

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 - September 30, 2010)

November 9, 2010

Company Name: Yushin Precision Equipment Co., Ltd.

Securities Code No.: 6482 URL <http://www.yushin.com>

Listing Exchanges: Tokyo, Osaka stock exchanges, first section

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Scheduled date of filing of quarterly report: November 15, 2010

Starting date of dividend payment: December 6, 2010

Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication.

A number of factors could cause actual results to differ materially from expectations. Amounts shown in this financial statement have been rounded down to the nearest million yen or thousand of yen.

(Figures shown are rounded down to the nearest million yen)

1. Consolidated Business Results for the Six Months Ended September 30, 2010

(April 1, 2010 – September 30, 2010)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
Six months ended September 30, 2010	5,778	(24.8)	386	(51.1)	376	(55.1)
Six months ended September 30, 2009	7,687	(41.9)	791	(70.8)	838	(69.6)

	Net income		Net income per share	Net income per share/diluted
	¥ millions	%	Yen	Yen
Six months ended September 30, 2010	220	(52.8)	12.61	-
Six months ended September 30, 2009	467	(66.2)	26.71	-

(Note) Changes in net sales, operating income, ordinary income and net income from previous fiscal year are shown in percentage on a year-on-year basis.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	Yen
As of September 30, 2010	20,998	18,144	86.3	1,035.71
As of March 31, 2010	20,593	18,115	87.8	1,034.11

(Reference) Shareholders' Equity: 18,115 million yen as of September.30, 2010, 18,087 million yen as of March.31, 2010

2. Dividends

Record date	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31,2010	-	10.00	-	5.00	15.00
Year ending March 31,2011	-	5.00			
Year ending March 31,2011 (Forecast)			-	13.00	18.00

Note: Revisions to projected dividends during the six months ended September 30, 2010: None

3. Consolidated Forecast for the Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per hare
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Annual	13,450	8.7	1,022	35.7	1,125	29.0	704	44.4	40.25

Note: Revisions to projected results during the six months ended September 30, 2010: None

4. Others (Please refer to “2. Other Information” on page 2 of the attached documents for further information)

(1) Changes in consolidated subsidiaries during the period: None

Newly added: - Excluded: -

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Adoption of the simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and presentation methods, etc.

(i) Changes caused by revision of accounting standards: Yes

(ii) Other changes: None

Note: Changes in accounting principles, procedures and presentation methods, etc. for presenting quarterly consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements”

(4) Issued and outstanding shares

Total number of issued shares at September 30, 2010; 17,819,033 shares

March 31, 2010; 17,819,033 shares

Treasury stock at September 30, 2010; 328,350shares

March 31, 2010; 327,772 shares

Weighted average number of shares for the six months ended September 30, 2010; 17,490,917shares

For the six months ended September 30, 2009; 17,491,617 shares

* Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have not completed the review process for these consolidated statements.

* Cautionary statement with respect to forward-looking statements

The forecasts above are based on the information currently available. A number of factors could cause actual results to differ materially from expectations.

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1. Qualitative Information Quarterly Consolidated Financial Performance

(1) Qualitative Information on Quarterly Consolidated Financial Performance

During the six months ended September 30, 2010, the world-wide economic trend showed the expansion of demand in Asian emerging countries including China that held Expo and presented briskness. However measures to boost the economy in each country of Europe and America went through and the foreign exchange market received this influence.

In Japan the sharp appreciation of yen, stock market decline and deflationary economy etc. opaque the future. As for plastics molding industries related to Yushin, there was same fear, but the recovery trend continues by the expansion of demand in Asian emerging countries.

Recovery of demand in US and Asia, especially the automation needs in the background of elevated labor cost in China made our sales of general-purpose machines increased. Sales of the custom ordered equipments have decreased from the corresponding period of previous year due to the decrease in backlog of orders in the end of last Fiscal Year. As a result, order received and backlog of orders increased and our net sales on a consolidated basis was ¥5,778 million. Operating income was ¥386 million, ordinary income was ¥376 million and net income was ¥220 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Current assets increased by ¥520 million from the end of the previous fiscal year to ¥17,042 million. This is due to the increase of ¥162 million in finished goods and the increase of ¥182 million in raw material and supplies by the recovery of sales orders.

With little change in fixed assets, total assets increased by ¥404 million to ¥20,998 million.

Current liabilities increased by ¥379 million from the end of the previous fiscal year to ¥2,722 million. Trade notes payable and accounts payable increased by ¥265 million.

With little change in long-term liabilities, total liabilities increased by ¥375 million to ¥2,854 million.

Net assets increased to ¥18,144 million, due to a rise of retained earnings by ¥29 million.

(3) Qualitative Information Regarding Prospects for Consolidated Financial Results

No revision has made for the prospects for the fiscal year ending March 31, 2011 which were announced on May 11, 2010.

2. Other Information

(1) Overview of Changes in Significant Subsidiaries

None.

(2) Overview of Adoption of the Simplified Accounting Methods and Special Accounting Methods

i. Simplified accounting methods

None

ii. Special accounting methods in the preparation of quarterly consolidated financial statements

Corporate income tax and other taxes are calculated based on estimated effective statutory tax rate for this fiscal year.

Income taxes-differed is included in Corporate income tax and other taxes.

(3) Overview of Changes in Accounting Principles, Procedures and Presentation Methods, etc.

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008) have been applied.

The effect of this change on profit and loss was not material.

3. Consolidated Financial Statements
 (1) Consolidated Balance Sheets

(¥ thousands)

Account	Term	Second quarter of 2010 (As of September 30, 2010)	Previous year (As of March 31, 2010)	Change
		Amount	Amount	Amount
(ASSETS)				
I	Current assets	17,042,665	16,522,543	520,121
	Cash and time deposits	9,033,895	9,431,530	(397,634)
	Trade notes and accounts receivable	3,946,099	3,283,520	662,578
	Securities	900,000	900,000	-
	Merchandise and products	599,531	436,823	162,708
	Work-in-process	592,231	560,152	32,079
	Raw material and supplies	1,450,300	1,267,609	182,691
	Accrued refunded corporation tax	-	234,400	(234,400)
	Deferred tax assets	302,788	284,914	17,873
	Others	233,302	137,804	95,497
	Allowance for doubtful receivables	(15,484)	(14,210)	(1,273)
II	Fixed assets	3,955,842	4,071,254	(115,412)
	Property, plant and equipment	3,297,741	3,333,704	(35,963)
	Buildings and structures	1,038,057	1,090,737	(52,679)
	Land	2,047,843	2,049,327	(1,484)
	Others	211,840	193,639	18,200
	Intangible assets	124,677	159,565	(34,888)
	Investments and other assets	533,423	577,984	(44,560)
	Investment securities	220,115	278,894	(58,779)
	Deferred tax assets	64,939	43,221	21,717
	Others	286,490	299,679	(13,189)
	Allowance for bad debt	(38,120)	(43,811)	5,691
	Total	20,998,508	20,593,798	404,709

(¥ thousands)

Account	Term	Second quarter of 2010 (As of September 30, 2010)	Previous year (As of March 31, 2010)	Change
		Amount	Amount	Amount
(LIABILITIES)				
I Current liabilities		2,722,223	2,342,359	379,863
Trade notes and accounts payables		1,723,650	1,458,106	265,543
Accounts payables – other		292,352	256,714	35,638
Income tax payable		155,882	30,554	125,328
Accrued employees' bonuses		191,000	210,000	(19,000)
Accrued bonuses to directors and corporate auditors		10,000	10,898	(898)
Warranty reserve		130,979	135,172	(4,193)
Others		218,358	240,914	(22,555)
II Long-term liabilities		131,870	136,212	(4,341)
Liabilities for retirement benefits to directors and corporate auditors		66,780	66,780	-
Others		65,090	69,432	(4,341)
Total liabilities		2,854,093	2,478,572	375,521
(NET ASSETS)				
I Shareholders' equity		18,490,294	18,358,040	132,253
Common stock		1,985,666	1,985,666	-
Capital surplus		2,023,903	2,023,903	-
Retained earnings		14,827,689	14,694,569	133,119
Treasury stock – at cost		(346,965)	(346,098)	(866)
II Valuation and translation adjustments		(375,055)	(270,114)	(104,941)
Unrealized gain on available for sale securities		31,822	68,374	(36,552)
Foreign currency translation adjustments		(406,878)	(338,489)	(68,389)
III Minority interests		29,176	27,300	1,876
Total net assets		18,144,414	18,115,226	29,188
Total		20,998,508	20,593,798	404,709

(2) Consolidated Statements of Income

(¥ thousands)

Account \ Term	Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)	Six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)	Change
	Amount	Amount	Amount
I Net sales	7,687,613	5,778,346	(1,909,266)
II Cost of sales	5,069,504	3,564,698	(1,504,806)
Gross profit	2,618,108	2,213,648	(404,459)
III Selling, general and administrative expenses	1,826,761	1,826,868	107
Operating income	791,346	386,779	(404,566)
IV Non-operating income	49,773	44,915	(4,858)
Interest income	30,734	20,435	(10,298)
Dividend income	1,811	2,113	301
Purchase discount	3,660	4,069	408
Others	13,566	18,297	4,730
V Non-operating expenses	3,003	55,417	52,413
Foreign exchange loss	541	53,659	53,118
Loss on termination of lease	1,434	211	(1,222)
Others	1,027	1,546	518
Ordinary income	838,116	376,278	(461,838)
VI Extraordinary income	6,230	746	(5,484)
Gain on sales of fixed assets	2,795	-	(2,795)
Gain on sales of investment securities	-	746	746
Reversal of allowance for doubtful accounts	3,435	-	(3,435)
VII Extraordinary losses	4,621	250	(4,370)
Loss on disposals and sales of property	4,621	250	(4,370)
Income before income taxes and minority interests	839,725	376,773	(462,952)
Income taxes	371,213	153,678	(217,535)
Income before minority interests	-	223,095	223,095
Minority interests in net income	1,257	2,518	1,261
Net income	467,254	220,576	(246,678)

(3) Notes regarding assumption of continuing operations: None

(4) Segment information

a. Industrial segment information: we have only one industrial segment: Elision

b. Geographical segment information

Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(¥ thousands; rounded down)

	Japan	North America	Asia	Europe	Total	Eliminations	Consolidated
Sales							
Sales to customers	6,610,384	670,620	259,837	146,771	7,687,613	-	7,687,613
Inter-segment sales	591,214	3,779	52,155	6,395	653,544	(653,544)	-
Total	7,201,598	674,399	311,992	153,166	8,341,157	(653,544)	7,687,613
Operating income	883,215	(72,856)	(62,106)	23,207	771,460	19,886	791,346

c. Overseas sales

Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(¥ thousands; rounded down)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	2,582,828	923,441	1,672,862	65,720	5,244,852
II Consolidated sales	-	-	-	-	7,687,613
III Ratio of overseas sales on consolidated sales (%)	33.6	12.0	21.8	0.9	68.3

Segment Information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

Yushin carries out the development, production, sales, and after-sales maintenance of take-out robots for injection-molded products and peripheral equipment, including labour-saving systems. In the domestic market, these operations are handled by the Company; overseas markets—North America, Asia (South Korea, Taiwan, Malaysia, Singapore, Thailand, China, and India), and Europe (UK and Slovakia)—are serviced by local subsidiaries, including Yushin America Inc. (US), Yushin Korea Co., Ltd. (South Korea), and Yushin Automation Limited (Europe). The local subsidiaries are independently managed units, with separately drafted strategies and activities.

Accordingly, Yushin's operations, based on its production, sales, and after-sales maintenance setups, are geographically grouped into four reportable segments: Japan, North America, Asia, and Europe.

2. Information related to sales and profit or loss for each reportable segment

First quarter of the current fiscal year (April 1 to September 30, 2010) (Units: ¥thousands; rounded down)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	North America	Asia	Europe			
Sales							
(1) Sales to customers	4,278,438	712,149	719,574	68,184	5,778,346	-	5,778,346
(2) Inter-segment sales	1,375,230	1,101	145,968	3,850	1,526,150	(1,526,150)	-
Total	5,653,669	713,250	865,543	72,034	7,304,497	(1,526,150)	5,778,346
Segment profit (loss)	308,676	43,512	85,429	(13,580)	424,038	(37,258)	386,779

Notes:

1. The ¥(37,258) thousand adjustment to segment loss includes eliminations for inter-segment transactions of ¥12,074 thousand and inventory adjustments of ¥(49,333) thousand.

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

(Additional information)

Beginning with the first quarter of the current fiscal year, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

(5) Notes in the event of significant changes in shareholders' equity: None

4. Supplementary Information

(1) Order receiving and Sales

a. Order

1) Order received

(¥ thousands; rounded down)

Products	Six months ended September 30, 2009	Six months ended September 30, 2010	Changes
			Ratio (%)
Take-out robots	2,846,946	4,948,946	173.8
Custom-ordered equipments	835,832	641,186	76.7
Parts and maintenance services	726,852	861,276	118.5
Total	4,409,631	6,451,409	146.3

2) Backlog of orders

(¥ thousands; rounded down)

Products	Six months ended September 30, 2009	Six months ended September 30, 2010	Changes
			Ratio (%)
Take-out robots	812,434	1,761,380	216.8
Custom-ordered equipments	425,926	324,857	76.3
Parts and maintenance services	96,964	112,128	115.6
Total	1,335,325	2,198,366	164.6

b. Net sales

(¥ thousands; rounded down)

Products	Six months ended September 30, 2009	Six months ended September 30, 2010	Changes
			Ratio (%)
Take-out robots	2,618,337	4,150,023	158.5
Custom-ordered equipments	4,254,066	657,358	15.5
Parts and maintenance services	815,208	970,964	119.1
Total	7,687,613	5,778,346	75.2

(2) Overseas sales

Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(¥ thousands; rounded down)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	2,582,828	923,441	1,672,862	65,720	5,244,852
II Consolidated sales	-	-	-	-	7,687,613
III Ratio of overseas sales on consolidated sales (%)	33.6	12.0	21.8	0.9	68.3

Six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

(¥ thousands; rounded down)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	789,661	2,289,426	180,309	74,948	3,334,346
II Consolidated sales	-	-	-	-	5,778,346
III Ratio of overseas sales on consolidated sales (%)	13.7	39.6	3.1	1.3	57.7