

<Translation>



August 3, 2016

Consolidated Financial Results for the First Quarter Ended June 30, 2016 <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 12, 2016
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, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	4,184	(14.9)	644	5.4	468	(28.9)	330	(27.8)
June 30, 2015	4,917	37.3	611	72.3	658	72.1	457	87.1

Note: Comprehensive income

Three months ended June 30, 2016: (70) million yen [(112.3) %]

Three months ended June 30, 2015: 576 million yen [310.6 %]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2016	18.89	-
June 30, 2015	26.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	28,801	24,249	83.7
As of March 31, 2016	29,409	24,715	83.3

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

As of June 30, 2016: 24,099 million yen

As of March 31, 2016: 24,509 million yen

2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	15.00	-	21.00	36.00
FY2017	-				
FY2017 (Forecast)		15.00	-	21.00	36.00

Note: Revisions to projected dividends most recently announced: None

3. Consolidated Earnings Forecasts for the FY2017 (from April 1, 2016 to March 31, 2017)

(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, 2016	9,300	(6.3)	1,500	(0.2)	1,330	(7.9)	860	(15.2)	49.18
FY2017	20,000	(5.4)	3,200	3.7	3,000	2.7	1,980	3.7	113.22

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. Other Information (Notes), (2) Adoption of special accounting methods for preparation of quarterly financial statements" on page 2 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: | Yes |
| 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, 2016 17,819,033 shares

As of March 31, 2016 17,819,033 shares

2) Number of shares of treasury stock at the end of the period

As of June 30, 2016 331,312 shares

As of March 31, 2016 331,208 shares

3) Average number of outstanding shares during the period

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

Three months ended June 30, 2015 17,488,105 shares

*** Information regarding the implementation of quarterly review procedures**

This quarterly financial information included in this summary is out of scope of quarterly review procedure under the Financial Instruments and Exchange Act. Quarterly review procedure under the Financial Instruments and Exchange Act has not been completed at the date of submission of this summary.

* 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. Other Information (Notes)	2
(1) Changes in significant consolidated subsidiaries	2
(2) Adoption of special accounting methods for preparation of quarterly financial statements	2
(3) Changes in accounting principles, accounting estimates and retrospective restatement	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income	6
Quarterly consolidated statements of income	6
Quarterly consolidated statements of comprehensive income	7
(3) Notes related to quarterly consolidated financial statements	8
< Notes related to going concern assumption >	8
< Notes in the event of significant changes in shareholders' equity >	8
< Segment information >	8
4. Supplemental Information	9
(1) Orders, backlog and sales	9
(2) Overseas sales	9

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, 2016, US economy had remained strong but further monetary policies were at a standstill. The economy in China, emerging countries in Asia and countries with natural resources seemed to be in stagnation and slowing down. Looking at Europe, Brexit won a vote in a referendum in UK, and the result brought turmoil in financial market and increased unclear prospects in a future European economy. Due to those situations, the world economy had been unstable in the period.

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. Then, solid bookings are expected in the trend of the entire group. However, due to a decrease of sales in custom-ordered equipment, consolidated net sales decreased by 14.9% year on year to 4,184 million yen. But, its profitability of the business was improved and operating income increased by 5.4% year on year to 644 million yen. As the Company had to recognize foreign exchange losses due to a sharp appreciation of Japanese Yen after the referendum in UK, ordinary income decreased by 28.9% year on year to 468 million yen and net income attributable to the parent company decreased by 27.8% year on year to 330 million yen.

(2) Explanation on the financial condition

<Assets>

Total assets decreased by 608 million yen from the end of the previous fiscal year to 28,801 million yen. This was mainly due to decrease of “Notes and accounts receivable - trade” by 911 million yen.

<Liabilities>

Total liabilities decreased by 142 million yen from the end of the previous fiscal year to 4,551 million yen. This was mainly due to decrease of 330 million yen in “Income taxes payable”.

<Net assets>

Net assets decreased by 466 million yen from the end of the previous fiscal year to 24,249 million yen.

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

After reviewing our business forecast based on the future industry trend, we have revised our forecast for the fiscal year ending March 31, 2017, which was announced on May 10, 2016. For more detailed information, please refer “Revisions to the Forecast for the Earnings” announced on August 3, 2016.

2. Other Information (Notes)

(1) Changes in significant consolidated subsidiaries

None

(2) Adoption of special accounting methods for preparation of quarterly financial statements

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.

(3) Changes in accounting principles, accounting estimates and retrospective restatement

(Application of guidance on “Recoverability of Deferred Tax Assets”)

The company has applied “Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan [ASBJ] Guidance No.26, March 28, 2016; hereafter “Guidance on Recoverability”) from the beginning of the current fiscal year and revised a part of the accounting procedure for recoverability of deferred tax assets.

The Company has applied “Guidance on Recoverability” in accordance with the provisions on transitional implementation indicated in Article 49(4) of “Guidance on Recoverability.” The differences between the amount of Deferred tax assets and Deferred tax liabilities in applying Article 49(3)① through ③ of “Guidance on Recoverability” at the beginning of the current fiscal year, and the amount of Deferred tax and Deferred tax liabilities at the end of the previous fiscal year have been added to Retained earnings and Accumulated other comprehensive income at the beginning of the current fiscal year.

As the result, at the beginning of the current fiscal year, Deferred tax assets (“Investments and other assets”) increased by 20,367 thousand yen and Retained earnings increased by 20,367 thousand yen.

3. Quarterly Consolidated Financial Statements**(1) Quarterly consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
<ASSETS>		
Current assets		
Cash and deposits	5,341,166	5,559,928
Notes and accounts receivable - trade	6,026,195	5,114,780
Merchandise and finished goods	762,329	843,036
Work in process	625,413	844,008
Raw materials and supplies	2,286,051	2,165,875
Deferred tax assets	625,342	579,275
Other	320,955	338,840
Allowance for doubtful accounts	(30,483)	(29,387)
Total current assets	15,956,972	15,416,358
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,855,686	1,769,468
Land	5,779,928	5,753,763
Other	4,801,374	4,817,332
Total property, plant and equipment	12,436,989	12,340,563
Intangible assets	369,502	428,478
Investments and other assets		
Investment securities	185,438	159,242
Net defined benefit asset	266,874	267,210
Other	193,840	189,363
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	646,137	615,801
Total non-current assets	13,452,630	13,384,843
Total assets	29,409,602	28,801,201

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,169,103	2,332,103
Accounts payable - other	776,774	631,734
Income taxes payable	548,986	218,891
Advances received	278,867	341,315
Provision for bonuses	236,000	127,000
Provision for directors' bonuses	29,960	7,350
Provision for product warranties	148,441	125,124
Other	204,559	522,197
Total current liabilities	4,392,694	4,305,716
Non-current liabilities		
Provision for directors' retirement benefits	66,780	66,780
Net defined benefit liability	44,043	42,924
Deferred tax liabilities	123,350	75,360
Other	67,065	60,774
Total non-current liabilities	301,239	245,838
Total liabilities	4,693,933	4,551,555
<NET ASSETS>		
Shareholders' equity		
Capital stock	1,985,666	1,985,666
Capital surplus	2,023,903	2,023,903
Retained earnings	20,502,208	20,485,610
Treasury stock	(352,731)	(352,917)
Total shareholders' equity	24,159,047	24,142,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,920	15,692
Foreign currency translation adjustment	266,643	(108,320)
Remeasurements of defined benefit plans	50,245	50,230
Total accumulated other comprehensive income	350,808	(42,397)
Non-controlling interests	205,812	149,780
Total net assets	24,715,668	24,249,646
Total liabilities and net assets	29,409,602	28,801,201

(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, 2015	Three months ended June 30, 2016
Net sales	4,917,805	4,184,845
Cost of sales	2,924,793	2,313,541
Gross profit	1,993,011	1,871,304
Selling, general and administrative expenses	1,381,966	1,226,991
Operating income	611,044	644,312
Non-operating income		
Interest income	4,432	1,806
Dividends income	2,383	2,346
Purchase discounts	3,571	2,927
Foreign exchange gains	15,652	-
Subsidy income	12,208	11,672
Other	9,487	3,405
Total non-operating income	47,736	22,157
Non-operating expenses		
Sales discounts	220	249
Foreign exchange losses	-	198,075
Other	0	0
Total non-operating expenses	220	198,324
Ordinary income	658,560	468,145
Extraordinary income		
Gain on sales of non-current assets	-	823
Gain on sales of investment securities	1,104	-
Total extraordinary income	1,104	823
Extraordinary loss		
Loss on sales and retirement of non-current assets	0	252
Total extraordinary losses	0	252
Income before income taxes	659,665	468,715
Income taxes	181,814	132,227
Net income	477,851	336,488
Net income attributable to non-controlling interests	20,447	6,209
Net income attributable to shareholders of the parent company	457,403	330,279

Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	477,851	336,488
Other comprehensive income		
Valuation difference on available-for-sale securities	27,869	(18,227)
Foreign currency translation adjustments	71,937	(389,059)
Remeasurements of defined benefit plans, net of tax	(1,111)	(15)
Total other comprehensive income	98,694	(407,301)
Comprehensive income	576,545	(70,812)
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	558,917	(62,926)
Comprehensive income attributable to non-controlling interests	17,628	(7,886)

(3) Notes related to consolidated financial statements**< Notes related to going concern assumption >**

None

< Notes in the event of significant changes in shareholders' equity >

None

< Segment information >

FY2016 1Q (from April 1, 2015 to June 30, 2015)

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	2,534,399	769,299	1,397,752	216,353	4,917,805	-	4,917,805
Inter-segment sales or transfers	990,540	3,063	75,664	410	1,069,679	(1,069,679)	-
Total	3,524,940	772,363	1,473,416	216,763	5,987,484	(1,069,679)	4,917,805
Segment profit	262,754	51,145	288,509	12,563	614,972	(3,927)	611,044

*Notes 1: The (3,927) thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 3,841 thousand yen and inventory adjustments of (7,768) thousand yen.

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

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.

4. Supplemental Information**(1) Orders, backlog and sales**

a. Orders

1) Order received

(Thousands of yen)

Products	FY2016 1Q	FY2017 1Q	Change (%)
Take-out robots	3,610,470	3,184,336	88.2
Custom-ordered equipment	748,769	1,007,214	134.5
Parts and maintenance service	746,595	752,837	100.8
Total	5,105,836	4,944,388	96.8

2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2015	As of June 30, 2016	Change (%)
Take-out robots	2,591,702	2,014,271	77.7
Custom-ordered equipment	2,245,546	1,319,728	58.8
Parts and maintenance service	217,388	206,950	95.2
Total	5,054,637	3,540,950	70.1

b. Net sales

(Thousands of yen)

Products	FY2016 1Q	FY2017 1Q	Change (%)
Take-out robots	3,523,785	3,091,216	87.7
Custom-ordered equipment	666,045	352,660	52.9
Parts and maintenance service	727,973	740,968	101.8
Total	4,917,805	4,184,845	85.1

(2) Overseas Sales

FY2016 1Q (from April 1, 2015 to June 30, 2015)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	755,867	2,535,385	297,334	101,450	3,690,037
II Consolidated net sales					4,917,805
III Ratio of overseas sales to consolidated net sales (%)	15.4	51.6	6.0	2.1	75.0

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