

Summary of Consolidated Quarterly Financial Results (April 1, 2008 - June 30, 2008) Unaudited

July 31, 2008

Company Name: Yushin Precision Equipment Co., Ltd.

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

Listing Exchanges: Tokyo, Osaka Stock Exchange, First section

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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.

1. Consolidated Business Results for the quarter ended June 30, 2008

(April 1, 2008– June 30, 2008)

(1) Consolidated Results of Operations.

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
First quarter 2008	7,686	17.8	1,909	61.0	1,924	58.7
First quarter 2007	6,525	24.2	1,185	69.0	1,212	68.0
FY 2007	21,108		3,522		3,578	

	Net income		Net income per share	Net income per share/diluted
	¥ millions	%	Yen	Yen
First quarter 2008	1,167	69.7	65.58	–
First quarter 2007	687	62.3	42.49	–
FY 2007	2,023		125.04	–

Note 1. 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
First quarter 2008	25,266	18,581	73.4	1,041.78
First quarter 2007	23,518	17,057	72.4	1,051.56
FY 2007	24,867	17,997	72.2	1,109.13

2.Dividends

Record date	Dividend per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY 2007	-	15.00	-	20.00	35.00
FY 2008(Forecast)	-	18.00	-	22.00	40.00

3. Forecast for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

The Company maintains the semi-annual and annual forecast for FY 2008 announced on May 12, 2008 since first quarter results are generally trending in line with plans.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	¥ millions	¥ millions	¥ millions	¥ millions	Yen
Semi-Annual	14,200	2,540	2,570	1,540	86.51
Annual	24,000	4,020	4,130	2,470	138.75

4.Others

(1)Changes in Consolidated subsidiaries during the period (change in scope of consolidation): None

(2)Adoption of the simplified method for accounting: None

(3)Changes in accounting principles from recent consolidated fiscal year: None

(4)Issued and outstanding shares

Total number of issued shares at March 31, 2008; 16,199,121shares

June 30, 2008; 17,819,033shares

Treasury stock at March 31, 2008; 15,775shares

June 30, 2008; 21,357shares

Weighted average number of shares in first quarter 2007; 16,184,428shares

In first quarter 2008; 17,799,246shares

5. Qualitative Information and Financial Statements

Qualitative Information Regarding Consolidated Result of Operation

During the current first quarter of the year, the economy has become increasingly unfavorable.

The sub-prime loan problem in the U.S. shook the financial markets, a sharp rise in the price of oil and other resources and a weak dollar concern causing the U.S economic slowdown which also led global economy slowdown. Under these circumstances, demands for capital investments tend to decrease.

However, net sales in the current first quarter rose 17.8% year on year to ¥7,685 millions thanks to the backlog-orders regarding disc-related downstream equipment was shipped on schedule while the sales of our core traverse type robot were not very favorable.

In terms of profit, ordinary income increased 58.7% year on year to ¥1,924 millions, thanks to scale effect, and net income increased 69.7% year on year to ¥1,167 millions.

Qualitative Information Regarding Consolidated Financial Position

Compared with the March 31, 2008, total assets were increased by ¥399 millions.

Trade notes and accounts receivable increased by ¥3,880 millions accompanying increase of net sales, short term investment decreased by ¥2,197 millions and work-in-process decreased by ¥1,204 millions since the custom-ordered machinery was shipped. These led to ¥524 millions increase of current assets.

On the other hand, trade notes and accounts payable increased only ¥ 66 millions, because we discount our accounts payable by ¥ 1,915 millions before due date in response of the request of the suppliers, account payable-other decreased by ¥504 millions, but other increased by ¥533 millions. These led to ¥128 millions decrease of current liabilities. As a result, liabilities decreased by ¥184 millions to ¥6,685 millions. Net asset increased by ¥583 millions to ¥18,581 millions mainly increase of retained earnings.

6.Consolidated Financial Statements
(1)Consolidated Balance Sheets

(Unit: ¥ thousands)

Account	Term	Previous year (as of March 31,2008)	First quarter Of 2008 (as of June30,2008)	Change
		Amount	Amount	Amount
(ASSETS)				
Current assets		20,108,292	20,632,300	524,008
Cash and cash equivalents		5,097,543	4,802,702	294,840
Trade notes and accounts receivable		6,934,833	10,814,997	3,880,163
Securities		3,497,125	1,300,000	2,197,125
Finished good		732,560	1,041,244	308,684
Raw material		1,186,281	1,165,904	20,376
Work-in-process		2,144,029	939,682	1,204,347
Deferred tax assets		408,954	388,120	20,833
Others		122,362	194,892	72,530
Allowance for doubtful accounts		15,398	15,243	154
Fixed assets		4,759,359	4,634,454	124,904
Property, plant and equipment		3,603,012	3,539,118	63,893
Buildings and structures		1,304,400	1,260,536	43,863
Land		2,012,390	2,006,666	5,723
Others		286,221	271,915	14,306
Intangible assets		233,804	214,965	18,839
Investments and other assets		922,541	880,369	42,171
Investment securities		413,895	411,031	2,863
Deferred tax assets		80,161	75,314	4,846
Others		428,799	394,338	34,461
Allowance for bad debt		314	314	–
Total		24,867,651	25,266,755	399,104

(Unit: ¥ thousands)

Account \ Term	Previous year (as of March 31,2008)	First quarter Of 2008 (asof June30 ,2008)	Changes
	Amount	Amount	Amount
(LIABILITIES)			
Current liabilities	6,528,658	6,400,585	128,072
Trade notes and accounts payables	4,072,486	4,139,084	66,597
Accounts payables-other	926,627	421,661	504,965
Income tax payable	899,167	800,662	98,504
Accrued employees' Bonuses	226,000	135,000	91,000
Accrued bonuses to directors' and corporate auditors	42,000	12,000	30,000
Warranty reserve	123,000	119,000	4,000
Others	239,376	773,176	533,800
Long-term liabilities	341,301	284,946	56,355
Deferred tax liabilities	134,255	106,226	28,029
Liabilities for retirement benefits to directors and corporate auditors	100,132	96,519	3,612
Others	106,914	82,200	24,713
Total liabilities	6,869,960	6,685,532	184,427
(NET ASSETS)			
Shareholders' equity	17,708,289	18,542,697	834,408
Common stock	1,985,666	1,985,666	-
Capital surplus	2,023,903	2,023,903	-
Retained earnings	13,732,715	14,576,255	843,539
Treasury stock – at cost	33,996	43,127	9,130
Valuation and translation Adjustment	241,138	1,420	242,558
Unrealized gain on available for sale securities	141,196	148,466	7,270
Foreign currency translation adjustments	99,941	149,887	249,829
Minority interests	48,263	39,945	8,318
Total net assets	17,997,691	18,581,222	583,531
Total	24,867,651	25,266,755	399,104

(2) Consolidated Statements of Income

(Unit: ¥ thousands)

Account \ Term	First quarter Of 2007 (April 1, 2007 to June 30, 2007)	First quarter Of 2008 (April 1, 2008 to June 30, 2008)	Change
	Amount	Amount	Amount
Net sales	6,525,378	7,686,753	1,161,375
Cost of sales	4,214,492	4,653,811	439,318
Gross profit	2,310,885	3,032,942	722,056
Selling, general and administrative expenses	1,125,125	1,123,648	1,477
Operating income	1,185,759	1,909,294	723,534
Non-operating income	29,004	24,759	4,244
Interest	4,578	17,472	12,894
Dividend	2,079	2,269	190
Foreign exchange gain	11,384	-	11,384
Others	10,962	5,017	5,945
Non-operating expenses	2,350	9,773	7,423
Provision of allowance for doubtful accounts	186	-	186
Bad debt losses	-	3,647	3,647
Foreign exchange loss	-	5,154	5,154
Others	2,163	971	1,192
Ordinary income	1,212,413	1,924,280	711,866
Extraordinary income	-	10,137	10,137
Gain on sales of investment security	-	10,137	10,137
Extraordinary expenses	89	897	808
Loss on disposals and sales of property	89	897	808
Income before income taxes and minority interests	1,212,324	1,933,521	721,196
Income taxes	523,392	766,247	242,855
Minority interests in net income	1,291	67	1,224
Net income	687,641	1,167,206	479,565

(3)Segment reports

Industrial segments: we have only one industrial segment

Geographical segments: Segmentation of areas is based on geographical proximity.

First quarter of 2007 (April 1 to June 30, 2007)

(Unit: ¥ thousands)

	Japan	North America	Asia	Europe	Total	Eliminations	Consolidated
Sales							
Sales to customers	5,586,230	630,109	274,900	34,139	6,525,378	-	6,525,378
Inter-segment sales	431,782	2,655	59,145	-	493,582	(493,582)	-
Total	6,018,012	632,764	334,045	34,139	7,018,961	(493,582)	6,525,378
Operating expenses	4,829,136	580,541	297,950	51,003	5,758,632	(419,013)	5,339,618
Operating income	1,188,875	52,222	36,094	16,864	1,260,328	(74,568)	1,185,759

Notes: Major countries and areas included in each category:

North America: The United States Asia: China, Hong Kong, South Korea, Singapore, Malaysia, Taiwan and Thailand

Europe: England and Slovakia

First quarter of 2008(April 1 to June 30, 2008)

(Unit: ¥ thousands)

	Japan	North America	Asia	Europe	Total	Eliminations	Consolidated
Sales							
Sales to customers	6,929,020	406,561	268,072	83,099	7,686,753		7,686,753
Inter-segment sales	525,752	1,280	42,407	1,633	571,073	(571,073)	
Total	7,454,772	407,841	310,479	84,733	8,257,827	(571,073)	7,686,753
Operating income	1,830,399	18,120	13,333	15,694	1,877,548	31,746	1,909,294

Notes: Major countries and areas included in each category:

North America: The United States Asia: China, Hong Kong, South Korea, Singapore, Malaysia, Taiwan and Thailand

Europe: England and Slovakia

(4)Overseas sales

Overseas sales represent the sales of the company and its oversea consolidated subsidiaries for countries or areas other than Japan. Segmentation of areas is based on geographical proximity.

First quarter of 2007 (April 1 to June 30, 2007)

(Unit: ¥ thousands)

	North America	Asia	Europe	Other areas	Total
Overseas sales	2,300,598	1,255,193	830,461	62,845	4,449,098
Consolidated sales	-	-	-	-	6,525,378
Ratio of overseas sales on consolidated sales	35.3	19.2	12.7	1.0	68.2

Notes: Major countries and areas included in each category:

North America: The United States and Canada

Asia: China, South Korea, Singapore, Malaysia, Taiwan, Thailand, Vietnam, etc.

Europe: Ireland, Germany, Netherlands, Austria, etc.
 Other areas: South America, Oceania, etc

First quarter of 2008 (April 1 to June 30, 2008)

(Unit: ¥ thousands)

	North America	Asia	Europe	Other areas	Total
Overseas sales	2,588,096	773,552	2,252,436	49,853	5,663,938
Consolidated sales	-	-	-	-	7,686,753
Ratio of overseas sales on consolidated sales	33.7	10.1	29.3	0.6	73.7

Notes: Major countries and areas included in each category:

North America: The United States and Canada

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

Europe: Ireland, Germany, Netherlands, Austria, etc.

Other areas: South America, Oceania, etc

7. Order receiving and Sales

(1) Order receiving

(Unit: ¥ thousands)

Products	First quarter of 2007	First quarter of 2008	Changes	
			Amount	Ratio (%)
Take-out Robots	2,994,802	2,369,764	625,037	20.9
Stock systems	131,951	164,459	32,507	24.6
Custom-ordered equipments	633,058	871,801	238,743	37.7
Peripheral equipments	1,023,035	925,189	97,846	9.6
Parts and maintenance services	325,369	310,906	14,463	4.4
Total	5,108,217	4,642,121	466,096	9.1

Note: Ratios are shown in percentage increase (decrease) of first quarter of 2008 to first quarter of 2007.

(2) Backlog of orders

(Unit: ¥ thousands)

Products	First quarter of 2007	First quarter of 2008	Changes	
			Amount	Ratio (%)
Take-out Robots	2,023,024	1,553,764	469,259	23.2
Stock systems	85,197	113,859	28,662	33.6
Custom-ordered equipments	687,668	1,847,904	1,160,235	168.7
Peripheral equipments	694,248	661,833	32,415	4.7
Total	3,490,139	4,177,361	687,222	19.7

Note: Ratios are shown in percentage increase (decrease) of first quarter of 2008 to first quarter of 2007.

(3) Net sales

(Unit: ¥ thousands)

Products	First quarter of 2007	First quarter of 2008	Changes	
			Amount	Ratio (%)
Take-out Robots	2,474,119	1,997,463	476,656	19.3
Stock systems	157,744	107,577	50,167	31.8
Custom-ordered equipments	2,755,496	4,544,378	1,788,881	64.9
Peripheral equipments	812,648	726,428	86,219	10.6
Parts and maintenance services	325,369	310,906	14,463	4.4
Total	6,525,378	7,686,753	1,161,375	17.8

Note: Ratios are shown in percentage increase (decrease) of first quarter of 2008 to first quarter of 2007.