

<Translation>



November 4, 2016

Consolidated Financial Results for the Six Months Ended September 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: November 14, 2016
Scheduled date to commence dividend payments: December 1, 2016
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, 2016 (from April 1, 2016 to September 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 | % |
| Six months ended | | | | | | | | |
| September 30, 2016 | 8,949 | (9.8) | 1,343 | (10.6) | 1,150 | (20.3) | 849 | (16.2) |
| September 30, 2015 | 9,919 | 20.0 | 1,502 | 35.1 | 1,444 | 17.9 | 1,014 | 28.0 |

Note: Comprehensive income

Six months ended September 30, 2016: 447 million yen [(50.1) %]

Six months ended September 30, 2015: 896 million yen [(8.1) %]

| | Net income per share | Diluted net income per share |
|--------------------|----------------------|------------------------------|
| Six months ended | Yen | Yen |
| September 30, 2016 | 48.60 | - |
| September 30, 2015 | 58.00 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2016 | 29,553 | 24,767 | 83.3 |
| As of March 31, 2016 | 29,409 | 24,715 | 83.3 |

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

As of September 30, 2016: 24,609 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 | - | 15.00 | | | |
| FY2017 (Forecast) | | | - | 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 |
| 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: 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. 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 September 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 September 30, 2016 331,424 shares

As of March 31, 2016 331,208 shares

3) Average number of outstanding shares during the period

Six months ended September 30, 2016 17,487,740 shares

Six months ended September 30, 2015 17,488,056 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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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation on the business results

As for the world economy during the six month ended September 30, 2016, US economy had remained a mild escalation tendency along with a steady employment and individual consumption. However, US economic forecast has been in unclarity due to a trend of United States President Election and a possibility of interest rate rise. And there was a limited “Brexit” impact on the European economy. Therefore, European economy had been on a stable trend. As a whole, the economy centered around developed countries remained in a moderate recovery trend. But then, the economy in China slowed down due to excess investments. And in some of Asian countries, there also seemed to be in stagnation.

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. However, due to a significant Japanese Yen appreciation in the foreign exchange market, consolidated net sales decreased by 9.8% year on year to 8,949 million yen. Its profitability of the business was improved but operating income decreased by 10.6% year on year to 1,343 million yen because of a decline in consolidated net sales and an appreciation of Japanese Yen. As the result, ordinary income decreased by 20.3% year on year to 1,150 million yen and net income attributable to the parent company decreased by 16.2% year on year to 849 million yen.

(2) Explanation on the financial condition

<Assets>

Total assets increased by 143 million yen from the end of the previous fiscal year to 29,553 million yen. This was due to increase of “Work in process” by 305 million yen and decrease of “Notes and accounts receivable - trade” by 247 million yen.

<Liabilities>

Total liabilities increased by 91 million yen from the end of the previous fiscal year to 4,785 million yen.

<Net assets>

Net assets increased by 52 million yen from the end of the previous fiscal year to 24,767 million yen.

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

No revisions for full year have been made to consolidated earnings forecasts for the FY2017 released 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 taxes 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 assets 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 September 30, 2016 |
|---------------------------------------|----------------------|--------------------------|
| <ASSETS> | | |
| Current assets | | |
| Cash and deposits | 5,341,166 | 5,447,240 |
| Notes and accounts receivable - trade | 6,026,195 | 5,778,954 |
| Merchandise and finished goods | 762,329 | 863,384 |
| Work in process | 625,413 | 930,651 |
| Raw materials and supplies | 2,286,051 | 2,182,367 |
| Deferred tax assets | 625,342 | 582,803 |
| Other | 320,955 | 421,892 |
| Allowance for doubtful accounts | (30,483) | (21,038) |
| Total current assets | 15,956,972 | 16,186,255 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 1,855,686 | 1,726,266 |
| Land | 5,779,928 | 5,758,199 |
| Other, net | 4,801,374 | 4,811,426 |
| Total property, plant and equipment | 12,436,989 | 12,295,892 |
| Intangible assets | 369,502 | 428,088 |
| Investments and other assets | | |
| Investment securities | 185,438 | 183,446 |
| Net defined benefit asset | 266,874 | 267,441 |
| Other | 193,840 | 192,297 |
| Allowance for doubtful accounts | (14) | (61) |
| Total investments and other assets | 646,137 | 643,124 |
| Total non-current assets | 13,452,630 | 13,367,105 |
| Total assets | 29,409,602 | 29,553,360 |

(Thousands of yen)

| | As of March 31, 2016 | As of September 30, 2016 |
|---|----------------------|--------------------------|
| <LIABILITIES> | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 2,169,103 | 2,538,653 |
| Accounts payable - other | 776,774 | 571,063 |
| Income taxes payable | 548,986 | 322,214 |
| Advances received | 278,867 | 526,511 |
| Provision for bonuses | 236,000 | 252,000 |
| Provision for directors' bonuses | 29,960 | 14,700 |
| Provision for product warranties | 148,441 | 119,719 |
| Other | 204,559 | 203,408 |
| Total current liabilities | 4,392,694 | 4,548,270 |
| Non-current liabilities | | |
| Provision for directors' retirement benefits | 66,780 | 66,780 |
| Net defined benefit liability | 44,043 | 45,351 |
| Deferred tax liabilities | 123,350 | 66,503 |
| Other | 67,065 | 58,642 |
| Total non-current liabilities | 301,239 | 237,276 |
| Total liabilities | 4,693,933 | 4,785,547 |
| <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 | 21,005,225 |
| Treasury stock | (352,731) | (353,162) |
| Total shareholders' equity | 24,159,047 | 24,661,632 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 33,920 | 32,493 |
| Foreign currency translation adjustment | 266,643 | (134,588) |
| Remeasurements of defined benefit plans | 50,245 | 50,214 |
| Total accumulated other comprehensive income | 350,808 | (51,880) |
| Non-controlling interests | 205,812 | 158,060 |
| Total net assets | 24,715,668 | 24,767,813 |
| Total liabilities and net assets | 29,409,602 | 29,553,360 |

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income**Quarterly consolidated statements of income**

| | (Thousands of yen) | |
|---|--|--|
| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
| Net sales | 9,919,506 | 8,949,104 |
| Cost of sales | 5,752,731 | 5,161,701 |
| Gross profit | 4,166,774 | 3,787,403 |
| Selling, general and administrative expenses | 2,664,166 | 2,443,935 |
| Operating income | 1,502,607 | 1,343,467 |
| Non-operating income | | |
| Interest income | 8,906 | 3,445 |
| Dividends income | 2,386 | 2,346 |
| Purchase discounts | 7,465 | 6,595 |
| Subsidy income | 12,208 | 11,672 |
| Other | 16,408 | 9,686 |
| Total non-operating income | 47,375 | 33,744 |
| Non-operating expenses | | |
| Sales discounts | 413 | 594 |
| Foreign exchange losses | 105,107 | 226,161 |
| Other | 215 | 0 |
| Total non-operating expenses | 105,735 | 226,755 |
| Ordinary income | 1,444,247 | 1,150,456 |
| Extraordinary income | | |
| Gain on sales of non-current assets | - | 809 |
| Gain on sales of investment securities | 1,104 | - |
| Total extraordinary income | 1,104 | 809 |
| Extraordinary loss | | |
| Loss on sales and retirement of non-current assets | 834 | 2,004 |
| Total extraordinary losses | 834 | 2,004 |
| Income before income taxes | 1,444,517 | 1,149,261 |
| Income taxes | 381,636 | 283,167 |
| Net income | 1,062,880 | 866,093 |
| Net income attributable to non-controlling interests | 48,658 | 16,199 |
| Net income attributable to shareholders of the parent company | 1,014,222 | 849,893 |

Quarterly consolidated statements of comprehensive income

| | (Thousands of yen) | |
|---|--|--|
| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
| Net income | 1,062,880 | 866,093 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (8,141) | (1,426) |
| Foreign currency translation adjustments | (155,708) | (417,037) |
| Remeasurements of defined benefit plans, net of tax | (2,223) | (30) |
| Total other comprehensive income | (166,073) | (418,494) |
| Comprehensive income | 896,806 | 447,599 |
| (Breakdown) | | |
| Comprehensive income attributable to shareholders of the parent company | 869,784 | 447,204 |
| Comprehensive income attributable to non-controlling interests | 27,022 | 394 |

(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

< Segment information >

First Six Months of FY2016 (from April 1, 2015 to September 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 | 5,094,860 | 1,555,258 | 2,931,179 | 338,207 | 9,919,506 | - | 9,919,506 |
| Inter-segment sales or transfers | 2,163,553 | 6,326 | 168,208 | 410 | 2,338,498 | (2,338,498) | - |
| Total | 7,258,414 | 1,561,584 | 3,099,388 | 338,617 | 12,258,004 | (2,338,498) | 9,919,506 |
| Segment profit | 720,240 | 132,240 | 631,458 | 36,885 | 1,520,824 | (18,216) | 1,502,607 |

*Notes 1: The (18,216) thousand yen adjustment to segment profit includes 21,101 thousand yen eliminations for inter-segment transaction and (39,318) thousand yen inventory adjustments.

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

First Six Months of FY2017 (from April 1, 2016 to September 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 | 5,111,803 | 1,559,267 | 2,070,539 | 207,492 | 8,949,104 | - | 8,949,104 |
| Inter-segment sales or transfers | 2,043,290 | 6,118 | 109,121 | 220 | 2,158,750 | (2,158,750) | - |
| Total | 7,155,094 | 1,565,386 | 2,179,661 | 207,712 | 11,107,855 | (2,158,750) | 8,949,104 |
| Segment profit | 837,398 | 180,789 | 202,434 | 10,653 | 1,231,275 | 112,192 | 1,343,467 |

*Notes 1: The 112,192 thousand yen adjustment to segment profit includes 51,764 thousand yen eliminations for inter-segment transaction and 60,428 thousand yen inventory adjustments.

*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 | First Six Months of FY2016 | First Six Months of FY2017 | Change (%) |
|-------------------------------|----------------------------|----------------------------|------------|
| Take-out robots | 7,053,196 | 6,596,083 | 93.5 |
| Custom-ordered equipment | 1,601,599 | 2,074,220 | 129.5 |
| Parts and maintenance service | 1,618,604 | 1,569,186 | 96.9 |
| Total | 10,273,401 | 10,239,490 | 99.7 |

2) Backlog of orders

(Thousands of yen)

| Products | As of September 30, 2015 | As of September 30, 2016 | Change (%) |
|-------------------------------|--------------------------|--------------------------|------------|
| Take-out robots | 2,347,151 | 2,405,354 | 102.5 |
| Custom-ordered equipment | 2,657,497 | 1,426,145 | 53.7 |
| Parts and maintenance service | 215,852 | 240,293 | 111.3 |
| Total | 5,220,500 | 4,071,793 | 78.0 |

b. Net sales

(Thousands of yen)

| Products | First Six Months of FY2016 | First Six Months of FY2017 | Change (%) |
|-------------------------------|----------------------------|----------------------------|------------|
| Take-out robots | 7,211,062 | 6,111,880 | 84.8 |
| Custom-ordered equipment | 1,106,925 | 1,313,248 | 118.6 |
| Parts and maintenance service | 1,601,518 | 1,523,975 | 95.2 |
| Total | 9,919,506 | 8,949,104 | 90.2 |

(2) Overseas Sales

First Six Months of FY2016 (from April 1, 2015 to September 30, 2015)

(Thousands of yen)

| | North America | Asia | Europe | Other areas | Total |
|---|---------------|-----------|---------|-------------|-----------|
| I Overseas sales | 1,524,413 | 4,868,692 | 506,095 | 203,206 | 7,102,409 |
| II Consolidated net sales | | | | | 9,919,506 |
| III Ratio of overseas sales to consolidated net sales (%) | 15.4 | 49.1 | 5.1 | 2.0 | 71.6 |

First Six Months of FY2017 (from April 1, 2016 to September 30, 2016)

(Thousands of yen)

| | North America | Asia | Europe | Other areas | Total |
|---|---------------|-----------|---------|-------------|-----------|
| I Overseas sales | 1,946,749 | 3,023,244 | 326,871 | 188,418 | 5,485,283 |
| II Consolidated net sales | | | | | 8,949,104 |
| III Ratio of overseas sales to consolidated net sales (%) | 21.8 | 33.8 | 3.7 | 2.1 | 61.3 |