for assembling and inspection of large type robot used for IMM with 2,000t or more clamping force
  - Design to maximize height of 3-story open ceiling and pits in place of an old factory, 2-story open ceiling and pits.
- Streamlining and sophistication of business processes by boosting in-house communication
  - Gathering 240 people of sales force, R&D team, engineering designers and administrative section into 4<sup>th</sup> floor



# Return to Shareholders

(Millions of yen)

(%)



Annual Dividend	28yen	15yen	18yen	20yen	30yen	30yen	30yen	36yen	36yen	33yen
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# **YUSHIN PRECISION EQUIPMENT CO., LTD.**

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

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