

Summary of Consolidated Annual Financial Results

(April 1, 2003 – March 31, 2004)

Listed Company Name: Yushin Precision Equipment Co., Ltd.

May 14, 2004

Securities Code No.: 6482

Contact: Director and General Manager of Administrative Department

Name: Tomoaki Taka

Phone: (075) 933-9168

Date of Board of Directors Meeting for annual book-closing: May14, 2004

Application of US financial accounting standards: None

Listing Exchanges:

Tokyo Stock Exchange

Osaka Stock Exchange

Head Office: Kyoto

1. Consolidated Business Results for the year ended March 31, 2004 (April 1, 2003– March 31, 2004)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 3/04	16,295	27.0	2,486	71.5	2,461	70.1
FY 3/03	12,832	9.5	1,449	46.3	1,447	41.3

	Net income		Net income per share	Net income per share/diluted	Net income on shareholders' equity	Ordinary income on gross capital	Ordinary income on net sales
	Millions of yen	%	Yen	Yen	%	%	%
FY 3/04	1,374	82.6	91.21	–	11.0	13.9	15.1
FY 3/03	752	53.1	49.59	–	6.4	9.0	11.3

Notes: 1) Investment profit and loss arising from equity method:

FY 3/04: 0million yen

FY 3/03: 2 million yen

2) Average number of shares (consolidated):

FY 3/04: 14,722,625 shares

FY 3/03: 14,724,572 shares

3) Changes in accounting policies: None

4) 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 Conditions

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY 3/04	18,391	12,926	70.3	875.95
FY 3/03	17,075	11,979	70.2	812.11

Notes: Number of shares outstanding (consolidated) at the end of year:

FY 3/04: 14,721,981 shares

FY 3/03: 14,723,334 shares

(3) Consolidated Cash Flow Conditions

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 3/04	908	466	374	4,810
FY 3/03	1,815	74	263	4,755

(4) Number of Consolidated Subsidiaries and Affiliates Applied Equity Method

Consolidated subsidiaries: 7

Non-consolidated subsidiaries applied equity method: None

Affiliates applied equity method: 1

(5) Changes in Range of Consolidation and Application of the Equity Method

Number of newly consolidated subsidiaries: 1

Number of companies omitted from consolidation: None

Number of companies to which equity method is newly applied: None

Number of companies omitted from application of equity method: 1

2. Forecasted Consolidated Business Results for the Year Ending March 31, 2005 (April 1, 2004 ~ March 31, 2005)

	Net sales	Operating income	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2004 – September 30, 2004	8,400	1,450	1,470	860
April 1, 2004 – March 31, 2005	16,400	2,750	2,800	1,630

Reference: Forecasted net income per share (annual) 98.73 yen.

Net income per share calculated by considering the increasing number of shares cause of stock splits to shareholders of record on March 31, 2004.

The above forecast has been calculated based on the current information available, therefore there is a possibility the actual business result may differ due to various factors.

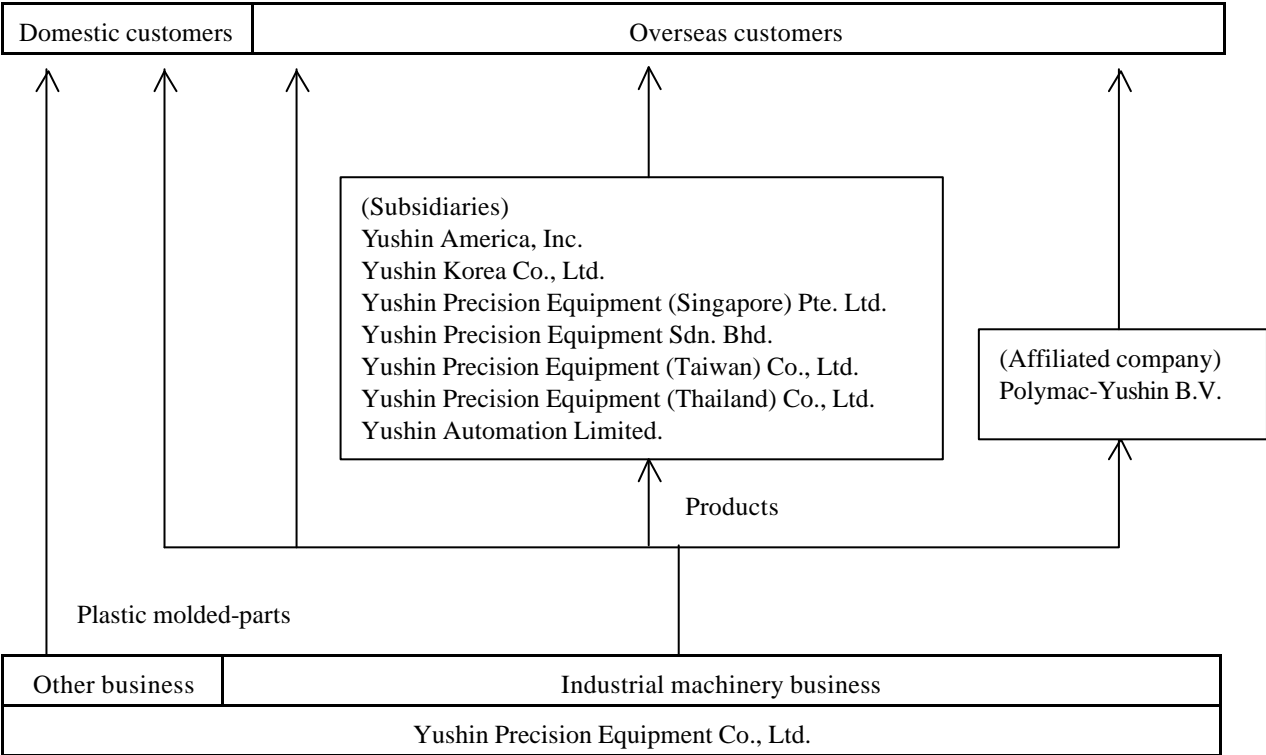
Please refer to the attachment “(2) Outlook for fiscal year 2004” on page 5 regarding the above forecast.

Attachment

1. Outline of the Corporate Group

The corporate group of Yushin Precision Equipment Co., Ltd. (the "Company") consists of the Company, 7 subsidiaries and 1 affiliate. It mainly engages in development, production, and sales of robots to take-out plastic injection-molded products and associated equipment. It also engages in plastic parts manufacturing as an auxiliary business.

The diagram below shows the operations and flows within the Group.



2. Management Policies

(1) Basic Policies on Corporate Management

It is the Company's basic philosophy to contribute widely to society through the creation of innovative technology centering on the robot to take-out plastic injection-molded products in the plastics molding industry. In addition, the Company will apply itself to its business and so live up to the expectations and trust of its customers and shareholders.

(2) Basic Policies on Profit Distribution

The Company regards the distribution of profit to shareholders as an important management task. Therefore, the Company is making efforts to secure stable performances and improve return on equity, and the Company's basic policy is to actively distribute profits by way of stock splits and dividends taking into consideration each term's results.

Furthermore, the Company makes efforts to expand its business by use of internal reserves for enhancing manufacturing facilities and research and development activities.

(3) Managerial Index Objective

The object of management index is to achieve and keep ROE at more than 10%.

ROE of three years ago was as good as 15.1%. Although, it fell greatly with 4.4% in the fiscal year 2002, it has improved for while with 6.4% in the previous fiscal year. ROE of this fiscal year is 11.0%, which is more than our object of management index. We will continue to try our best to increase sales to improve both the equity turnover and ratio of net profit on sales, and also cut down the cost and indirect expenses.

(4) Medium and Long-Term Management Strategies

The Company aims at becoming a leading company in the take-out robot industry, making a speedy product development corresponding to its customer needs and a further aggressive business development in the global market based on the product's superiority in its performance and a full after-sales service.

Product strategies for these are as follows.

- 1) With regard to the general-purpose take-out robot, provide a full line of products from entry to high-end machines to meet a wide range of customer's needs.
- 2) By the combination of the take-out robot and the stock system or the custom-made machine, strengthen the system approach supporting to rationalize the molding factory production process.
- 3) Expands sales of the computer integrated manufacturing system for the molding factory.
- 4) Aims at strengthening dedicated machines for the optimum production of molded-goods for mass consumption such as recording media.

Market strategies are as follows.

While aiming at the biggest share in the domestic market, the Company puts emphasis on strengthening its sales and service activities to expand sales abroad, especially in Asia.

(5) Plans to tackled

1) Improve the development speed and strengthen the products.

In order to supply products that meet the customer demand in the fast changing market, we need to develop products in a much faster than it does. We would reduce development time as well as keeping in mind the basic elements such as quality, shipment and cost to take every possible opportunity to sell. By the combination of the take-out robot and the stock system or the custom-made machine, strengthen the system approach supporting to rationalize the molding factory production process.

2) Strengthen Sales Force

One subsidiary, *Yushin Automation Limited*, in England and one representative office in Tianjin have been set up this term to extend the activity range and strength the sales of overseas bases. Now, we have three representative offices in China would establish a sales system to appropriately correspond to customer's global development by the timely operation of these overseas bases.

(6) Policy regarding the improvement of administration (Corporate governance)

It is our understanding that the basis of corporate governance is to try our best to provide a stable base for management, improve the equity turnover and to fulfill the accountability. Therefore, in order to carry out the responsibility entrusted by the investors, we execute the above-mentioned policy to improve our business. Also, the board of directors and standing auditor hold monthly board of directors meeting as well as once a week regular executive board meeting to actively exchange opinions and to unify ideas in order to manage the above-mentioned policy. The corporate officer system was introduced from April 1st, 2003 and we are considering to introduce the outside director system.

3. Operating Results

(1) Overview of the year

Overview of results for the year 2003

During fiscal year 2003, the Japanese economy began to show signs of recovery, effected by increasing demand of materials, semiconductor, and household appliances in the Asian market.

In the Company's related industry, the demand for investments toward plastic plant facilities increased, as supported by the strong sales of injection molding machines. Under these circumstances, we continue to develop our products and overall model change of the main line of robot was executed and lineup from small to large size robot was enriched. To strength sales force, we have set one subsidiary in England and one representative office in Tianjin.

As a result, the sales of robot and custom machines were recovered mainly domestic and Asian market, net sales reached to 16,295 million yen, increase of 27.0% from the previous year.

In terms of profit, the ordinary income has increased to 2,461 million yen, 70.1% up from the previous year, and the net income to 1,374 million yen, 82.6% up from the previous year because of the significantly increased net sales.

Performance of segment by region

Net sales in Japan was 15,131 million yen (30.7% up from the previous year), and the operating income was 2,372 million yen (87.8% up from the previous year).

Net sales in North America was down to 2,327 million yen (7.0% down from the previous year), and operating losses was 75 million yen due to a tendency of weak dollar over previous fiscal year.

Net sales in Asia was increased 793 million yen, and operating income was 116 million yen, all subsidiaries has get off the ground favorably and stably.

Financial conditions

Total assets has been increased by 1,316 yen to 18,391 yen comparing with the end of fiscal year 2003 effected by increasing sales credit of 1,759 million yen and decreasing inventories of 704 million yen.

In terms of liabilities, current liabilities was up to 551 million yen due to the increasing income tax payable of 238million yen and liabilities for retirement benefits of directors and corporate auditors. As a result, total liabilities reached 5,175 million yen.

Additionally, total shareholders' equity increased by 947 million yen compared with fiscal year 2002. The increase in total shareholders' equity was mainly due to increases in both net unrealized gain on available for sale securities and retained earning.

Cash flow conditions

Cash flow conditions of this year and their factors are as follows.

Cash flows from operating activities

Net income before income tax increased by 916 million yen to 2,296 million yen, in spite of decrease of the inventory, accounts receivable increased by 1,815 million yen due to the increase of retirement benefits payment for directors and auditors and increase of tax payment, actual cash

flow from the operating activities reached 908 million yen (906 million yen down from the previous year) .

Cash flows from investment activities

Tangible fixed assets reached 466million yen cause of the increase of the expenditure for the large-size robot facility (180 million yen) and the time deposit (300million yen).

Cash flows from financing activities

Cash flows from financing activities was increased by 110 million yen to 374 million yen because of 30th anniversary dividend and short-term loans of subsidiary in U.S

(2) Outlook for Fiscal Year 2004

Although, the domestic economy began to show signs of recovery, as supported by slightly increases in the investment and company performance, there is a fear of having bad influence on business by Chinese economy, U.S economy and Iraq situation.

Under these circumstances, it become more difficult to forecast business environment, the Company will improve the development speed and strengthen the products and strengthen sales force to deal with the foreign manufacturing customers.

The consolidated results through the year are expected to be: net sales 16,400 million yen, operating income 2,750 million yen, ordinary income 2,800 million yen and net income 1,630 million yen.

The non-consolidated results through the year are expected to be: net sales 15,200 million yen, operating income 2,658 million yen, ordinary income 2,700 million yen and net income 1,580 million yen.

4-(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

Account	Term	Current year (as of March 31, 2004)		Previous year (as of March 31, 2003)		Increase (: decrease)
		Amount	Per-centage	Amount	Per-centage	Amount
(ASSETS)						
I	Current assets	14,454,363	78.6	13,052,590	76.4	1,401,773
	Cash and time deposits	5,110,074		4,755,577		354,496
	Trade Notes and accounts receivable	6,430,100		4,671,037		1,759,063
	Inventories	2,568,431		3,273,345		704,913
	Deferred tax assets	284,070		254,809		29,260
	Others	77,733		109,450		31,717
	Allowance for doubtful receivables	16,047		11,629		4,417
II	Fixed assets	3,937,233	21.4	4,022,841	23.6	85,607
	Tangible fixed assets	3,368,272	18.3	3,412,146	20.0	43,874
	Buildings and structures	1,070,004		1,085,353		15,349
	Machinery and automobiles	153,525		176,344		22,819
	Land	2,009,512		2,014,747		5,235
	Others	135,230		135,700		469
	Intangible fixed assets	19,980	0.1	29,715	0.2	9,734
	Investments and other assets	548,980	3.0	580,978	3.4	31,998
	Investment in securities	319,992		162,029		157,963
	Deferred tax assets	7,070		143,321		136,250
	Others	229,220		281,520		52,299
	Allowance for bad debt	7,303		5,891		1,411
	Total	18,391,597	100.0	17,075,431	100.0	1,316,165

Account	Term	Current year (as of March 31, 2004)		Previous year (as of March 31, 2003)		Increase (: decrease)
		Amount	Per-centage	Amount	Per-centage	Amount
(LIABILITIES)						
I Current liabilities		5,066,465	27.5	4,515,032	26.4	551,432
Trade notes and accounts Payable		3,551,661		3,428,221		123,439
Short-term bank loans		64,278		-		64,278
Accounts payable-other		236,538		197,088		39,449
Income taxes payable		691,203		452,829		238,374
Accrued employees' bonuses		167,800		136,000		31,800
Warranty for finished product		86,000		94,000		8,000
Others		268,984		206,892		62,091
II Long-term liabilities		108,756	0.6	234,710	1.4	125,954
Deferred tax liabilities		29,877		14,148		15,729
Liabilities for retirement benefits of a director		73,724		216,370		142,646
Others		5,154		4,192		962
Total liabilities		5,175,221	28.1	4,749,743	27.8	425,478
(MINORITY INTERESTS)						
Minority interests		289,488	1.6	346,495	2.0	57,006
(SHAREHOLDERS' EQUITY)						
Common stock		1,985,666	10.8	1,985,666	11.6	-
Additional paid-in capital		2,023,903	11.0	2,023,903	11.9	-
Retained earnings		8,890,101	48.4	7,979,903	46.7	910,198
Net unrealized gain or loss on available for sale securities		97,189	0.5	8,723	0.0	105,912
Foreign currency translation adjustments		58,309	0.3	6,790	0.0	65,100
Treasury stock-at cost		11,664	0.1	8,348	0.0	3,315
Total shareholders' equity		12,926,887	70.3	11,979,192	70.2	947,694
Total		18,391,597	100.0	17,075,431	100.0	1,316,165

4-(2) Consolidated statements of Income

(Unit: Thousands of yen)

Term Account	Current year (April 1, 2003 to March 31, 2004)		Previous year (April 1, 2002 to March 31, 2003)		Increase (: decrease)
	Amount	Per- centage	Amount	Per- centage	Amount
Net sales	16,295,554	100.0	12,832,775	100.0	3,462,778
Cost of sales	10,203,490	62.6	7,863,049	61.3	2,340,440
Gross profit	6,092,064	37.4	4,969,725	38.7	1,122,338
Selling, general and administrative expenses	3,605,915	22.1	3,520,054	27.4	85,861
Operating income	2,486,149	15.3	1,449,671	11.3	1,036,477
Non-operating income	46,983	0.3	50,387	0.4	3,403
Interest and dividend	12,460		9,482		2,977
Others	34,523		40,905		6,381
Non-operating expenses	71,380	0.5	52,794	0.4	18,586
Interest expense	66		7,125		7,059
Provision for bad debt	6,685		4,645		2,040
Loss on bad debt	2,951		1,308		1,642
Foreign exchange loss	54,477		33,294		21,182
Dividend loss	921		2,289		1,368
Others	6,279		4,130		2,149
Ordinary income	2,461,752	15.1	1,447,264	11.3	1,014,487
Special credits	343,857	2.1	7,865	0.1	335,991
Reversal of allowance for bad debt	629		7,851		7,221
Insurance received	343,227		–		343,227
Others	–		14		14
Special charges	508,715	3.1	75,125	0.6	433,589
Loss on disposals and sales of tangible fixed assets	8,715		6,851		1,864
Retired benefits payment for a director	500,000		–		500,000
Others	–		68,273		68,273
Income before income taxes	2,296,894	14.1	1,380,004	10.8	916,889
Income taxes					
Current	896,860	5.5	677,716	5.3	219,143
Deferred	49,482	0.3	75,800	0.6	125,283
Minority interests	23,513	0.1	25,754	0.2	49,267
Net income	1,374,064	8.4	752,334	5.9	621,729

4-(3) Consolidated Statements of Capital Surplus and Retained Earnings

Capital surplus, beginning of year	2,023,903		2,023,903		–
	2,023,903		2,023,903		–
Capital surplus, end of year					
Retained earnings at beginning	7,979,903		7,402,681		577,222
Increase					
Net income	1,374,064		752,334		621,729
Decrease					
Cash dividends paid	441,696		147,251		294,444
Bonus to directors and corporate auditors	22,170		27,860		5,690
Retained earnings at end	8,890,101		7,979,903		910,198

4-(4) Consolidated Cash Flow Statements

(Unit: Thousands of yen)

Account	Term	Current year (April 1, 2003 to March 31, 2004)	Previous year (April 1, 2002 to March 31, 2003)
		Amount	Amount
I Cash flows from operating activities			
Income before income taxes		2,296,894	1,380,004
Depreciation and amortization		230,228	273,454
Increase (△ decrease) in allowance for bad debt		6,439	4,796
Increase in provision for employees' bonuses		31,800	25,400
Interest and dividend income		12,460	9,482
Interest expense		66	7,125
Insurance received		343,227	-
Retired benefits payment for a director		500,000	-
Decrease (△ increase) in trade receivables		1,815,714	102,233
Decrease in inventories		639,044	730,285
Increase (△ decrease) in trade payables		180,437	1,271,771
Increase (△ decrease) in other current liabilities		75,714	10,856
Bonus to directors and corporate auditors		22,170	27,860
Others		36,155	85,432
Subtotal		1,803,207	2,106,874
Interest and dividends received		12,244	9,423
Interest paid		61	-
Insurance received		409,187	-
Retired benefits payment for a director		660,000	-
Income taxes paid		656,082	293,795
Net cash provided by operating activities		908,495	1,815,293
II Cash flows from investing activities			
Decrease(increase) in time deposits		300,000	10,000
Payments for purchases of tangible fixed assets		180,151	86,386
Proceeds from sales of tangible fixed assets		2,904	724
Payments for purchases of intangible fixed assets		2,626	408
Purchase of investment securities		1,198	1,198
Proceeds from sales of investment securities		-	329
Received from affiliated company as settlement		13,021	-
Increase in advance		-	1,500
Proceeds from collections of long-term loan receivable		1,312	3,459
Net cash used in investing activities		466,738	74,917
III Cash flows from financing activities			
Increase(decrease) in short-term loans		69,588	-
Repayment of long-term loans		-	106,076
Purchase of treasury stock		3,315	4,953
Additional investment from minority shareholders		1,368	-
Dividends paid		441,696	147,251
Dividends paid to minority shareholders		-	5,140
Net cash used in financing activities		374,055	263,422
IV Effect of exchange rate changes on cash and cash equivalents		13,204	8,451
V Increase in cash and cash equivalents		54,496	1,468,501
VI Cash and cash equivalents at beginning of year		4,755,577	3,287,075
VII Cash and cash equivalents at end of year		4,810,074	4,755,577

Basis of Presenting Consolidated Financial Statements

1. Consolidation

The consolidated financial statements as of March 31, 2004 include the accounts of the Company and all (7) subsidiaries.

Investment in 1 affiliated company is accounted for by the equity method.

Some subsidiaries are consolidated using a fiscal year ending December 31, which differs from that of the Company. Any material effects occurring during subsequent 3 months are adjusted in these consolidated financial statements.

2. Summary of Significant Accounting Policies

(1) Valuation of Major Assets

1) Investment Securities

Securities held by the Company other than investments in associated companies are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving average method.

Available-for-sale securities which fair value are not readily determinable are stated at cost determined by the moving average method.

2) Derivative Financial Instruments

The Company uses foreign currency contracts to manage its exposures to fluctuations in foreign exchange rates. The Company does not enter into derivatives for trading or speculative purpose.

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement.

3) Inventories

Finished products, work in process: Principally stated at cost on a specific identification method.
Raw materials and supplies: Stated at cost determined by the average method.

(2) Depreciation of Fixed Assets

1) Tangible fixed assets

Principally computed by the declining balance method at rate based on the estimated useful lives of the assets. The range of useful lives is principally from 3 to 45 years for buildings and structures.

2) Intangible fixed assets

Principally computed by the straight-line method.

Software for sale is amortized on a straight-line method based on the estimated sales volume during the valid sales period. Software for the Company's own use is amortized on a straight-line method over estimated useful life.

(3) Standards for Recording Allowances

1) Allowance for bad debt

To provide for possible bad debt losses, the Company record an allowance based on historical rate for ordinary receivables and estimated amount for specific uncollectable receivables.

2) Accrued employees' bonuses

Accrued employees' bonuses are provided by the Parent Company based on the portion relevant to services rendered during the current fiscal year.

3) Warranty for finished products

In order to provide for the future after-sale expenses for the company's products, a warranty liability is estimated and recorded on the basis of the Company's past experience.

4) Retirement benefits of directors and corporate auditors

Retirement benefits to directors and corporate auditors of the Parent Company are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

(4) Employees Retirement Benefits

The Company accounted for plan assets in excess of the projected benefit obligation as "Others" in "Investments and other assets" based on projected benefit obligations and plan assets at year end. The actuarial loss or gain recognized every year will be amortized over the average years of service (15 –16 years) from the next fiscal year respectively.

(5) Foreign currency transactions and Foreign currency financial statements.

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statement of income to the extent that they are not hedged by forward exchange contracts.

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for shareholders' equity that is translated at historical rates. Differences arising from such translation are shown as "foreign currency translation adjustments" in a separate component of shareholders' equity. Revenue and expenses accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate for the year.

(6) Accounting for leases

Finance leases other than those which are deemed to transfer ownership of the leased assets to lessees are accounted for as ordinary operating leases.

(7) Accounting for consumption taxes

Sales and purchases of goods and services are accounted for exclusive of consumption taxes.

3. Profit Distribution Treatment

In the consolidated statement of income and retained earnings, the profit distribution of consolidated companies is that which has been confirmed within the fiscal year period.

4. Cash and cash equivalents

In preparing the consolidated statements of cash flow, cash on hand, readily available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

5. Notes to the consolidated balance sheets, statement of income and cash flow statement

	Current year (thousand of yen)	Previous year (thousand of yen)
1) Accumulated Depreciation on Tangible Fixed Assets	2,283,217	2,182,410
2) Major assets for associated companies	5,544	19,756
3) Main accounts included in selling, general and administrative expenses		
	Current year (thousand of yen)	Previous year (thousand of yen)
Packing and freight expenses	524,243	425,062
Provision for product warranty	86,000	94,000
Provision for allowance of bad debt	3,033	813
Salaries	897,458	896,540
Provision for employees bonus	64,878	54,845
Provision for employees' retirement benefit	25,238	24,351
Depreciation	118,838	127,763
Research and development expenses	395,748	381,803

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

	Current year (thousand of yen)	Previous year (thousand of yen)
Cash and time deposits	5,110,074	4,755,577
Time deposits in which maturities are over three months	300,000	-
Cash and cash equivalents	<u>4,810,074</u>	<u>4,755,577</u>

Segment Information

(1) Industrial segments

Information about operations in different industry segments is not required to be disclosed, since sales, operating income and assets of the Company's major industry segment (industrial machinery device) exceeds 90% of the respective amounts in the consolidated financial statements.

(2) Geographical segments

The geographical segments of the Company and its consolidated subsidiaries for the years ended March 31, 2004 and 2003 are summarized as follows:

(Unit: Thousand of yen)

Current year (April 1, 2003 to March 31, 2004)

	Japan	North America	Asia	Total	Eliminations and Corporate	Consolidated
I Sales and operating income						
Sales						
(1) Sales to customers	13,302,491	2,320,698	672,364	16,295,554	–	16,295,554
(2) Intersegment sales	1,828,882	6,470	125,012	1,960,364	(1,960,364)	–
Total sales	15,131,373	2,327,168	797,376	18,255,919	(1,960,364)	16,295,554
Operating expenses	12,758,723	2,403,032	681,219	15,842,975	(2,033,570)	13,809,405
Operating income	2,372,650	(75,864)	116,157	2,412,943	73,205	2,486,149
II Assets	12,085,393	1,095,467	500,743	13,681,603	4,709,993	18,391,597

Previous year (April 1, 2002 to March 31, 2003)

	Japan	North America	Asia	Total	Eliminations and Corporate	Consolidated
I Sales and operating income						
Sales						
(1) Sales to customers	9,927,780	2,487,776	417,217	12,832,775	–	12,832,775
(2) Intersegment sales	1,650,936	14,523	86,496	1,751,956	(1,751,956)	–
Total sales	11,578,717	2,502,299	503,714	14,584,732	(1,751,956)	12,832,775
Operating expenses	10,315,611	2,367,907	477,449	13,160,968	(1,777,864)	11,383,104
Operating income	1,263,106	134,391	26,265	1,423,763	25,908	1,449,671
II Assets	11,207,461	1,275,097	316,948	12,799,506	4,275,925	17,075,431

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 and Thailand

(3) Overseas Sales

(Unit: Thousand of yen)

Current year (April 1, 2003 to March 31, 2004)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,449,095	4,766,296	831,636	302,559	9,349,588
II Consolidated sales	–	–	–	–	16,295,554
III Share of overseas sales	21.2%	29.2%	5.1%	1.9%	57.4%

Previous year (April 1, 2002 to March 31, 2003)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	2,936,187	2,969,697	870,321	216,527	6,992,733
II Consolidated sales	–	–	–	–	12,832,775
III Share of overseas sales	22.9%	23.1%	6.8%	1.7%	54.5%

- 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, etc.
 - (3) Europe: Ireland, 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.

Deferred Taxes

Deferred tax assets (liabilities) are comprised of the following:

	<u>Current year</u> (thousand of yen)	<u>Previous year</u> (thousand of yen)
Deferred tax assets		
Inventory	95,273	123,926
Unpaid enterprise taxes	60,000	40,152
Liabilities for retirement benefits of directors and corporate auditors	29,489	86,548
Others	190,995	181,583
Total deferred tax assets	<u>375,758</u>	<u>432,210</u>
Deferred tax liabilities		
Reserve for special depreciation	7,979	10,383
Others	106,516	37,845
Total deferred tax liabilities	<u>114,495</u>	<u>48,228</u>
Net deferred tax assets	<u>261,263</u>	<u>383,981</u>

Note: Net deferred tax assets for the current and previous fiscal year are included in the following accounts in the consolidated balance sheet.

		<u>Current year</u> (thousand of yen)	<u>Previous year</u> (thousand of yen)
Current assets	Deferred tax assets	284,070	254,809
Fixed assets	Deferred tax assets	7,070	143,321
Long-term liabilities	Deferred tax liabilities	29,877	14,148

Securities

Current year (As of March 31, 2004)

1. Market value of securities as of March 31, 2004

(Unit: Thousands of yen)

	Type	Acquisition cost	Carrying amount	Unrealized gain (loss)
Carrying amounts lower than aggregated fair value	Stocks	158,010	319,992	161,981
Carrying amounts higher than aggregated fair value	Stocks	-	-	-
Total		158,010	319,992	161,981

2. Other marketable securities sold within the fiscal year period

(Unit: Thousands of yen)

Sales amount	Gain on sales	Loss on sales
-	-	-

Previous year (As of March 31,2003)

1. Market value of securities as of March 31, 2003

(Unit: Thousands of yen)

	Type	Acquisition cost	Carrying amount	Unrealized gain (loss)
Carrying amounts lower than aggregated fair value	Stocks	675	1,017	342
Carrying amounts higher than aggregated fair value	Stocks	156,137	141,256	14,881
Total		156,812	142,237	14,539

2. Other marketable securities sold within the fiscal year period

(Unit: Thousands of yen)

Sales amount	Gain on sales	Loss on sales
392	-	112

Pension Plans and Retirement Benefit Cost

1. Outline of the retirement benefit plan adopted

The Company participates in a defined-benefit approved retirement annuity plan.

2. Liability (asset) for employees' retirement benefits (as of March 31, 2004)

	(Unit: Thousands of yen)	
	Current year	Previous year
a) Projected benefit obligation	507,157	460,214
b) Fair value of plan asset	<u>470,862</u>	<u>349,136</u>
c) Net unfounded liability (a+b)	36,295	111,078
d) Unrecognized actuarial loss	<u>101,769</u>	<u>165,524</u>
e) Prepaid pension cost (c+d)	65,473	54,446

3. Components of the net periodic benefit costs (April 1, 2003 – March 31, 2004)

a) Service cost	53,874	55,534
b) Interest costs	11,505	10,510
c) Expected return on plan assets	3,491	3,325
d) Amortization of the actuarial loss	11,595	8,564
e) Net periodic benefit costs	<u>73,484</u>	<u>71,284</u>

4. Basis of calculation of pension benefits

a) Discount rate	2.5%	2.5%
b) Expected rate of return on plan assets	1.0%	1.0%
c) Recognition period of actuarial gain/loss	15 ~ 16year	15 ~ 16 years

Sales Status

(Unit: Thousands of yen)

Product	Current year (April 1, 2003 – March 31, 2004)	
		Year-to-year comparison
Robot	9,982,090	% 35.5
Stock systems	803,513	77.2
Custom-made machinery	2,376,325	3.9
Peripheral equipment	2,380,911	25.3
Parts & maintenance services	908,712	3.2
Total	16,295,554	27.0

Order receiving status

(Unit: Thousands of yen)

Product	Orders received		Backlog of orders	
		Year-to-year comparison		Year-to-year comparison
Robot	9,982,934	% 29.0	1,476,689	% 11.9
Stock systems	786,438	58.2	113,423	13.1
Custom-made machinery	1,441,177	45.6	567,718	62.2
Peripheral equipment	2,362,294	15.4	369,164	4.8
Parts & maintenance services	908,712	3.2	–	–
Total	15,481,556	11.6	2,526,996	24.4

Summary of Non-consolidated Annual Financial Results

(April 1, 2003 – March 31, 2004)

Listed Company Name: Yushin Precision Equipment Co., Ltd.

May 14, 2004

Securities Code No.: 6482

Listing Exchanges:

Contact: Director and General Manager of Administrative Department

Tokyo Stock Exchange

Name: Tomoaki Taka

Phone: (075) 933-9168

Osaka Stock Exchange

Date of Board of Directors Meeting for annual book-closing: May 14, 2004

Head Office: Kyoto

Date of Annual general Meeting: June 29, 2004

1. Non-consolidated Business Results for the year ended March 31, 2004 (April 1, 2003– March 31, 2004)

(1) Operating Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 3/04	15,131	30.7	2,372	87.8	2,403	84.5
FY 3/03	11,578	14.6	1,263	46.2	1,302	43.6

	Net income		Net income per share	Net income per share/diluted	Net income on shareholders' equity	Ordinary income on gross capital	Ordinary income on net sales
	Millions of yen	%	Yen	Yen	%	%	%
FY 3/04	1,304	89.1	86.48	–	10.5	13.9	15.9
FY 3/03	689	53.0	45.35	–	5.9	8.4	11.2

Notes: 1) Average number of shares:

FY 3/04: 14,722,625shares

FY 3/03: 14,724,572shares

2) Changes in accounting policies: None

3) 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) Dividends

	Dividends per share			Dividends paid (annual)	Payout ratio	Dividends on equity
	Yen	Interim	Year end			
FY 3/04	15.00	5.00	10.00	220	16.9	1.7
FY 3/03	30.00	5.00	25.00	441	66.2	3.7

(3) Financial Conditions

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY 3/04	17,964	12,839	71.5	870.03
FY 3/03	16,628	11,896	71.5	806.50

Note: Number of shares outstanding:
 At the end of FY 3/04: 14,721,981 shares
 At the end of FY 3/03: 14,723,334 shares

2. Forecasted Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2005 (April 1, 2004 – March 31, 2005)

	Net sales	Operating income	Ordinary income	Net income	Dividends per share		
					Interim	Year end	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
April 1, 2004- Sep. 30, 2004	7,805	1,399	1,420	830	5.00		
April 1, 2004- March 31, 2005	15,200	2,658	2,700	1,580		12.00	17.00

Reference: Forecasted net income per share (annual) 95.64yen

Net income per share was calculated by considering the increasing number of shares cause of stock splits to shareholders record on March 31, 2004.

The above forecast has been calculated based on the current information available, therefore there is a possibility the actual business result may differ due to various factors.

Please refer to the attachment “(2) Outlook for fiscal year 2004” on page 5 regarding the above forecast.

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Unit: Thousands of yen)

Term Account	Current year (as of March 31, 2004)		Previous year (as of March 31, 2003)		Increase (: decrease)
	Amount	Per- centage	Amount	Per- centage	Amount
(ASSETS)		%		%	
I Current assets	13,926,485	77.5	12,560,980	75.5	1,365,504
Cash and time deposits	4,966,736		4,606,799		359,937
Notes receivable-trade	2,491,335		2,180,938		310,396
Accounts receivable-trade	4,084,375		2,753,944		1,330,431
Finished goods	571,981		454,251		117,730
Raw materials	870,665		840,305		30,359
Work in process	732,592		1,510,484		777,892
Supplies	3,437		3,723		285
Prepaid expenses	26,761		23,714		3,047
Deferred tax assets	178,755		135,429		43,326
Others	10,843		57,390		46,547
Allowance for bad debt	11,000		6,000		5,000
II Fixed assets	4,037,691	22.5	4,067,968	24.5	30,277
(1) Tangible fixed assets	3,079,132	17.2	3,097,399	18.6	18,267
Buildings	911,291		906,692		4,599
Structures	24,883		26,213		1,329
Machinery and equipment	71,335		81,136		9,801
Automobiles	42,134		46,964		4,829
Tools, furniture and fixtures	63,898		70,804		6,905
Land	1,965,588		1,965,588		-
(2) Intangible fixed assets	19,980	0.1	29,715	0.2	9,734
Telephone subscription rights	11,430		11,430		-
Facility right	257		369		111
Software	6,292		17,916		11,623
Patents	2,000		-		2,000
(3) Investments and other assets	938,577	5.2	940,852	5.7	2,275
Investments in securities	319,992		142,273		177,719
Investments in subsidiaries	418,842		393,665		25,176
Investments	165		165		-
Long-term loans	7,183		8,495		1,312
Reorganization claims and similar claims	7,303		7,020		283
Long-term prepaid expenses	6,916		19,573		12,656
Deferred tax assets	-		143,321		143,321
Guarantee deposits	42,793		44,002		1,209
Others	142,683		188,227		45,544
Allowance for bad debt	7,303		5,891		1,411
Total	17,964,176	100.0	16,628,949	100.0	1,335,227

(Unit: Thousands of yen)

Term Account	Current year (as of March 31, 2004)		Previous year (as of March 31, 2003)		Increase (: decrease)
	Amount	Per-centage	Amount	Per-centage	Amount
(LIABILITIES)		%		%	
I Current liabilities	5,020,051	27.9	4,515,421	27.2	504,630
Notes payable-trade	2,813,669		2,743,123		70,546
Accounts payable-trade	819,298		802,823		16,474
Accounts payable-other	229,147		180,104		49,043
Accrued expenses	63,166		61,435		1,730
Income tax payable	670,000		445,500		224,500
Consumption tax payable	83,754		-		83,754
Advance received	16,438		9,668		6,770
Deposits received	37,699		38,110		410
Accrued employees' bonuses	167,800		136,000		31,800
Warranties for product	86,000		94,000		8,000
Notes payable-construction	32,944		4,548		28,395
Others	131		106		24
II Long-term liabilities	104,381	0.6	216,970	1.3	112,588
Liabilities for retirement benefits of directors and corporate auditors	73,724		216,370		142,646
Deposits	780		600		180
Differed tax liabilities	29,877		-		29,877
Total liabilities	5,124,432	28.5	4,732,391	28.5	392,041
(SHAREHOLDERS' EQUITY)					
I Common stock	1,985,666	11.1	1,985,666	11.9	-
II Capital surplus	2,023,903	11.3	2,023,903	12.2	-
III Retained earnings	8,458,3335	47.1	7,617,745	45.1	840,590
Legal reserve	286,314		286,314		-
Voluntary reserve	7,065,574		6,868,540		197,034
Reserve for special depreciation	15,574		18,540		2,965
Reserve for dividend	500,000		500,000		-
General reserve	6,550,000		6,350,000		200,000
Inappropriate retained earnings	1,392,759		749,204		643,554
Net unrealized gain or loss on securities	97,189	0.5	8,723	0.1	105,912
Treasury stock, at cost	11,664	0.1	8,348	0.0	3,315
Total shareholders' equity	12,839,743	71.5	11,896,558	71.5	943,185
Total	17,964,176	100.0	16,628,949	100.0	1,335,227

(2) Non-consolidated statements of Income

(Unit: Thousands of yen)

Account	Term	Current year (April 1, 2002 to March 31, 2003)		Previous year (April 1, 2001 to March 31, 2002)		Increase (: decrease)
		Amount	Per- centage	Amount	Per- centage	Amount
Net sales		15,131,373	100.0	11,578,717	100.0	3,552,655
Cost of sales		9,908,572	65.5	7,595,981	65.6	2,312,591
Gross profit		5,222,801	34.5	3,982,736	34.4	1,240,064
Selling, general and administrative expenses		2,850,151	18.8	2,719,630	23.5	130,521
Operating income		2,372,650	15.7	1,263,106	10.9	1,109,543
Non-operating income		54,982	0.4	55,355	0.5	373
Interest income		11,286		6,484		4,802
Dividend income		1,416		9,369		7,952
Purchase discounts		19,145		15,274		3,870
Others		23,131		24,226		1,095
Non-operating expenses		23,927	0.2	15,869	0.2	8,057
Provision for allowance for bad debt		6,685		4,645		2,040
Foreign exchange loss		15,753		9,822		5,930
Others		1,488		1,400		80
Ordinary income		2,403,705	15.9	1,302,592	11.2	1,101,112
Special credits		343,857	2.3	7,851	0.1	336,006
Reversal of allowance for bad debt		629		7,851		7,221
Insurance received		343,227		-		343,227
Special charges		507,845	3.4	75,125	0.6	432,719
Loss on disposal and sales of tangible fixed assets		7,845		6,851		994
Write down of investment securities		-		68,161		68,161
Loss on sales of investment securities		-		112		112
Retired benefits payment for a director		500,000		-		500,000
Income before income taxes		2,239,717	14.8	1,235,318	10.7	1,004,399
Income taxes						
Current		875,998	5.4	626,963	5.4	249,035
Deferred		59,264	0.4	81,639	0.7	140,903
Net income		1,304,454	8.6	689,994	6.0	614,460
Inappropriate retained earnings brought forward		161,971		132,835		29,082
Interim dividends paid		73,612		73,624		11
Inappropriate retained earnings at end of the year		1,392,759		749,204		643,554

(3) Non-consolidated Appropriated Retained Earnings

(Unit: Thousands of yen)

Account	Term	Current year (Forecast)	Previous year	Increase (: decrease)
Inappropriate retained earnings at the end of the year		1,392,759	749,204	634,554
Adjustment of reserve for special depreciation		3,604	3,604	-
Total inappropriate retained earnings		1,396,364	752,809	643,554
Appropriations				
Cash dividends		147,219	368,083	220,863
Bonus for directors and corporate auditors		31,200	22,170	9,030
Reserve for special depreciation		-	639	639
Reserve for dividend		50,000	-	50,000
Transfer to general reserve		1,000,000	200,000	800,000
Inappropriate retained earnings carried forward		167,944	161,917	6,027

The current year-information of the above would approval at an annual general meeting on June 29.

Dividend per share

	Current year			Previous year		
	Annual	Interim	Year end	Annual	Interim	Year end
Common stock	Yen	Yen	Yen	Yen	Yen	Yen
Ordinary dividend	10.00	5.00	5.00	10.00	5.00	5.00
Memorial dividend	-	-	-	20.00	-	20.00

Memorial dividends of the above were distributed for the 30th anniversary of establishment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Valuation of Major Assets

1) Investment Securities

Securities held by the Company other than investments in associated companies are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving average method.

Available-for-sale securities which fair value are not readily determinable are stated at cost determined by the moving average method.

2) Inventories

Finished products, work in process: Principally stated at cost on a specific identification method.

Raw materials and supplies: Stated at cost determined by the average method.

(2) Depreciation of Fixed Assets

1) Tangible fixed assets

Computed by the declining balance method at rate based on the estimated useful lives of the assets. The range of useful lives is principally from 3 to 31 years for buildings and structures.

2) Intangible fixed assets

Computed by the straight-line method.

Software for sale is amortized on a straight-line method based on the estimated sales volume during the valid sales period. Software for the Company's own use is amortized on a straight-line method over estimated useful life.

(3) Foreign currency transactions

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statement of income to the extent that they are not hedged by forward exchange contracts.

(4) Standards for Recording Allowances

1) Allowance for bad debt

To provide for possible bad debt losses, the Company record an allowance based on historical rate for ordinary receivables and estimated amount for specific uncollectable receivables.

2) Accrued employees' bonuses

Accrued employees' bonuses are provided by the Parent Company based on the portion relevant to services rendered during the current fiscal year.

3) Warranty for finished products

In order to provide for the future after-sale expenses for the company's products, a warranty liability is estimated and recorded on the basis of the Company's past experience.

4) Retirement benefits of directors and corporate auditors

Retirement benefits to directors and corporate auditors of the Parent Company are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

(5) Employees Retirement Benefits

The Company accounted for plan assets in excess of the projected benefit obligation as "Others" in "Investments and other assets" based on projected benefit obligations and plan assets at year-end. The actuarial loss or gain recognized every year would be amortized over the average years of service (15-16 years) from the next fiscal year respectively.

(6) Accounting for leases

Finance leases other than those which are deemed to transfer ownership of the leased assets to lessees are accounted for as ordinary operating leases.

(7) Accounting for consumption taxes

Sales and purchases of goods and services are accounted for exclusive of consumption taxes.

2. Notes to Balance Sheet and Income Statement

	<u>Current year</u> <u>(thousand of yen)</u>	<u>Previous year</u> <u>(thousand of yen)</u>
(1) Accumulated depreciation of tangible fixed assets	1,969,573	1,871,352
(2) Receivables related to subsidiaries and affiliates		
Notes receivable		256,998
Accounts receivable	686,081	363,396
(3) Main accounts included in selling, general and administrative expenses		
	<u>Current year</u> <u>(thousand of yen)</u>	<u>Previous year</u> <u>(thousand of yen)</u>
Packing and freight expenses	530,912	441,631
Provision for product warranty	86,000	94,000
Provision for allowance of bad debt	5,000	-
Salaries and bonuses	581,217	562,099
Provision for employees bonus	64,878	54,845
Provision for employees' retirement benefit	25,238	24,351
Depreciation	76,128	82,293
Research and development expenses	395,748	381,803

Deffered Taxes

Deferred tax assets (liabilities) are comprised of the following:

	<u>Current year (thousand yen)</u>	<u>Previous year (thousand yen)</u>
Deferred tax assets		
Unpaid enterprise taxes	60,000	40,152
Accrued employees' bonuses	67,120	47,528
Allowance for product warranties	34,400	39,480
Liabilities for retirement benefits of directors and corporate auditors	29,489	86,548
Software	24,358	-
Investment in securities	7,641	69,877
Other	<u>24,829</u>	<u>27,325</u>
Total deferred tax assets	<u>247,839</u>	<u>310,911</u>
Deferred tax liabilities		
Reserve for special depreciation	7,979	10,383
Prepaid pension cost	26,189	21,778
Net unrealized loss on securities	<u>64,792</u>	<u>-</u>
Total deferred tax liabilities	<u>98,962</u>	<u>32,161</u>
Net deferred tax assets	<u><u>148,877</u></u>	<u><u>278,750</u></u>

Note: Net deferred tax assets for the current and previous fiscal year are included in the following accounts in the non-consolidated balance sheet.

		<u>Current year (thousand yen)</u>	<u>Previous year (thousand yen)</u>
Current assets	Deferred tax assets	178,755	135,429
Fixed assets	Deferred tax assets	-	143,321
Fixed liabilities	Deferred tax liabilities	29,877	-