

Summary of Consolidated Annual Financial Results

(April 1, 2007 – March 31, 2008)

Yushin Precision Equipment Co., Ltd. (6482)

Listing Exchanges: Tokyo, Osaka Stock Exchanges, First section

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Annual General Shareholders' Meeting (Scheduled): June 27, 2008

Start of Distribution of Dividends (Scheduled): June 13, 2008

Filing of Securities Report (Yuka shoken houkokusho) (Scheduled): June 30, 2008

Note: This document has been translated from the Japanese original as a guide for 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 yen.

1. Consolidated Business Results for the year ended March 31, 2008 (April 1, 2007– March 31, 2008)

(1) Consolidated Operating Results

(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.)

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
FY 3/2008	21,108	8.0	3,522	21.7	3,578	19.8
FY 3/2007	19,548	11.0	2,893	23.9	2,986	23.2

	Net income		Net income per share	Net income per share diluted	Net income on shareholders' equity	Ordinary income on gross capital	Operating income on net sales
	¥ millions	%	Yen	Yen	%	%	%
FY 3/2008	2,023	18.1	125.04	–	11.7	15.0	16.7
FY 3/2007	1,713	17.6	105.86	–	10.8	13.4	14.8

Notes: 1) Profit (or loss) arising from equity method: FY 3/2008: 0million yen, FY 3/2007: 1million yen

(2) Consolidated Financial Position.

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	Yen
FY 3/2008	24,867	17,997	72.2	1,109.13
FY 3/2007	22,863	16,557	72.3	1,020.87

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	¥ millions	¥ millions	¥ millions	¥ millions
FY 3/2008	1,322	1,723	439	6,694
FY 3/2007	1,351	670	392	7,559

2. Dividends

	Dividends per share			Dividends paid (annual)	Payout ratio	Dividends on equity
	Interim	Year end	Total			
	Yen	Yen	Yen	¥ millions	%	%
FY 3/2007	12.00	12.00	24.00	388	22.7	2.5
FY 3/2008	15.00	20.00	35.00	566	28.0	3.3
FY 3/2009 (Forecast)	18.00	22.00	40.00		28.8	

Including ¥5 special dividend for the 35th anniversary.

3. Forecast for the year ending March 31, 2009.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	yen
Semi-Annual	14,200	21.5	2,540	21.4	2,570	21.7	1,540	25.0	86.51
Annual	24,000	13.7	4,020	14.1	4,130	15.4	2,470	22.1	138.75

4. Other

(1) Changes in Scope of Consolidation and Application of Equity Method: None

(2) Changes in Accounting Policies

(a) Changes according to revision of accounting standard: Yes
see “ 2)Matters pertaining to the accounting policies P.15 ”

(b) Other than above: None

(3) Number of common shares outstanding

Number of shares outstanding including treasury stock: 16,199,121 shares as of March 31, 2008 and 2007.

Number of treasury stock: 15,775 shares and 14,533 shares as of March 31, 2008 and 2007, respectively.

(Reference)

1. Non-consolidated Business Results for the year ended March 31, 2008(April 1, 2007– March 31, 2008)

(1) Operating Results

Changes in Net sales, Operating income, Ordinary income and Net income from previous fiscal year are shown in percentages on a year-on-year basis.

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
FY 3/2008	19,120	8.2	3,192	26.0	3,315	24.4
FY 3/2007	17,678	9.2	2,534	27.0	2,664	29.0

	Net income		Net income per share	Net income per share/diluted
	¥ millions	%	Yen	Yen
FY 3/2008	1,959	26.4	121.08	-
FY 3/2007	1,549	24.5	95.75	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	Yen
FY 3/2008	23,642	17,186	72.7	1,061.96
FY 3/2007	21,818	15,757	72.2	973.58

2. Forecasted Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Semi-Annual	13,000	21.8	2,353	21.7	2,430	21.4	1,450	21.0	81.45
Annual	22,000	15.1	3,750	17.5	3,940	18.8	2,360	20.4	132.57

1. Results of Operations and Financial Conditions

(1) Analysis of Result of Operations

Overview of Fiscal Year 2007 (Ended March 31, 2008)

During the first half of Fiscal Year 2007, the Japanese economy continued to be strong with continued improvement in corporate earnings and growth in capital investment despite price rises for crude oil and raw materials. However, during the latter half of the year, the Japanese economy became unstable because of the specter of recession in the US led by the subprime mortgage financial crisis and the weakening of the US dollar against the yen.

Overseas, the Chinese and other emerging economies maintained high growth and the European economy was firm during the fiscal year. However the U.S. economy was assumed to have entered into recession.

As for industries related to Yushin, the production volume of Japanese injection moulding machines registered year on year losses in the first half of the fiscal year. However, in the latter half of the year, they registered signs of recovery.

Even under these circumstances, Yushin produced and shipped a large backlog of custom ordered equipment from the beginning of the year. Yushin also expanded the production capacity by fully utilizing the No.6 Factory.

As a result, net sales increased 8.0% to ¥21,108 million, hitting the record for three continuous years, due to firm demand for the core traverse take-out robots and favorable demand for downstream equipment for discs in the first half of the fiscal year. On the earnings front, ordinary income rose 19.8% to a record high of ¥3,578 million, due to the contribution of new models of standard type robots and the increased revenue of custom ordered equipment. Ordinary income on net sales ratio was improved by 1.7 point to 17.0% far exceeding the target of 15.0%. Net income increased 18.1% to a record high of ¥2,023 million.

Net sales by product

Net sales of take-out robots increased by ¥124 million (1.2%) to ¥10,936 million, due to a favorable performance of the core traverse take-out robots in the automotive and office equipment industry. The Japanese market was especially strong.

Net sales of stock systems was ¥597 million, remaining the same level as the previous year.

Net sales of custom-ordered equipment increased by ¥1,341 million (41.1%) to ¥4,606 million due to favorable sales of downstream equipment for optical discs and insert systems.

As regards peripherals and the parts and maintenance service, peripherals decreased 1.2% to ¥3,625 million, and the parts and maintenance service increased by ¥133 million (11.0%) to ¥1,342 million.

Performance of geographic segments

In Japan, net sales increased 8.2% to ¥19,120 million and operating income increased 26.0% to ¥3,192 million, due to strong non-consolidated performance by the core traverse take-out robots and custom-ordered equipment.

In North America, net sales at the U.S. subsidiary decreased 8.6% to ¥2,402 million, but operating income increased 18.1% to ¥189 million due to a weaker yen in the first half of the year.

In Asia, net sales decreased 0.7% to ¥1,581 million and operating income decreased 28.9% to ¥139 million due to weak performance of the Korean subsidiary.

In Europe, the Slovak subsidiary is still not taken off, net sales increased 17.4% to ¥300 million and operating income increased 25.1% to ¥16 million due to an improvement of operations at the UK subsidiary.

Outlook for Fiscal Year 2008 (year ending March 31, 2009)

Regarding the economic environment surrounding Yushin, there are concerns about the soaring crude oil and material prices, weakening of the dollar against the yen, and the influence of economic recession in US on the world economy. However, capital investment is expected to remain firm in areas attractive to global companies, such as China, India and East Europe.

Under these circumstances, Yushin intends to manufacture and ship the large backlog of custom ordered equipment as planned to ensure sales, as well as develop a new type of robot in time for the world class exhibition which will be held in Japan in the autumn, and expand the sales of standard type robots.

Yushin forecasts its business performance, based on the current information available, as follows.

(¥ millions)

	Net sales	Operating income	Ordinary income	Net income
Consolidated	24,000 (Y/Y 13.7%)	4,020 (Y/Y 14.1%)	4,130 (Y/Y 15.4%)	2,470 (Y/Y 22.1%)

(2) Financial Position

Total assets increased ¥2,004 million compared with the end of the previous fiscal year to ¥24,867 million. Regarding current assets, cash and time deposits decreased ¥2,461 million due to short-term utilization of surplus funds, while securities increased ¥3,497 million. Accounts receivable increased ¥746 million because net sales of the latter half of the year increased compared to those of the previous year. Inventories increased ¥336 million, because of an increase of work-in-process, accompanied by an increasing backlog of orders. As a result, current assets increased ¥2,166 million. There was no significant variation in fixed assets.

Regarding current liabilities, accounts payable-other increased ¥568 million due to short-term securities reported on contract base. There was no other significant variation and current liabilities increased ¥469 million. Fixed liabilities increased ¥94 million, therefore total liabilities increased ¥564 million.

Net assets increased ¥1,440 million compared with the end of the previous fiscal year to ¥17,997 million. This was mainly due to dividends from appropriation of earnings in the previous fiscal year and earnings posted in the fiscal year under review.

Cash flows

Cash and cash equivalents at the end of year decreased ¥864 million from the end of the previous fiscal year to ¥6,694 million, for the following reasons.

- Cash flows from operating activities

Net cash provided by operating activities amounted to ¥1,322 million (¥1,351 million in the previous year). This was mainly due to income before income taxes and minority interests of ¥3,494 million (increased ¥491 million from previous year). Major uses of cash were increases in accounts receivable of ¥762 million due to sales increase, increases in inventories of ¥355 million and income taxes paid of ¥1,458 million (increased ¥290 million from previous year).

-Cash flows from investment activities

Net cash used in investment activities amounted to ¥1,723 million (¥670 million in the previous year). This was due to the acquisition of tangible fixed assets of ¥316 million, and increases in short-term securities of ¥1,400 million.

-Cash flows from financing activities

Net cash used in financing activities amounted to ¥439 million, an increase of ¥47 million compared with net cash used of ¥392 million in the previous year. This was mainly due to dividends paid of ¥436 million, an increase of ¥48 million from the previous fiscal year.

Trend of cash flow indexes

	FY 3/2004	FY 3/2005	FY 3/2006	FY 3/2007	FY 3/2008
Equity ratio	70.3%	74.5%	69.8%	72.3%	72.2%
Equity ratio based on market price	224.1%	159.9%	173.2%	142.3%	151.8%
Amortization term	0.1 year	0.0 year	-	-	-
Interest coverage ratio	1,472,415.8	115,644.4	64,713.6	142,908.9	340,835.4

1. Equity ratio : Shareholders' equity / Total assets

Equity ratio based on market price: Total amount of shares at market price / Total assets

Amortization term: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest payment

2. Each of the above indices is calculated by the number of consolidated financial results.

3. Total amount of shares at market price refers to the closing market price of shares multiplied by the number of shares outstanding on this date.

4. Cash flow from operating activities is based on the statement of cash flow.

5. Interest-bearing liabilities refers to all the liabilities with interest on consolidated balance sheet.

(3) Basic Policy on Allocation of Profits

Yushin regards the allocation of profits to shareholders as one of the most important management tasks. To this end, Yushin make efforts to maintain stable operating results and improve return on equity. Yushin's basic policy is to actively distribute profits to shareholders by way of dividends and /or stock splits, after taking into consideration each fiscal year's results.

For the year under review, Yushin plans to pay a full-year dividend of ¥35 per share, comprising an interim dividend of ¥15 per share and a year-end dividend of ¥15 per share as a normal dividend (increased ¥3 each from previous year) and as a special dividend ¥5 for the 35th anniversary of Yushin.

For the next year, following the policy above, Yushin plans to pay a full-year dividend of ¥40 per share, comprising an interim dividend of ¥18 per share (increased ¥3 from previous year) and a year-end dividend of ¥22 per share (increased ¥7 from previous year).

2. Outline of the Yushin Group

Disclosure is omitted because there is no significant change from the “Business Organization Chart” and “Subsidiaries and Affiliates” in the most recent Securities Report (Yuka shoken houkokusho), issued on June 29, 2007.

3. Management Policies

(1) Fundamental Management Policy

Yushin’s fundamental policy is to contribute widely to society through the creation of innovative technology that enables customers to rationalize their production activities. The technology centers on robots that take out and handle plastic injection-molded products in the plastics molding industry. Yushin conducts its business so as to live up to the trust and expectations of its customers, shareholders, business partners and all other stakeholders.

(2) Managerial Indicators for Targets

In line with management strategies, Yushin has set targets for the next three years later, ending March 31, 2011, of net sales of ¥30 billion and ordinary income of ¥5 billion, and as an earnings index, ordinary income on net sales of 15% or more.

(3) Medium and Long-Term Management Strategies

Yushin aims at becoming number one across the board in the “take-out robot” industry, by speedily developing products differentiated by their quality and superiority that meet our customer needs, and by conducting business even more aggressively in the global market.

This will be achieved by the following product strategies:

1) Meet wide-ranging customer needs for take-out robots by providing a full line of products from entry to high-end machines in all sizes and by strengthening the lineup of dedicated machines to support the optimum production of molded goods for mass consumption.

As part of this strategy, place priority on raising our profile in the very broad-based automobile industry by aiming to become the world’s number-one supplier of take-out robots used in automotive manufacturing.

2) Develop businesses in new domains that have technological synergies.

Market strategies are as follows:

1) Yushin has developed a sales and service network for take-out robots in Japan, the U.S, Asia, and Europe. Expand and strengthen the network in areas where business is expected to grow, including India, Eastern Europe, Mexico, and Brazil, to develop a global business that can adequately respond to worldwide customer purchases.

2) Start businesses in new domains so as to generate sales-related synergies.

(4) Issues to be Addressed

In the existing business area, Yushin must reinforce its products including price competitiveness, and strengthen its power of global marketing.

In the new business area, in order to further develop its businesses, Yushin must cultivate new business areas and new products that can manifest technological and/or sales synergies, aiming to establish multiple core businesses.

(5) Other significant management issue

There is no other significant management issue.

4. Consolidated Financial statements

(1) Consolidated Balance Sheets

(¥ thousands)

Account \ Term	Previous year (as of March 31, 2007)		Current year (as of March 31, 2008)		Increase (: decrease)
	Amount	%	Amount	%	Amount
(ASSETS)					
I Current assets	17,941,948	78.5	20,108,292	80.9	2,166,343
Cash and time deposits	7,559,035		5,097,543		2,461,492
Trade notes and accounts receivable	6,188,131		6,934,833		746,702
Securities	-		3,497,125		3,497,125
Inventories	3,727,409		4,064,345		336,935
Deferred tax assets	327,742		408,954		81,212
Others	155,912		120,888		35,024
Allowance for doubtful receivables	16,283		15,398		884
II Fixed assets	4,921,379	21.5	4,759,359	19.1	162,020
Property, plant and equipment	3,670,167	16.0	3,603,012	14.5	67,154
Buildings and structures	1,345,278		1,304,400		40,878
Machinery and automobiles	92,255		59,683		32,572
Land	2,014,424		2,012,390		2,033
Others	218,208		226,537		8,328
Intangible assets	271,335	1.2	233,804	0.9	37,530
Investments and other assets	979,876	4.3	922,541	3.7	57,335
Investment in securities	562,700		413,895		148,805
Others	418,271		508,960		90,689
Allowance for bad debt	1,095		314		780
Total	22,863,327	100.0	24,867,651	100.0	2,004,323

(¥ thousands)

Account \ Term	Previous year (as of March 31, 2007)		Current year (as of March 31, 2008)		Increase (: decrease)
	Amount	%	Amount	%	Amount
(LIABILITIES)					
I Current liabilities	6,058,938	26.5	6,528,658	26.2	469,719
Trade notes and accounts payable	4,176,912		4,072,486		104,426
Accounts payable-other	357,841		926,627		568,785
Income taxes payable	799,777		899,167		99,390
Accrued employees' bonuses	191,000		226,000		35,000
Accrued bonuses to directors and corporate auditor	35,000		42,000		7,000
Warranty for finished product	128,000		123,000		5,000
Deferred tax liabilities	-		400		400
Others	370,405		238,975		131,430
II Long-term liabilities	246,720	1.1	341,301	1.4	94,581
Deferred tax liabilities	129,132		134,255		5,122
Liabilities for retirement benefits of directors and corporate auditor	100,132		100,132		-
Others	17,455		106,914		89,458
Total liabilities	6,305,658	27.6	6,869,960	27.6	564,301
(NET ASSETS)					
Shareholders' equity	16,124,179	70.5	17,708,289	71.2	1,584,110
Common stock	1,985,666		1,985,666		-
Capital surplus	2,023,903		2,023,903		-
Retained earnings	12,145,992		13,732,715		1,586,722
Treasury stock-at cost	31,383		33,996		2,612
Valuation and Translation adjustment	398,292	1.8	241,138	1.0	157,154
Net unrealized gain or loss on marketable securities	232,208		141,196		91,011
Foreign currency translation adjustments	166,083		99,941		66,142
Minority interests	35,197	0.1	48,263	0.2	13,066
Total Net Assets	16,557,668	72.4	17,997,691	72.4	1,440,022
Total	22,863,327	100.0	24,867,651	100.0	2,004,323

(2) Consolidated statements of Income

(¥ thousands)

Account	Term	Previous year (April 1, 2006 to March 31, 2007)		Current year (April 1, 2007 to March 31, 2008)		Increase (: decrease)
		Amount	%	Amount	%	Amount
Net sales		19,548,096	100.0	21,108,632	100.0	1,560,535
Cost of sales		12,407,245	63.5	13,040,276	61.8	633,031
Gross profit		7,140,851	36.5	8,068,355	38.2	927,503
Selling, general and administrative expenses		4,247,301	21.7	4,545,819	21.5	298,518
Operating income		2,893,549	14.8	3,522,535	16.7	628,985
Non-operating income		100,376	0.5	104,867	0.5	4,491
Interest and dividend		33,038		62,352		29,314
Foreign exchange gain		28,965		-		28,965
Equity earnings of affiliate		-		498		498
Others		38,372		42,016		3,644
Non-operating expenses		7,450	0.0	48,958	0.2	41,507
Interest expense		887		93		793
Provision for bad debt		-		2,371		2,371
Foreign exchange loss		-		39,083		39,083
Equity loss of affiliate		1,539		-		1,539
Others		5,023		7,410		2,387
Ordinary income		2,986,474	15.3	3,578,444	17.0	591,969
Extraordinary income		43,173	0.2	4,110	0.0	39,063
Proceeds from sales of tangible fixed assets		283		2,955		2,672
Reversal of allowance for doubtful accounts		2,510		1,154		1,355
Gain from shifting to defined contribution pension plan		40,379		-		40,379
Extraordinary expenses		27,494	0.1	88,414	0.4	60,920
Loss on sales of tangible fixed assets		156		-		156
Loss on disposals of tangible fixed assets		22,339		13,778		8,560
Other		4,998		74,636		69,638
Income before income taxes and minority interests		3,002,154	15.4	3,494,139	16.6	491,985
Income taxes						
Current		1,328,958	6.8	1,557,070	7.4	228,112
Deferred		53,209	0.3	95,593	0.5	42,383
Minority interests in net income		13,006	0.1	8,969	0.1	4,037
Net income		1,713,398	8.8	2,023,693	9.6	310,294

(3) Consolidated Statements of Changes in Net Assets

(¥ thousands)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	1,985,666	2,023,903	10,846,971	28,359	14,828,181
Changes in the current period					
Dividend on surplus			388,451		388,451
Bonus to directors and corporate auditor			25,925		25,925
Net Income			1,713,398		1,713,398
Acquisition of treasury stock				3,032	3,032
Changes in items other than shareholders' equity					
Total change in the current period			1,299,021	3,023	1,295,998
Balance as of March 31, 2007	1,985,666	2,023,903	12,145,992	31,383	16,124,179

	Valuation and Translation adjustments			Minority equity	Total net assets
	Unrealized gain on other securities	Translation adjustments	Total		
Balance as of March 31, 2006	276,663	101,875	378,539	18,682	15,225,403
Changes in the current period					
Dividend on surplus					388,451
Bonus to directors and corporate auditor					25,925
Net Income					1,713,398
Acquisition of treasury stock					3,023
Changes in items other than shareholders' equity	44,455	64,208	19,753	16,514	36,267
Total change in the current period	44,455	64,208	19,753	16,514	1,332,265
Balance as of March 31, 2007	232,208	166,083	398,292	35,197	16,557,668

(¥ thousands)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	1,985,666	2,023,903	12,145,992	31,383	16,124,179
Changes in the current period					
Dividend on surplus			436,970		436,970
Net Income			2,023,693		2,023,693
Acquisition of treasury stock				2,612	2,612
Changes in items other than shareholders' equity					
Total change in the current period			1,586,722	2,612	1,584,110
Balance as of March 31, 2008	1,985,666	2,023,903	13,732,715	33,996	17,708,289

	Valuation and Translation adjustments			Minority equity	Total net assets
	Unrealized gain on other securities	Translation adjustments	Total		
Balance as of March 31, 2007	232,208	166,083	398,292	35,197	16,557,668
Changes in the current period					
Dividend on surplus					436,970
Net Income					2,023,693
Acquisition of treasury stock					2,612
Changes in items other than shareholders' equity	91,011	66,142	157,154	13,066	144,087
Total change in the current period	91,011	66,142	157,154	13,066	1,440,022
Balance as of March 31, 2008	141,196	99,941	241,138	48,263	17,997,691

(4) Consolidated Cash Flow Statements

(¥ thousands)

Term	Previous year (April 1, 2006 to March 31, 2007)	Current year (April 1, 2007 to March 31, 2008)
Account	Amount	Amount
I Cash flows from operating activities		
Income before income taxes and minority interests	3,002,154	3,494,139
Depreciation and amortization	260,628	323,753
Amortization of goodwill	8,043	8,043
Increase (△ decrease) in allowance for bad debt	26,630	1,255
Increase in provision for employees' bonuses	30,000	35,000
Increase in provision for bonuses to directors and corporate auditor	35,000	7,000
Interest and dividend income	33,038	62,352
Interest expense	887	93
Decrease (△ increase) in trade receivables	325,269	762,561
Decrease in inventories	588,672	355,354
Increase (△ decrease) in trade payables	193,459	97,065
Increase (△ decrease) in other current liabilities	243,951	19,728
Bonus to directors and corporate auditors	25,925	-
Others	63,432	150,611
Subtotal	2,486,873	2,720,322
Interest and dividends received	33,038	61,189
Interest paid	945	388
Income taxes paid	1,167,558	1,458,192
Net cash provided by operating activities	1,351,407	1,322,932
II Cash flows from investing activities		
Increase in time deposits	36,750	-
Increase in securities	-	1,400,000
Purchases of tangible fixed assets	509,977	316,246
Proceeds from sales of tangible fixed assets	1,034	4,355
Purchases of intangible fixed assets	125,198	10,774
Purchase of investment securities	1,478	1,606
Proceeds from collections of long-term loan receivable	2,142	706
Net cash used in investing activities	670,228	1,723,566
III Cash flows from financing activities		
Increase(decrease) in short-term bank loans	-	1,117
Purchase of treasury stock	3,023	2,612
Dividends paid	388,451	436,970
Dividend to minority interest	1,408	1,321
Net cash used in financing activities	392,883	439,787
IV Effect of exchange rate changes on cash and cash equivalents	26,452	23,945
V Increase in cash and cash equivalents	314,747	864,366
VI Cash and cash equivalents at beginning of year	7,244,287	7,559,035
VII Cash and cash equivalents at end of year	7,559,035	6,694,669

(5) Basis of Presenting Consolidated Financial Statements

1) Matters pertaining to the scope of consolidation

All 12 subsidiaries of the company, provided below, fall within the scope of consolidation. Yushin Precision Equipment (India) Pte. Ltd. is included amongst consolidated subsidiaries due to its establishment during the fiscal year under review. Yushin Precision Equipment (Shanghai) Co., Ltd. was liquidated in November 2007, and therefore is excluded from the scope of consolidation.

List of Subsidiaries
Yushin America, Inc.
Yushin Korea Co, Inc.
Yushin Precision Equipment (Singapore) Pte., Ltd.
Yushin Precision Equipment Sdn. Bhd.
Yushin Precision Equipment (Taiwan) Co., Ltd.
Yushin Precision Equipment (Thailand) Co., Ltd.
Yushin Automation, Ltd.
Yushin Precision Equipment Trading (Shanghai) Co., Ltd.
Yushin Precision Equipment (Hong Kong) Co., Ltd.
Yushin Precision Equipment (Slovakia) s.r.o.
Yushin Precision Equipment Industry & Trading (Shenzhen) Co., Ltd.
Yushin Precision Equipment (India) Pte., Ltd.

2) Matters pertaining to the accounting policies

Method of depreciation of property, plant and equipment

(Changes in accounting policies)

In accordance with amendments of the Corporation Tax Law, and effective the year under review, the Company has changed its depreciation method for property plant and equipment excluding buildings (fixtures are not classified as buildings) acquired on or after April 1, 2007, to a depreciation method based on the amendments to the Corporation Tax Law. The impact that this has on profit or loss is slight.

(Additional information)

For property, plant and equipment excluding buildings (fixtures are not classified as buildings) acquired on or before March 31, 2007, the difference between the memorandum price and the equivalent amount of 5% of the acquisition price is depreciated using the straight line method over 5 years from the consolidated fiscal year that follows the fiscal year in which the book value reached 5% of the acquisition price using the depreciation method based on the Corporation Tax Law before the amendments, and depreciation expenses are included in the amounts reported. The impact that this has on profit or loss is slight.

Disclosure is omitted other than the above mentioned significant accounting policies because there is no significant change from the description in the most recent Securities Report (Yuka shoken houkokusho), issued on June 29, 2007.

(6) Notes to the consolidated balance sheets, statement of income and cash

flow statement

	Previous year	Current year
		(¥ thousands)
1) Accumulated Depreciation on Tangible Fixed Assets	2,378,000	2,561,655
2) Major assets to associated companies	13,611	15,281
3) Number of shares outstanding (unit: shares)	16,199,121	16,199,121
4) Treasury stocks (unit: shares)	14,533	15,775
5) Major accounts included in selling, general and administrative expenses		
Packing and freight expenses	693,171	748,777
Provision for product warranty	128,000	101,500
Salaries	1,022,748	1,094,458
Provision for employees bonus	87,152	100,901
Provision for bonus to directors and corporate auditor	35,000	42,000
Provision for employees' retirement benefit	33,245	28,382
Depreciation	129,768	141,879
Research and development expenses	423,904	449,180

6) Reconciliation between cash and cash equivalents and the related accounts shown in the consolidated balance sheet at end of year are as follows.

Cash and time deposits	7,559,035	5,097,543
Negotiable certificate of deposit	-	300,000
Securities in which maturities are within three months	-	1,297,125
Cash and cash equivalents	7,559,035	6,694,669

(7) Dividends of surplus

Previous year

a. Payment of dividends

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders on June 29, 2006	Common stock	194,230	12	March 31, 2006	June 30, 2006
The board of directors' meeting on November 14, 2006	Common stock	194,220	12	September 30, 2006	December 6, 2006

b. Dividends whose record date falls within this consolidated fiscal year but comes into effect in the next consolidated fiscal year

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend funds	Dividend per share (Yen)	Record date	Effective date
The board of directors' meeting on June 4, 2007	Common stock	194,215	Retained earnings	12	March 31, 2007	June 14, 2007

Current year

a. Payment of dividends

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
The board of directors' meeting on June 4, 2007	Common stock	194,215	12	March 31, 2007	June 14, 2007
The board of directors' meeting on November 13, 2007	Common stock	242,755	15	September 30, 2007	December 6, 2007

b. Dividends whose record date falls within this consolidated fiscal year but comes into effect in the next consolidated fiscal year

Resolution	Class of shares	Total dividend (Thousands of yen)	Dividend funds	Dividend per share (Yen)	Record date	Effective date
The board of directors' meeting on May 26, 2008	Common stock	323,666	Retained earnings	20	March 31,2008	June 13, 2008

(8) Segment Information

1) Industrial segments

Information about operations in Industrial segments is not required to be disclosed, since the Company has only one industry segment (industrial machinery device).

2) Geographical segments

The geographical segments of the Company and its consolidated subsidiaries for the years ended March 31, 2007 and 2008 are summarized as follows:

Previous year (April 1, 2006 to March 31, 2007)

(¥ thousands)							
	Japan	North America	Asia	Europe	Total	Eliminations and Corporate	Consolidated
I Sales							
(1) Sales to customers	15,474,910	2,535,801	1,286,679	250,704	19,548,096	–	19,548,096
(2) Inter-segment sales	2,203,726	91,703	305,594	5,303	2,606,328	(2,606,328)	–
Total sales	17,678,636	2,627,505	1,592,274	256,008	22,154,424	(2,606,328)	19,548,096
Operating expenses	15,144,312	2,467,393	1,396,429	242,991	19,251,127	(2,596,580)	16,654,547
Operating income	2,534,323	160,111	195,844	13,017	2,903,297	(9,747)	2,893,549
Assets	13,235,952	1,362,225	1,123,652	159,377	15,881,207	6,982,120	22,863,327

Current year (April 1, 2007 to March 31, 2008)

(¥ thousands)							
	Japan	North America	Asia	Europe	Total	Eliminations and Corporate	Consolidated
Sales							
(1) Sales to customers	17,128,798	2,393,693	1,306,260	279,879	21,108,632	–	21,108,632
(2) Inter-segment sales	1,991,476	9,022	275,640	20,715	2,296,855	(2,296,855)	–
Total sales	19,120,275	2,402,715	1,581,901	300,595	23,405,487	(2,296,855)	21,108,632
Operating expenses	15,927,730	2,213,560	1,442,728	284,310	19,868,329	(2,282,233)	17,586,096
Operating income	3,192,545	189,154	139,173	16,284	3,537,157	(14,622)	3,522,535
Assets	17,804,987	1,358,809	1,306,648	235,046	20,705,492	4,162,159	24,867,651

Notes: 1. Segmentation of areas is based on geographical proximity.

2. Major countries and areas included in each category:

North America: The United States

Asia: South Korea, Singapore, Malaysia, Taiwan, China and Thailand

Europe: UK, Netherlands, Slovakia

3. Assets mainly compose cash and cash equivalents, long-term investments, and deferred tax assets.

3) Overseas Sales

Previous year (April 1, 2006 to March 31, 2007)

(¥ thousands)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,576,512	6,113,142	1,166,006	89,662	10,945,323
II Consolidated sales	–	–	–	–	19,548,096
III Share of overseas sales	18.3%	31.3%	6.0%	0.4%	56.0%

Current year (April 1, 2007 to March 31, 2008)

(¥ thousands)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	4,268,181	5,511,464	1,670,787	243,798	11,694,231
II Consolidated sales	–	–	–	–	21,108,632
III Share of overseas sales	20.2%	26.1%	7.9%	1.2%	55.4%

- Notes: 1. Segmentation of areas is based on geographical proximity.
 2. Major countries and areas included in each category:
 (1) North America: The United States and Canada
 (2) Asia: China, Taiwan, Thailand, South Korea, Singapore, Malaysia, Vietnam, Philippine, Indonesia etc.
 (3) Europe: Ireland, England, Germany, Netherlands, Austria, etc.
 (4) Other areas: South America, Oceania, Middle East, etc.
 3. Overseas sales mean the sales of the Company and its overseas consolidated subsidiaries for countries or areas other than Japan.

(9) Per share indexes

(yen)

	Previous year	Current year
Book-value per share (BPS)	1,020.87	1,109.13
Earnings per share (EPS)	105.86	125.04

Notes: The basis for calculating Earnings per share (EPS) are followings

(¥ thousands)

	Previous year	Current year
A: Net income	1,713,398	2,023,693
B: Non-stockholders' equity	–	–
A-B: Net income for common shares	1,713,398	2,023,693
Average number of shares	16,185,214	16,183,840

Note that at the board of directors' meeting on January 22, 2008, a resolution was passed to conduct a 1.1-for-1 share split on April 1, 2008, for shares owned by shareholders listed on the final shareholders' register or list of substantial shareholders on March 31, 2008. If, hypothetically, the aforesaid share split had been conducted at the beginning of the year under review, net assets per share would have been ¥1,008.30 and net income per share would have been ¥113.68. Moreover if, hypothetically, the aforesaid share split had been conducted at the beginning of the previous fiscal year, net assets per share would have been ¥928.07 and net income per share would have been ¥96.24.

(10) Order, Backlog and Sales

Order, Backlog by product

(¥ thousands)

Product	Orders received		Backlog of orders	
	Amount	Year-to-year comparison	Amount	Year-to-year comparison
		%		%
Take-out robot	10,616,061	1.2	1,181,463	21.4
Stock systems	543,283	6.5	56,978	48.7
Custom-ordered equipment	7,317,177	73.1	5,520,480	96.5
Peripheral equipment	3,604,658	2.7	463,071	4.3
Parts & maintenance services	1,342,144	11.0	-	-
Total	23,423,325	15.8	7,221,994	47.2

Sales by product

(¥ thousands)

Product	Amount	Year-to-year comparison
		%
Take-out robot	10,936,940	1.2
Stock systems	597,295	0.5
Custom-ordered equipment	4,606,803	41.1
Peripheral equipment	3,625,447	1.2
Parts & maintenance services	1,342,144	11.0
Total	21,108,632	8.0

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(¥ thousands)

Account	Term	Previous year (as of March 31, 2007)		Current year (as of March 31, 2008)		Increase (: decrease)
		Amount	%	Amount	%	Amount
(ASSETS)						
I	Current assets	16,594,423	76.1	18,496,375	78.2	1,901,951
	Cash and time deposits	6,968,757		4,223,487		2,745,269
	Notes receivable-trade	1,853,214		1,856,536		3,322
	Accounts receivable-trade	4,088,474		4,926,849		838,374
	Securities	-		3,497,125		3,497,125
	Finished goods	573,103		524,861		48,242
	Raw materials	1,120,439		1,034,051		86,388
	Work in process	1,632,978		2,109,801		476,823
	Supplies	1,505		1,473		32
	Prepaid expenses	43,223		39,860		3,363
	Deferred tax assets	230,467		261,086		30,619
	Others	89,259		27,740		61,518
	Allowance for doubtful receivables	7,000		6,500		500
II	Fixed assets	5,224,516	23.9	5,146,614	21.8	77,901
(1)	Property, plant and equipment	3,349,354	15.3	3,294,097	13.9	55,257
	Buildings	1,190,362		1,158,799		31,563
	Structures	28,402		28,415		13
	Machinery and equipment	49,046		30,006		19,040
	Vehicles	2,698		1,685		1,012
	Furniture and fixtures	108,308		102,570		5,737
	Land	1,965,588		1,965,588		-
	Construction in progress	4,947		7,031		2,083
(2)	Intangible assets	247,205	1.1	217,718	0.9	29,486
	Telephone subscription right	11,430		11,430		-
	Right of trademark	1,400		1,200		200
	Software	234,375		205,088		29,286
(3)	Investments and other assets	1,627,956	7.5	1,634,798	7.0	6,842
	Investments in securities	549,089		398,614		150,475
	Stocks of subsidiaries and affiliates	834,674		874,652		39,978
	Investments in partnership	170		170		-
	Long-term loans receivable	1,773		23,665		21,892
	Reorganization claims	1,270		314		955
	Long-term prepaid expenses	215		144		71
	Guarantee deposits	29,713		30,289		575
	Deferred tax assets	-		80,161		80,161
	Others	212,144		227,101		14,956
	Allowance for doubtful accounts	1,095		314		780
Total		21,818,940	100.0	23,642,989	100.0	1,824,049

(¥ thousands)

Account	Term	Previous year (as of March 31, 2007)		Current year (as of March 31, 2008)		Increase (: decrease)
		Amount	%	Amount	%	Amount
(LIABILITIES)						
I Current liabilities		5,952,366	27.3	6,356,294	26.9	403,928
Notes payable-trade		2,832,789		503,047		2,329,741
Accounts payable-trade		1,376,699		3,509,377		2,132,677
Accounts payable-other		351,342		911,928		560,585
Accrued expenses		56,282		60,573		4,291
Income tax payable		767,000		881,500		114,500
Accrued consumption taxes		-		29,231		29,231
Advances received		63,614		30,374		33,239
Deposits received		37,693		19,740		17,952
Accrued employees' bonuses		191,000		226,000		35,000
Accrued bonuses to directors and corporate auditor		35,000		42,000		7,000
Warranty for finished product		128,000		123,000		5,000
Notes payable facilities		112,659		19,457		93,201
Others		285		63		222
II Long-term liabilities		109,506	0.5	100,672	0.4	8,834
Differed tax liabilities		8,894		-		8,894
Liabilities for retirement benefits of directors and corporate auditors		100,132		100,132		-
Guarantee deposit		480		540		60
Total liabilities		6,061,873	27.8	6,456,967	27.3	395,093
(Net Assets)						
Shareholders' equity		15,524,857	71.1	17,044,826	72.1	1,519,968
Common stock		1,985,666		1,985,666		-
Capital surplus		2,023,903		2,023,903		-
Retained earnings		11,546,671		13,069,252		1,522,581
Legal reserve		286,314		286,314		-
Other retained earnings						
Reserve for special depreciation		1,154		-		1,154
Reserve for dividend equalization		1,000,000		1,000,000		-
General reserve		8,700,000		8,700,000		-
Retained earnings brought forward		1,559,201		3,082,937		1,523,735
Treasury stock, at cost		31,383		33,996		2,612
Valuation and Translation adjustment		232,208	1.1	141,196	0.6	91,011
Net unrealized gain on marketable securities		232,208		141,196		91,011
Total Net Assets		15,757,066	72.2	17,186,022	72.2	1,428,956
Total		21,818,940	100.0	23,642,989	100.0	1,824,049

(2) Non-consolidated statements of Income

(¥ thousands)

Account	Term	Previous year (April 1, 2006 to March 31, 2007)		Current year (April 1, 2007 to March 31, 2008)		Increase (: decrease)
		Amount	%	Amount	%	Amount
Net sales		17,678,636	100.0	19,120,275	100.0	1,441,639
Cost of sales		11,573,771	65.5	12,141,482	63.5	567,711
Gross profit		6,104,865	34.5	6,978,793	36.5	873,927
Selling, general and administrative expenses		3,570,541	20.2	3,786,247	19.8	215,706
Operating income		2,534,323	14.3	3,192,545	16.7	658,221
Non-operating income		138,568	0.8	167,644	0.8	29,075
Interest income		15,337		41,364		26,026
Dividend income		71,095		81,645		10,549
Purchase discounts		22,546		22,779		232
Foreign exchange gain		10,965		-		10,965
Others		18,621		21,855		3,233
Non-operating expenses		7,907	0.0	44,795	0.2	36,888
Provision for allowance for doubtful accounts		3,187		-		3,187
Foreign exchange loss		-		38,798		38,798
Others		4,719		5,996		1,277
Ordinary income		2,664,985	15.1	3,315,394	17.3	650,409
Extraordinary income		40,379	0.2	1,154	0.0	39,225
Reversal for allowance for doubtful accounts		-		1,154		1,154
Gain from shifting to defined contribution pension plan		40,379		-		40,379
Extraordinary expenses		30,568	0.2	5,017	0.0	25,550
Loss on disposal and sales of tangible fixed assets		20,538		4,623		15,915
Impairment loss on investment in subsidiary		8,706		-		8,076
Loss on valuation of investment securities		-		394		394
Other		1,323		-		1,323
Income before income taxes		2,674,796	15.1	3,311,531	17.3	636,734
Income taxes						
Current		1,206,817	6.8	1,410,980	7.4	204,162
Deferred		81,758	0.5	59,000	0.3	22,758
Net income		1,549,737	8.8	1,959,551	10.2	409,813

(3) Non-Consolidated Statements of Changes in Net Assets

Previous year

(¥ thousands)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	1,985,666	2,023,903	10,411,310	28,359	14,392,520
Changes in the current period					
Dividend on surplus			388,451		388,451
Bonus to directors and corporate auditor			25,925		25,925
Net Income			1,549,737		1,549,737
Acquisition of treasury stock				3,023	3,023
Changes in items other than shareholders' equity					
Total change in the current period			1,135,360	3,023	1,132,336
Balance as of March 31, 2007	1,985,666	2,023,903	11,546,671	31,383	15,524,857

	Valuation and Transfer adjustments		Total net assets
	Unrealized gain on other securities	Total	
Balance as of March 31, 2006	276,663	276,663	14,669,184
Changes in the current period			
Dividend on surplus			388,451
Bonus to directors and corporate auditor			25,925
Net Income			1,549,737
Acquisition of treasury stock			3,023
Changes in items other than shareholders' equity	44,455	44,455	44,455
Total change in the current period	44,455	44,455	1,087,881
Balance as of March 31, 2007	232,208	232,208	15,757,066

Current year

(¥ thousands)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	1,985,666	2,023,903	11,546,671	31,383	15,524,857
Changes in the current period					
Dividend on surplus			436,970		436,970
Net Income			1,959,551		1,959,551
Acquisition of treasury stock				2,612	2,612
Changes in items other than shareholders' equity					
Total change in the current period			1,522,581	2,612	1,519,968
Balance as of March 31, 2008	1,985,666	2,023,903	13,069,252	33,996	17,044,826

	Valuation and Transfer adjustments		Total net assets
	Unrealized gain on other securities	Total	
Balance as of March 31, 2007	232,208	232,208	15,757,066
Changes in the current period			
Dividend on surplus			436,970
Net Income			1,959,551
Acquisition of treasury stock			2,612
Changes in items other than shareholders' equity	91,011	91,011	91,011
Total change in the current period	91,011	91,011	1,428,956
Balance as of March 31, 2008	141,196	141,196	17,186,022