

Heartful Technology

Yushin

ANNUAL REPORT 2012

Year Ended March 31, 2012



2011

Japan Society of Mechanical
Engineers Technology Award

To Our Shareholders

Let me extend my wishes to you shareholders for your health and prosperity. We would like to appreciate for your continued support of our business. We would like to present to you an overall view of our company's 39th year of operations, the fiscal year from April 1, 2011 to March 31, 2012.

June 2012


Mayumi Kotani
President

Business Results

In this fiscal year as for the world economy, although the U.S. economy was on the recovery trend, the prospects were vague due to the anxiety about debt in Europe which caused the economic growth of the emerging countries plateau. The domestic economy was on the recovery trend led by the restoration demand from the earthquake.

As for industries related to Yushin, demand from Asia and North America were strong. By industry, automotive, home appliance, medical and daily products were strong.

Under these circumstances, Yushin Group linked demand from Southeast Asia to order, and increased sales to the industries such as Automotive, electronic component, and optical and precision equipment.

As a result, consolidated net sales increased by 13.3% from the previous FY to ¥14,240 million. By introducing new products, operating income increased by 15.9% from the

previous FY to ¥1,272 million, ordinary income increased by 20.0% from the previous FY to ¥1,265 million and net income was by 6.6% from the previous FY to ¥778 million despite the effects of yen's appreciation.

For the year under review, a full-year dividend is ¥20 per share, comprising an interim dividend of ¥10 per share and a year-end dividend of ¥10 per share.

Outlook for Fiscal Year 2013 (year ending March 31, 2013)

As for the business environment surrounding the Yushin Group, in Japan, demand is expected for industries such as Automotive, electronic component and home appliance, and it is anticipated that capital investment on power-saving equipment will grow due to the anxiety about power supply. Globally, it is anticipated that Southeast Asia, Korea and North America will stay strong.

Under these circumstances, Yushin Group will enhance the



product lineup utilizing design optimization while promoting receiving orders for general-purpose robot targeting at growing market. Profit increase is expected by sales increase in semiconductor related equipment and in overseas subsidiaries. Furthermore, we will progress cost-cutting including purchasing from China.

できぬ・無理だ、は出発点

Impossible mark the starting point of a challenge.



Susumu Kotani, Yushin's Founder

Medium-Term Objectives

Yushin has set medium-term targets of net sales of ¥30 billion and ordinary income of ¥5 billion, and as an earning index, ordinary income on net sales of 15% or more.

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.

Enhancement of products

We have developed high-speed take-out robot utilizing design optimization technology in 2010. This technology will be applied hereafter to general purpose take-out robot. It is the technology which can largely contribute to power-saving by reducing weight and power consumption. We will transmit information of the

definitely-differentiated products by appealing the performance superiority such as high-speed, light weight and power-saving.

We will also develop businesses in the semiconductor-related and medical-related area as new domains that have technological synergies.

Enhancement of global network

We have developed a sales and service network for take-out robots in Japan, the U.S, Asia, and Europe. We will expand and strengthen the network in areas where business is expected to grow, including Inland China, India, Mexico and Brazil, to develop a global business that can adequately respond to worldwide customer purchases.

We will also increase of supplies from Guangzhou Factory in China to prepare the sales expansion in China.

Human resource development

In order to enhance the products and the global network, we will improve human resource development such as continuing high level technical training program (in all over the world) and international trainee program.

Outline of Yushin Precision Equipment Co., Ltd.

Our name “Yushin”, means to be both conscientious and trustworthy in Japanese. As these terms suggest, our goal is to be a company that earns and deserves the trust of customers. This is why we work constantly to develop products and systems based on what we call “Heartful Technology”, that reaches heart to heart.

Since 1973, we have been striving to make the molding process more efficient, focusing on the development and manufacturing of take-out robots for plastic injection molding products. To us, the words “impossible” or “it can’t be done” mark the starting point of a challenge.

To be successful, we must continue to introduce innovative products, for instance, ultra-high speed robots and factory automation systems for bringing new capabilities into the customers.

As an innovator in the plastic molding process, Yushin intends to continue developing equipment that will improve quality, and simplify the molding new types of products, such as large-capacity recording media and IT-related equipment. Taking advance with automation for plastic molding plants, Yushin has been expanding its service network throughout the world.



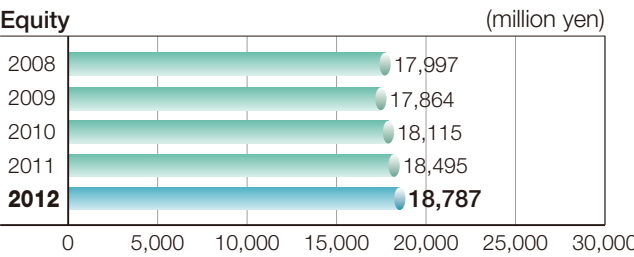
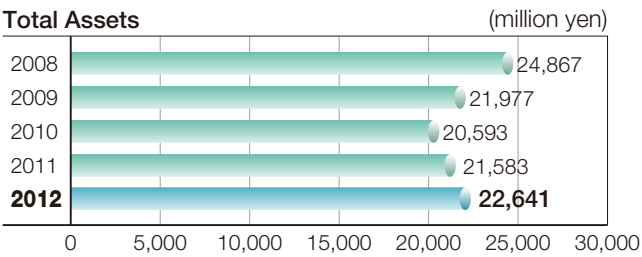
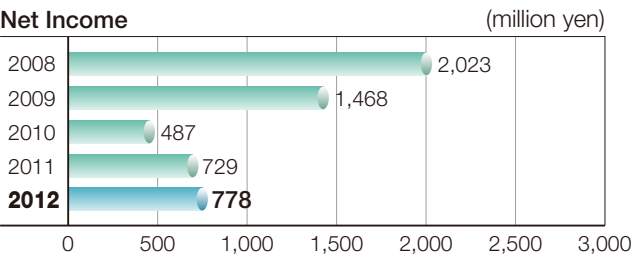
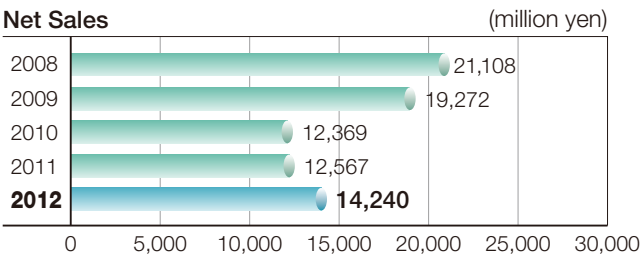
Serving society through developing plastics industry.

Consolidated Financial Highlights

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2012	2011	2010	2009	2008	2012
For the year:						
Net sales	¥ 14,240	¥ 12,567	¥ 12,369	¥ 19,272	¥ 21,108	\$ 173,658
Operating income	1,272	1,097	752	2,829	3,522	15,523
Income before income taxes and minority interest	1,265	1,055	870	2,353	3,494	15,427
Net income	778	729	487	1,468	2,023	9,491
R&D Expenses	565	477	478	686	449	6,891
At Year end:						
Total assets	22,641	21,583	20,593	21,977	24,867	276,117
Equity	18,787	18,495	18,115	17,864	17,997	229,113
Per share of common stock:						
	Yen					U.S. Dollars
Net income	¥ 44.50	¥ 41.73	¥ 27.87	¥ 82.71	¥ 113.68	\$ 0.54
Cash dividends	20.00	18.00	15.00	28.00	35.00	0.24
Equity	1,072.24	1,055.42	1,034.11	1,019.99	1,008.30	13.07
Equity ratio:						
	%					
Return on assets	3.5 %	3.5 %	2.3 %	6.3 %	8.5 %	
Return on equity	4.2	4.0	2.7	8.2	11.7	

Notes: The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each year, retroactively adjusted for stock splits, including those stock splits made after year-end.
Cash dividends per share are dividends applicable to the respective years including dividends to be paid after the end of the year.
The computation of equity per share is based on the number of shares of common stock outstanding each end of year, retroactively adjusted for stock splits, including those stock splits made after year-end.
Translations of Japanese Yen amounts into U.S. dollar amounts are made at the rate of ¥82 to \$1.

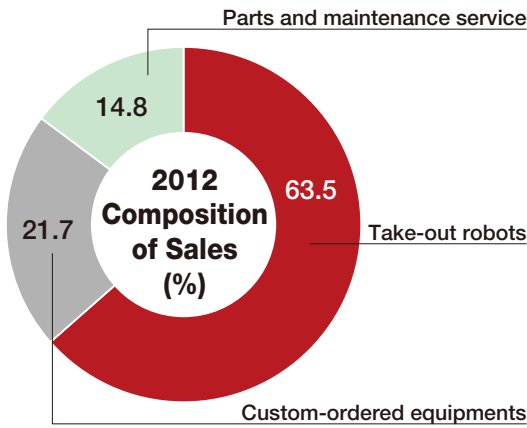


Estimates, Forecasts, and Plans
The performance estimates, forecasts of the business environment, and business plans contained in this publication are based on the information available at the time of compilation. Statements herein regarding these performance estimates, forecasts of the business environment, and business plans may contain inaccurate elements. In addition, there is a possibility of unknown risks, uncertainties, and contingencies emerging that may invalidate these performance estimates, forecasts of the business environment, and business plans. As a result, the reader is requested to understand that actual results / performance, the business environment and business plans in the future may differ materially from the content of this publication.

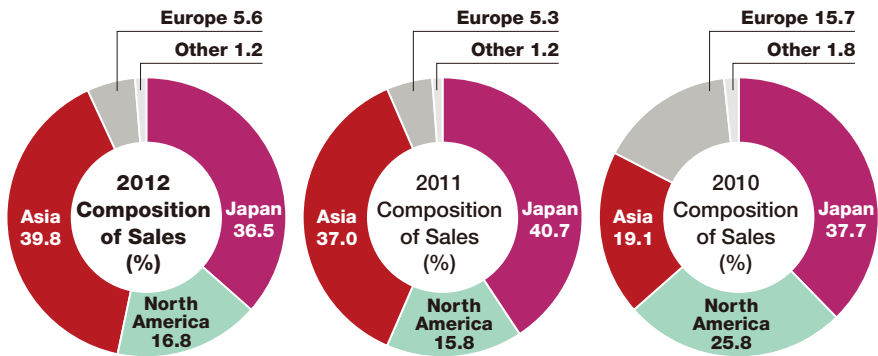
Review of Operations



Sales by product



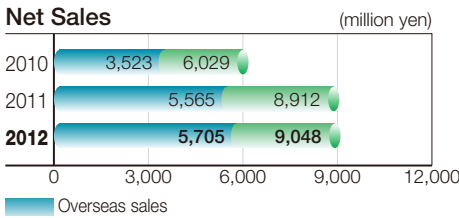
Sales by region



Take-out Robots



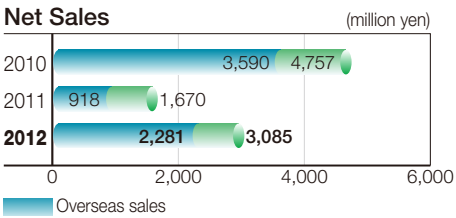
Net sales of take-out robot increased by ¥135 million (1.5%) from the previous FY to ¥9,048 million as YC, new product of flagship traverse type take-out robot in which design optimization was applied, increased its sales after August.



Custom-ordered Equipments



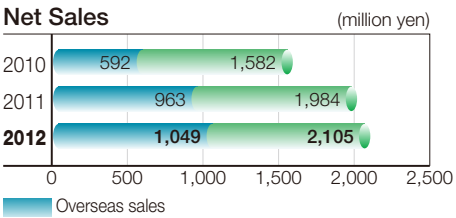
Net sales of custom-ordered equipments increased by ¥1,415 million (84.8%) from the previous FY to ¥3,085 million thanks to the progress as planned in sales of disc related equipment, which was in the backlog of orders from the previous year, and the semiconductor related equipment.



Parts and maintenance service



Net sales of parts and maintenance service increased by ¥121 million (6.1%) from the previous FY to ¥2,105 million.



Performance of geographic segments

[Japan]

Net sales increased by 12.0% to ¥13,104 and operating income increased by 24.0% to ¥954 million due to good performance of custom-ordered equipments.

[North America]

As for the subsidiary in the United States, net sales increased by 4.0% from the previous FY to US\$ 22 million, but in yen, net sales decreased by 5.4% from the previous FY to ¥1,815 million. Operating income increased by 0.9% to ¥178 million.

[Asia]

Net sales increased by 33.1% from the previous FY to ¥2,713 million due to the good performance of the subsidiaries in Korea and Thailand, but operating income decreased by 24.7% to ¥153 million due to the effects of yen's appreciation on imports from Japan.

[Europe]

Net sales increased by 6.6% from the previous FY to ¥240 million and operating income increased by 75.7% from the previous FY to ¥13 million.

Overseas sales

Overseas sales simply indicate the sales of Yushin for countries or areas other than Japan. Overseas sales increased by 21.3% year on year to ¥9,036 million. The ratio of overseas sales on the total sales was 63.5%, 4.2% increase from the previous year.

As for each region, sales to North America increased by 20.2% to ¥2,387 million, sales to Asia by 22.0% to ¥5,669 million and sales to Europe increased by 21.8% to ¥801 million. Southeast Asia, especially Thailand and Indonesia, Korea and North America were strong.

Global Network (As of June 30, 2012)



Headquarters & Factory



Kita-Kanto General Sales Office



Tokyo General Sales Office



Chubu General Sales Office



U.S.A.



Korea



China (Shenzhen)



Taiwan



Malaysia



India



England



China (Guangzhou)



Headquarters & Factory

Yushin Precision Equipment Co., Ltd.

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TEL: +(81)75-933-9555

Subsidiaries (Sales)

- USA
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35 Kenney Drive, Cranston, RI 02920 U.S.A.
TEL: +(1)401-463-1800
Yushin America, Inc. California Office
Yushin America, Inc. Ohio Office
Yushin America, Inc. Texas Office
Yushin America, Inc. North Carolina Office
Yushin America, Inc. Indiana Office
- UK
Yushin Automation Limited <Birmingham>
Unit 15-16 Aston Fields Industrial Estate, Aston Road,
Bromsgrove, Worcestershire B60 3EX, United Kingdom
TEL: +(44)1527-558-218
- India
Yushin Precision Equipment (India) Pvt. Ltd. <Chennai>
Kalyani Towers, 3rd Floor, T2, New No. 69, Old No. 174C,
2nd Avenue, Ashok Nagar, Chennai 600 083 India
TEL: +(91)44-4231-8005
- Thailand
Yushin Precision Equipment (Thailand) Co., Ltd. <Bangkok>
179/346 Supalai Place, Soi, Sukhumvit 39 (Prompong),
Sukhumvit Rd., Klongton Nua, Wattana, Bangkok 10110 Thailand
TEL: +(66)2-662-2580~2
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47170 Puchong, Selangor Darul Ehsan, Malaysia
TEL: +(60)3-8076-2177
- China
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Yushin Precision Equipment Trading (Shanghai) Co., Ltd.
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- Taiwan
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Taiwan (R.O.C.)
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Taichung Office
- South Korea
Yushin Korea Co., Ltd. <Seoul>
Tawon Techno-town F-101, 98 Okuchundong-Ro, Siheung-Shi,
Gyeonggi-Do, 429-450, Korea
TEL: +(82)31-433-9655~6
Daegu Office

Subsidiaries (Factory)

- China
Guangzhou Yushin Precision Equipment Co., Ltd.
No.2 Chuangli Road, XiangShan street, Zengcheng
Economic & Technological Development District,
Guangzhou City, Guangdong Province, China
TEL: +(86)20-8269-0091

Representative offices

- Indonesia Representative Office <Jakarta>
Plaza Sentral 19th Floor, Jalan Jenderal Sudirman No. 47, Jakarta
12930, Indonesia
TEL: +(62)21-571-1737
- Vietnam Representative Office <Hanoi>
5th Floor NOZA Building, 243 Cau Giay Street, Cau Giay District,
Hanoi, Vietnam
TEL: +(84)43-767-3844
Ho Chi Minh Representative Office
No 141 D3 St, Ward 25, Binh Thanh Dist, Ho Chi Minh City
TEL: +(84)83-899-0662
- Philippines Representative Office <Manila>
Unit 1-D, Grnd. Flr., APMC Bldg. 136 Amorsolo St., cor.
Gamboa Legaspi Village, Makati City, Philippines
TEL: +(63)2-893-7546

Agents

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Polymac-Robotics B.V. <Ede>
Morsestraat 20 Ede 6716 AH EDE, The Netherlands
TEL: +(31)318-648615
- Italy
MACAM S.r.l. <Torino>
Via Asti, 88/A 10090 Rivoli (TO), Italia
TEL: +(39)11-959-50-57
- Spain
Mecman Industrial <Barcelona>
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(Barcelona) Apdo. correos, 98, Spain
TEL: +(34)902-636-717



Yushin Earns 2011 Japan Society of Mechanical Engineers Technology Award for “Invention of Take-Out Robot for High-Performance Injection Molding Machines Using Structural Optimization Technology”

Yushin Precision Equipment Research and Development Dept. members Takayo Kotani and Hiroyuki Arai were presented with the Japan Society of Mechanical Engineers Technology Award by the JSME at a ceremony held at Tokyo's Meiji Kinenkan on April 20, 2012.

In order to recognize and encourage excellence in mechanical engineering and technical research, the JSME bestows its Technology Award upon technically superior projects such as new techniques, products, or systems which often require years of development. Judging criteria are 1) Ingenuity and novelty, 2) Relative superiority in quality or performance, 3) Benefit to society or economy through increased productivity, 4) Relevance to fields of mechanical engineering or manufacturing, and 5) Ripple effect or success in the field.

Receiving such high praise was Yushin's "HSA Series" of high-speed robots, newly-developed with design optimization technology to boost production output. By incorporating Design Optimization* - one of the world's newest engineering methods - into its design, the HSA was developed in 2010 to be lighter,

thinner, and more resistant to vibration:

- Robot body design optimized for high speed and light weight
- End-of-arm tool design optimized for thinness to require less mold-opening width
- Uses vibration-reduction technology to fight vibration

Upon accepting the award, Takayo Kotani reflected that "From the moment we decided to employ a new technology called Design Optimization toward the design of a new robot, right up until the product roll-out, our entire company worked together on this project. By introducing design optimization, we created constructs that differed from conventional designs and succeeded in building a lighter, faster robot. Motivated by this award, I am sure Yushin Precision Equipment will continue to produce useful devices for the world."

* Design Optimization is what Yushin calls the practice of applying CAE (Computer-Aided Engineering) to seek the most theoretically optimal form for a robot based on its mechanism and motions. This approach is used to design lighter weight and increased reliability into automobiles and aircraft.

Yushin Korea Moves to New Facility to Expand Production Capabilities - Open House Held on March 21

Yushin Korea Co., Ltd., the Korean subsidiary of Yushin Precision Equipment, Co., Ltd. of Kyoto, Japan, has moved to a new, larger facility to keep pace with vigorous demand for take-out robots in Korea. With 816 sq. m (8,783 sq. ft) of floor space, the new plant is roughly twice the size of Yushin Korea's former location. Yushin Korea welcomed its business associates to an open house event at the just-completed facility on March 21st 2012, to tour the brand-new building and equipment prior to the start of production.

Yushin Korea uses a "knockdown" system of production where it assembles components and parts shipped from the Kyoto main office into finished products. Completion of the new factory will increase Yushin Korea's production capacity: up to 1,000 robots may be shipped annually.

Yushin Acquired Land for New Technical Center

Yushin Precision Equipment has acquired land (10,849.65 sq.m) for constructing the technical center near its headquarters factory in Kyoto, Japan. The technical center will be equipped with clean rooms which are required for semiconductor and medical field. The construction is planned to be completed in spring 2013.

Board of Directors and Auditors

(As of July 1, 2012)



President and Representative Director
Mayumi Kotani



Executive Managing Director
Satoshi Kimura



Managing Director
Yasuharu Odachi



Director
Yuji Tsujimoto



Director
Yasushi Kitagawa



Full-time Corporate Auditor
Shujiro Sawada



Outside Corporate Auditor
Yasuhiro Orita



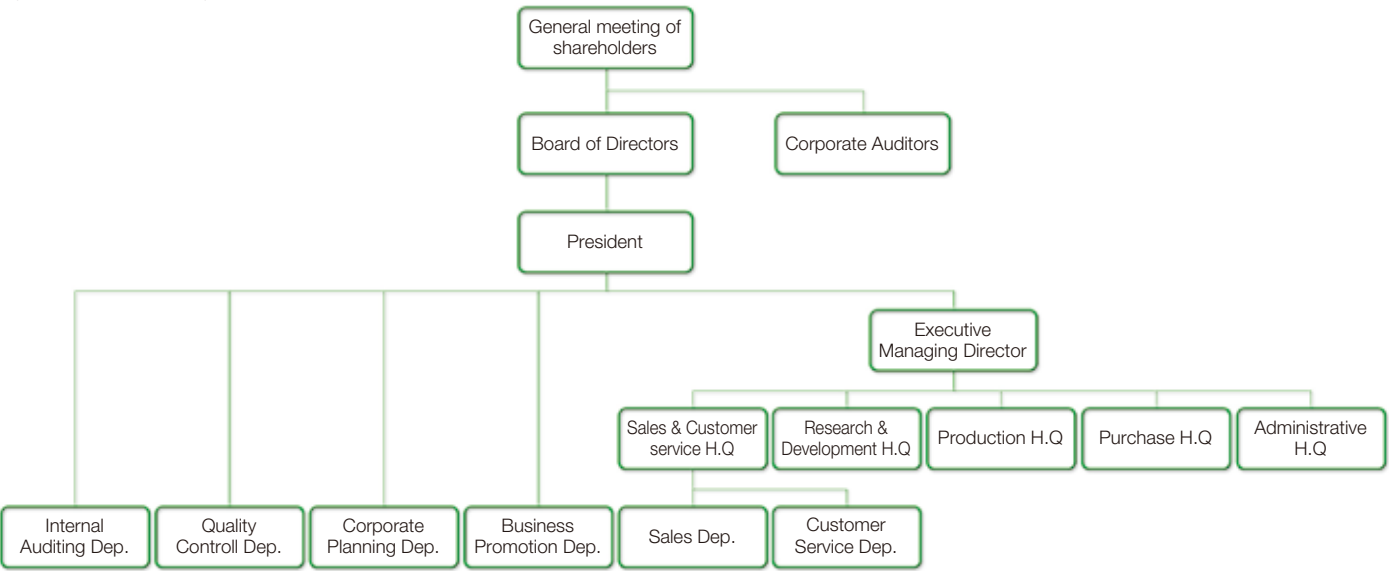
Outside Corporate Auditor
Takao Yoshikawa



Outside Corporate Auditor
Hiroho Kamakura

Organization Chart

(As of June 30, 2012)



Financial Review

Yushin Precision Equipment Co., Ltd. and Subsidiaries

1.Net Sales

Net sales increased by 13.3% from the previous FY to ¥14,240 million. Yushin Group linked demand from Southeast Asia to order, and increased sales to the industries such as Automotive, electronic component, and optical and precision equipment. By products, Net sales of take-out robot increased by ¥135 million (1.5%) from the previous FY to ¥9,048 million as YC, new product of flagship traverse type take-out, increased its sales after August. Net sales of custom-ordered equipments increased by ¥1,415 million (84.8%) from the previous FY to ¥3,085 million thanks to the progress as planned in sales of disc related equipment, which was in the backlog of orders from the previous year, and the semiconductor related equipment.

2.Cost of Sales and Selling, General and Administrative Expenses

Highly functional new YC series contributed to maintain the robot price even under the downward pricing pressure led by yen's appreciation. Cost-cut activity including purchasing from China was continued and cost reduction on expenses was also maintained.

3.Operating Income and Net Income

By introducing new products, operating income increased by 15.9% from the previous FY to ¥1,272 million and net income increased by 6.6% from the previous FY to ¥778 million despite the effects of yen's appreciation.

4.Financial Condition

Total assets increased by ¥1,058 million from the end of the previous FY to ¥22,641 million due to the increase of ¥1,890 million in land, ¥377 million in raw materials and supplies, ¥268 million in finished goods and ¥225 million in work-in-process. Cash and time deposits decreased by ¥1,906 million.

Total liabilities increased by ¥766 million from the end of the previous FY to ¥3,854 million mainly due to the increase of ¥395 million in trade notes and accounts payable.

Net assets increased by ¥291 million from the end of the previous FY to ¥18,787 million due to the rise of retained earnings by ¥376 million. Foreign currency translation adjustments decreased by ¥78 million.

5.Cash Flow

The balance of cash and cash equivalents on March 31, 2012 decreased by ¥1,818 million from the end of the previous FY to ¥8,013 million. Main reason is as follows.

【Cash flow from operating activities】

Income before income taxes and minority interests adjustment was ¥1,265 million, but due to the increase of ¥428 million in receivables and ¥924 million in inventories and total amount of taxes of ¥349 million, cash flow from operating activities for the FY ended March 31,2012 was a net inflow of ¥584 million (it was a net inflow of ¥149 million in the previous FY).

【Cash flow from investment activities】

Due to the purchases of property (¥2,008 million), cash flow from investment activities for the FY ended March 31,2012 was a net outflow of ¥1,920 million (it was a net outflow of ¥254 million in the previous FY).

【Cash flow from financing activities】

Due to the dividends paid of ¥402 million, cash flow from financing activities was a net outflow of ¥409 million (it was a net outflow of ¥174 million in the previous FY).

Consolidated Balance Sheets

Yushin Precision Equipment Co., Ltd. and Subsidiaries
March 31,2012

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
CURRENT ASSETS:			
Cash and cash equivalents (Note 10)	¥ 8,013	¥ 9,831	\$ 97,723
Short-term investments (Note 3 and 10)	33	121	411
Receivables (Note 10) :			
Trade notes	868	1,001	10,593
Trade accounts	3,801	3,287	46,363
Allowance for doubtful receivables	(18)	(17)	(221)
Inventories (Note 4)	3,615	2,744	44,094
Deferred tax assets (Note 7)	365	339	4,453
Other current assets	283	340	3,461
Total current assets	16,964	17,649	206,880
PROPERTY, PLANT AND EQUIPMENT:			
Land	3,935	2,044	47,992
Buildings and structures	2,915	2,880	35,552
Machinery and equipment	289	293	3,529
Furniture and fixtures	1,079	983	13,160
Construction in progress	3	97	39
Total	8,222	6,299	100,274
Accumulated depreciation	(3,117)	(2,971)	(38,015)
Net property, plant and equipment	5,105	3,328	62,258
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 3 and 10)	241	250	2,944
Insurance funds	123	112	1,500
Prepaid pension cost (Note 5)	65	84	796
Deferred tax assets (Note 7)	16	19	205
Other assets	125	138	1,532
Total investments and other assets	572	606	6,979
TOTAL	¥ 22,641	¥ 21,583	\$ 276,117

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
CURRENT LIABILITIES:			
Payables (Note 10) :			
Trade notes	¥ 428	¥ 275	\$ 5,226
Trade accounts	1,885	1,642	22,993
Construction and other	469	371	5,719
Income taxes payable (Note 10)	300	154	3,670
Accrued expenses	294	282	3,588
Warranty reserve	104	104	1,279
Other current liabilities (Note 7)	245	134	2,989
Total current liabilities	3,728	2,965	45,467
LONG-TERM LIABILITIES:			
Liability for retirement benefits to directors (Note 5)	66	66	814
Other (Note 5)	59	55	722
Total long-term liabilities	126	122	1,536
EQUITY (Notes 6 and 14):			
Common stock, authorized 40,000,000 shares; issued, 17,819,033 shares in 2012 and 2011	1,985	1,985	24,215
Capital surplus	2,023	2,023	24,681
Retained earnings	15,625	15,249	190,554
Treasury stock - at cost: 328,960 shares in 2012 and 328,497 shares in 2011	(347)	(347)	(4,242)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	47	51	580
Foreign currency translation adjustments	(581)	(503)	(7,087)
Total	18,753	18,459	228,702
Minority interests	33	35	411
Total equity	18,787	18,495	229,113
TOTAL	¥ 22,641	¥ 21,583	\$ 276,117

Consolidated Statement of Income

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years Ended March 31,2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
NET SALES	¥ 14,240	¥ 12,567	\$ 173,658
COST OF SALES	8,810	7,709	107,439
Gross profit	5,429	4,858	66,218
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 8)	4,157	3,760	50,695
Operating income	1,272	1,097	15,523
OTHER INCOME (EXPENSES):			
Interest and dividend income	31	44	384
Foreign exchange loss	(71)	(119)	(876)
Other-net	32	33	396
Other expenses-net	(7)	(42)	(95)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	1,265	1,055	15,427
INCOME TAXES (Note 7):			
Current	504	341	6,152
Deferred	(20)	(28)	(245)
Total income taxes	484	313	5,906
NET INCOME BEFORE MINORITY INTERESTS	780	742	9,521
MINORITY INTERESTS IN NET INCOME	2	12	30
NET INCOME	¥ 778	¥ 729	\$ 9,491
		Yen	U.S. Dollars
PER SHARE OF COMMON STOCK (Notes 2.p and 13):			
Net income	¥ 44.50	¥ 41.73	\$ 0.54
Cash dividends applicable to the year	20.00	18.00	0.24

Consolidated Statement of Comprehensive Income

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years Ended March 31,2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
NET INCOME BEFORE MINORITY INTERESTS	¥ 780	¥ 742	\$ 9,521
OTHER COMPREHENSIVE INCOME (Note 12) :			
Unrealized gain on available-for-sale securities	(3)	(17)	(42)
Foreign currency translation adjustments	(81)	(165)	(994)
Total other comprehensive income	(85)	(183)	(1,037)
COMPREHENSIVE INCOME (Note 12)	¥ 695	¥ 559	\$ 8,483
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 12) :			
Owners of the parent	¥ 696	¥ 547	\$ 8,495
Minority interests	(0)	11	(11)

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years Ended March 31,2012

	Thousands	Millions of Yen								
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated other comprehensive income		Total	Minority Interests	Total Equity
						Unrealized Gain on Available-for- Sale Securities	Foreign Currency Translation Adjustments			
BALANCE, APRIL 1, 2010	17,491	¥ 1,985	¥ 2,023	¥14,694	¥ (346)	¥ 68	¥ (338)	¥18,087	¥27	¥18,115
Net income				729				729		729
Cash dividends, ¥ 10 per share				(174)				(174)		(174)
Purchase of treasury stock					(1)			(1)		(1)
Net change in the year	(0)					(17)	(164)	(181)	8	(173)
BALANCE, MARCH 31, 2011	17,491	1,985	2,023	15,249	(347)	51	(503)	18,459	35	18,495
Net income				778				778		778
Cash dividends, ¥ 23 per share				(402)				(402)		(402)
Purchase of treasury stock					(0)			(0)		(0)
Net change in the year	(0)					(3)	(78)	(81)	(2)	(83)
BALANCE, MARCH 31, 2012	17,490	¥ 1,985	¥ 2,023	¥15,625	¥ (347)	¥ 47	¥ (581)	¥18,753	¥ 33	¥18,787

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated other comprehensive income		Total	Minority Interests	Total Equity
					Unrealized Gain on Available-for- Sale Securities	Foreign Currency Translation Adjustments			
BALANCE, MARCH 31, 2011	\$ 24,215	\$ 24,681	\$185,969	\$ (4,234)	\$ 622	\$ (6,134)	\$225,120	\$ 437	\$ 225,558
Net income			9,491				9,491		9,491
Cash dividends, \$0.28 per share			(4,905)				(4,905)		(4,905)
Purchase of treasury stock				(8)			(8)		(8)
Net change in the year					(42)	(953)	(995)	(25)	(1,021)
BALANCE, MARCH 31, 2012	\$ 24,215	\$ 24,681	\$190,554	\$ (4,242)	\$ 580	\$ (7,087)	\$ 228,702	\$ 411	\$ 229,113

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 1,265	¥ 1,055	\$ 15,427
Adjustments for:			
Income taxes - paid	(349)	(213)	(4,257)
Income taxes - refund		224	
Depreciation and amortization	219	260	2,675
Changes in assets and liabilities:			
Increase in trade receivables	(428)	(1,076)	(5,229)
Increase in inventories	(924)	(556)	(11,268)
Increase in trade payables	476	561	5,810
Increase (decrease) in provision for doubtful receivables ..	1	(1)	13
Other - net	324	(104)	3,951
Total adjustments	(680)	(905)	(8,304)
Net cash provided by operating activities	584	149	7,123
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(2,008)	(254)	(24,489)
Proceeds from sales of property, plant and equipment	1	1	21
Purchases of investment securities	(1)	(1)	(23)
Proceeds from sale of investment securities	1	2	21
Other - net	86	(1)	1,049
Net cash used in investing activities	(1,920)	(254)	(23,420)
FINANCING ACTIVITIES:			
Dividends paid	(408)	(176)	(4,981)
Purchase of treasury stock	(0)	(1)	(8)
Proceeds from stock issuance to minority share holders ..		2	
Net cash used in financing activities	(409)	(174)	(4,989)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(73)	(86)	(892)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,818)	(365)	(22,178)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,831	10,197	119,901
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 8,013	¥ 9,831	\$ 97,723

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Years Ended March 31, 2012

1.BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2011 consolidated financial statements to conform to the classifications used in 2012.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Yushin Precision Equipment Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82 to \$1, the approximate rate of exchange at March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million yen and one thousand U.S. dollars are rounded down, except for per-share data. Therefore, total or subtotal amounts may not correspond with the aggregation of such account balances.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation - The consolidated financial statements as of March 31, 2012, include the accounts of the Company and its all subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company directly is able to exercise control over operations are fully consolidated.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

In October 2011, Yushin Precision Equipment (Slovakia) s.r.o was removed from the scope of consolidation following completion of the subsidiary's liquidation.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements - In May 2006, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No. 18 prescribes (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: a) amortization of goodwill; b) scheduled amortization of actuarial gain or loss of pensions that has been directly

recorded in the equity; c) expensing capitalized development costs of R&D; d) cancelation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; and e) exclusion of minority interests from net income, if contained in net income.

c. Cash Equivalents - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within three months of the date of acquisition.

d. Inventories - Inventories are principally stated at the lower of cost, determined by the specific identification method for finished products and work in processes, and by the average method for raw materials and supplies, or net selling value.

e. Securities - Securities are investment securities in the consolidated balance sheet. All investment securities are classified as available-for-sale securities, which are not classified as either trading securities or held-to-maturity debt securities, and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. Property, Plant, and Equipment - Property, plant, and equipment are stated at cost. Depreciation of property, plant, and equipment of the Group is principally computed by the declining-balance method at rates based on the estimated useful lives of the assets. The range of useful lives is principally from 13 to 40 years for buildings and structures and from 5 to 12 years for machinery and equipment.

g. Long-Lived Assets - The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. Warranty Reserve - In order to provide for future warranty expenses for the Group's products, a warranty reserve is estimated and recorded principally on the basis of the Company's historical experience.

i. Retirement Benefits - The Company has a funded defined benefit pension plan and defined contribution pension plan covering substantially all of its employees. Certain subsidiaries have a defined benefit pension plan or a defined contribution pension plan.

The Company has adopted an accounting standard for employees' retirement benefits and accounted for the asset for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Retirement benefits to directors are provided at the estimated amount which would be required if all directors retired at the balance sheet date. The Company terminated its retirement benefit plan on June 29, 2006, and no additional provisions have been recorded since then. As of March 31, 2012, the balance of the liability for retirement benefits to directors was ¥66 million (\$814 thousand), provided in proportion to the term that present directors had been in place before June 29, 2006.

j. Research and Development Costs - Research and development costs are charged to income as incurred.

k. Bonuses to Directors - Bonuses to directors are accrued at the year-end to which such bonuses are attributable.

l. Income Taxes - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

m. Foreign Currency Transactions - All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

n. Foreign Currency Financial Statements - 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 equity, which is translated at the historical rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rate for the year.

o. Derivative Financial Instruments - The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: 1) 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 consolidated statement of income and 2) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

p. Per Share Information - Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because there are no outstanding potentially dilutive securities.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

q. Accounting Changes and Error Corrections - In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows: (1) Changes in accounting policies - when a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions. (2) Changes in presentations - when the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in accounting estimates - a change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of prior-period errors - when an error in prior-period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior-period errors, which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

r. New Accounting Pronouncements

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits", which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with effective date of April 1, 2000, and the other related practical guidance, being followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) Treatment in the balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) Treatment in the statement of income and the statement of comprehensive income (or the statement of income and comprehensive income)

The revised accounting standard would not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

This accounting standard and the guidance are effective for the end of annual periods beginning on or after April 1, 2013, with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required. The Company expects to apply the revised accounting standard from the end of the annual period beginning on April 1, 2013, and is in the process of measuring the effects of applying the revised accounting standard for the year ending March 31, 2014.

● 3.SECURITIES

(1) Short-term Investments

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Time deposits	¥ 33	¥ 121	\$ 411

(2) Investment Securities

The carrying amounts and aggregate fair values of investment securities as of March 31, 2012 and 2011, were as follows:

Securities classified as:	Millions of Yen							
	2012				2011			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available for sale:								
Equity securities	¥ 166	¥ 76	¥ 0	¥ 241	¥ 165	¥ 89	¥ 4	¥ 250

Securities classified as:	Thousands of U.S. Dollars			
	2012			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available for sale:				
Equity securities	\$ 2,024	\$ 929	\$ 10	\$ 2,944

(3) The impairment losses on available-for-sale equity securities for the year ended March 31, 2012, was ¥0 million (\$7 thousand).

●4.INVENTORIES

Inventories at March 31, 2012 and 2011, consisted of the following:	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Finished products	¥ 898	¥ 630	\$ 10,953
Work in process	856	630	10,440
Raw materials and supplies	1,861	1,483	22,700
Total	¥ 3,615	¥ 2,744	\$ 44,094

●5.RETIREMENT AND PENSION PLANS

The Company has severance payment plans for employees.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment or annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The Company has a funded defined benefit pension plan and a funded defined contribution pension plan for employees which cover approximately 50% each of their benefits. Certain subsidiaries have a defined benefit pension plan or a defined contribution pension plan. The Company recorded a liability for retirement benefit to directors the amount of ¥66 million (\$814 thousand) and ¥66 million as of March 31, 2012 and 2011, respectively.

The asset for employees' retirement benefits at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Projected benefit obligation	¥ 511	¥ 470	\$ 6,239
Fair value of plan assets	(459)	(432)	(5,607)
Unrecognized actuarial loss	(106)	(116)	(1,299)
Net asset	¥ (54)	¥ (78)	\$ (666)
Prepaid pension cost	¥ 65	¥ 84	\$ 796
Liability for employee's retirement benefits	¥ (10)	¥ (6)	\$ (129)

The above liability for employee's retirement benefits is included in long-term liabilities - other.

The components of net periodic retirement benefit costs for the years ended March 31, 2012 and 2011, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Service cost	¥ 39	¥ 32	\$ 477
Interest cost	6	7	73
Expected return on plan assets	(4)	(4)	(52)
Recognized actuarial loss	12	8	151
Net periodic retirement benefit costs ..	53	43	649
Premium payments to defined contribution pension plan	46	41	561
Total	¥ 99	¥ 85	\$ 1,210

Assumptions used for the years ended March 31, 2012 and 2011 are set forth as follows:

	2012	2011
Discount rate	1.3%	1.3%
Expected rate of return on plan assets	1.0%	1.0%
Allocation method of the retirement benefits expected to be paid at the retirement date	Straight-line method based on years of service	Straight-line method based on years of service
Recognition period of actuarial gain or loss	10~16 years	10~16 years

●6.EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional

paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, and other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

●7.INCOME TAXES

The Company is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6% for the years ended March 31, 2012 and 2011.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2012 and 2011 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax assets:			
Inventories	¥ 175	¥ 171	\$ 2,142
Buildings depreciation	37	38	453
Software	64	83	781
Enterprise tax payable	23	13	281
Retirement benefits to directors	23	26	289
Warranty reserve	38	36	467
Advances received	23	16	285
Accrued bonuses	68	71	836
Foreign exchange losses	15	13	185
Other	81	75	991
Less valuation allowance	(44)	(41)	(537)
Total	¥ 506	¥ 507	\$ 6,175
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	¥ 60	¥ 59	\$ 741
Prepaid pension cost	23	34	282
Unrealized gain on available-for-sale securities	22	28	270
Other	21	28	264
Total	¥ 127	¥ 149	\$ 1,558
Net deferred tax assets	¥ 378	¥ 357	\$ 4,616

Deferred tax assets (liabilities) are included in the consolidated balance sheets as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Current assets - Deferred tax assets	¥ 365	¥ 339	\$ 4,453
Investments and other assets - Deferred tax assets	16	19	205
Current liabilities - Other current liabilities	(3)	(1)	(42)
Net deferred tax assets	¥ 378	¥ 357	\$ 4,616

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2012 and 2011, is as follows:

	2012	2011
Normal effective statutory tax rate	40.6 %	40.6 %
Expenses not deductible for income tax purposes	2.0	2.3
Net change in valuation allowance	1.9	(2.3)
Foreign tax credit		(0.1)
Changes in the effective statutory tax rate	1.1	
Difference in income tax rates applicable to income in certain foreign countries	(2.4)	(3.6)
Undistributed earnings of foreign subsidiaries	0.3	0.9
Tax credit for research and development expenses	(5.4)	(8.3)
Other - net	0.2	0.2
Actual effective tax rate	38.3 %	29.7 %

On December 2, 2011, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from approximately 40.6% to 38.1% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.5% afterwards. The effect of this change was to decrease deferred taxes in the consolidated balance sheet as of March 31, 2012, by ¥10 million (\$133 thousand) and to increase income taxes - deferred in the consolidated statement of income for the year then ended by ¥13 million (\$161 thousand).

●8.RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥565 million (\$6,891 thousand) and ¥477 million for the years ended March 31, 2012 and 2011, respectively.

●9.LEASES

The Group leases certain computer equipment and other assets. Total rental expenses, including lease payments under finance leases for the years ended March 31, 2012 and 2011, were ¥139 million (\$1,699 thousand) and ¥147 million, respectively.

Pro forma Information of Leased Property Whose Lease Inception was before March 31, 2008

ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. However, ASBJ Statement No. 13 permits leases without ownership transfer of the leased property to the lessee and whose lease inception was before March 31, 2008, to continue to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statement. The Company applied ASBJ Statement No. 13 effective April 1, 2008, and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008, was as follows:

	Millions of Yen				Thousands of U.S. Dollars	
	2012		2011		2012	
	Furniture and Fixtures	Total	Furniture and Fixtures	Total	Furniture and Fixtures	Total
Acquisition cost ..	¥ 3	¥ 3	¥ 9	¥ 9	\$ 46	\$ 46
Accumulated depreciation	3	3	8	8	44	44
Net leased property	¥ 0	¥ 0	¥ 1	¥ 1	\$ 2	\$ 2

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Due within one year	¥ 0	¥ 1	\$ 2
Total	¥ 0	¥ 1	\$ 2

The amount of obligations under finance leases includes the imputed interest expense portion.

Depreciation expense and other information under finance leases is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Depreciation expense	¥ 1	¥ 2	\$ 16
Lease payments	¥ 1	¥ 2	\$ 16

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method.

The minimum rental commitments under noncancelable operating leases at March 31, 2012, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due within one year	¥ 1	\$ 18
Total	¥ 1	\$ 18

● 10.FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for Financial Instruments

The Group does not use financial instruments for speculative purposes based on its capital financing plan. Cash surpluses, if any, are invested in low-risk financial assets, including short-term time deposits and certificate of deposits. Funds on hand are used to fund its ongoing operations. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks.

(2) Nature and Extent of Risks Arising from Financial Instruments

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates. Investment securities are exposed to the risk of market price fluctuations. Payment terms of payables, such as trade notes and trade accounts, are primarily less than four months.

(3) Risk Management for Financial Instruments

Credit risk management

Credit risk is the risk of economic loss arising from counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment term and balances of major customers by each business administration department to identify the default risk of customers at an early stage. Investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

(4) Fair Value of Financial Instruments

	Millions of Yen			Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain/Loss	Carrying Amount	Fair Value	Unrealized Gain / Loss
March 31, 2012						
Cash and cash equivalents	¥ 8,013	¥ 8,013	¥	\$ 97,723	\$ 97,723	\$
Short-term investments	33	33		411	411	
Receivables	4,670	4,670		56,957	56,957	
Investment securities	241	241		2,944	2,944	
Total	¥ 12,959	¥ 12,959	¥	\$ 158,036	\$ 158,036	\$
Payables	¥ 2,783	¥ 2,783	¥	\$ 33,939	\$ 33,939	\$
Income taxes payable	300	300		3,670	3,670	
Total	¥ 3,083	¥ 3,083	¥	\$ 37,610	\$ 37,610	\$

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2011			
Cash and cash equivalents	¥ 9,831	¥ 9,831	¥
Short-term investments	121	121	
Receivables	4,288	4,288	
Investment securities	250	250	
Total	¥ 14,493	¥ 14,493	¥
Payables	¥ 2,289	¥ 2,289	¥
Income taxes payable	154	154	
Total	¥ 2,443	¥ 2,443	¥

Cash and Cash Equivalents, Short-Term Investments, Receivables and Payables, and Income Taxes Payable

The carrying values of cash and cash equivalents, short-term investments, receivables and payables and income taxes payable approximate fair value because of their short maturities.

Investment Securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments. The information of the fair value for the investment securities by classification is included in Note 3.

(5) Maturity Analysis for Financial Assets with Contractual Maturities

	Millions of Yen			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
March 31, 2012				
Cash and cash equivalents	¥ 8,013	¥	¥	¥
Short-term investments	33			
Receivables	4,670			
Total	¥ 12,717	¥	¥	¥

	Thousands of U.S. Dollars			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
March 31, 2012				
Cash and cash equivalents	\$ 97,723	\$	\$	\$
Short-term investments	411			
Receivables	56,957			
Total	\$ 155,092	\$	\$	\$

● 11.DERIVATIVES

The Group uses foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. The Group does not hold or issue derivatives for trading or speculative purposes.

Such contracts, however, are marked to market with changes in value recognized in exchange gain (loss) in the accompanying consolidated statements of income since the hedged items are intercompany transactions which are eliminated in consolidation.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount. The Group policy limits the amount of these contracts not to exceed total invoices and purchase orders placed with the Company.

The Group did not have derivative contracts outstanding at March 31, 2012 and 2011.

● 12. COMPREHENSIVE INCOME

The components of other comprehensive income for the year ended March 31, 2012 ,were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Unrealized gain (loss) on available-for-sale securities:		
Gains arising during the year	¥ (9)	\$ (117)
Reclassification adjustments to profit or loss	(0)	(0)
Amount before income tax effect	(9)	(118)
Income tax effect	6	75
Total	¥ (3)	\$ (42)
Foreign currency translation adjustments:		
Adjustments arising during the year	¥ (74)	\$ (911)
Reclassification adjustments to profit or loss	(6)	(83)
Amount before income tax effect	(81)	(994)
Income tax effect		
Total	¥ (81)	\$ (994)
Total other comprehensive income	¥ (85)	\$ (1,037)

The corresponding information for the year ended March 31, 2011, was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

● 13. NET INCOME PER SHARE

Details of the basic net income per share (EPS) for the years ended March 31, 2012 and 2011, were as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2012:	Net Income	Weighted Average Shares	EPS	
Basic EPS				
Net income available to common shareholders	¥ 778	17,490	¥ 44.50	\$ 0.54
Year Ended March 31, 2011:				
Basic EPS				
Net income available to common shareholders	¥ 729	17,490	¥ 41.73	

Diluted net income per share is not disclosed because there are no outstanding potentially dilutive securities.

● 14. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

The following appropriation of retained earnings at March 31, 2012, was approved at the Company's Board of Directors' meeting held on May 9, 2012:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥10 (\$0.12) per share	¥ 174	\$ 2,132

● 15.SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures", an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

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

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

Accordingly, the Company's operations, based on its production, sales, and after-sales maintenance setups, are geographically grouped into four reportable segments: Japan, U.S.A., Asia, and Europe.

2. Methods of measurement for the amounts of sales, profit (loss), assets, and other items for each reportable segment

The accounting procedure for the business segment reported is as described in Note 2, "Summary of significant accounting policies".

Income by business segment reported is calculated based on operating income.

Intersegment income and transfer is based on realized market price basis.

3. Information about sales, profit (loss), assets, and other items is as follows.

	Millions of Yen						
	2012						
	Reportable Segment					Reconciliations	Consolidated
	Japan	U.S.A.	Asia	Europe	Total		
Sales:							
Sales to external customers	¥ 9,705	¥ 1,800	¥ 2,505	¥ 229	¥14,240	¥	¥14,240
Intersegment sales or transfers	3,399	14	208	10	3,633	(3,633)	
Total	13,104	1,815	2,713	240	17,873	(3,633)	14,240
Segment profit	954	178	153	13	1,300	(27)	1,272
Segment assets	13,495	1,299	2,246	316	17,358	5,282	22,641
Other:							
Depreciation	134	18	8	4	166		166
Increase in property, plant and equipment and intangible assets ...	1,877	10	117	4	2,009		2,009

Millions of Yen							
2011							
	Reportable Segment					Reconciliations	Consolidated
	Japan	U.S.A.	Asia	Europe	Total		
Sales:							
Sales to external customers	¥ 8,632	¥ 1,916	¥ 1,811	¥ 207	¥ 12,567	¥	¥ 12,567
Intersegment sales or transfers	3,070	3	227	17	3,319	(3,319)	
Total	11,703	1,919	2,039	225	15,887	(3,319)	12,567
Segment profit	770	176	204	7	1,158	(61)	1,097
Segment assets	10,873	1,228	1,712	181	13,995	7,587	21,583
Other:							
Depreciation	176	20	6	3	207		207
Increase in property, plant and equipment and intangible assets ...	159	24	46	8	239		239

Thousands of U.S. Dollars							
2012							
	Reportable Segment					Reconciliations	Consolidated
	Japan	U.S.A.	Asia	Europe	Total		
Sales:							
Sales to external customers	\$ 118,356	\$ 21,955	\$ 30,549	\$ 2,797	\$ 173,658	\$	\$ 173,658
Intersegment sales or transfers	41,458	180	2,538	133	44,311	(44,311)	
Total	159,814	22,136	33,088	2,930	217,969	(44,311)	173,658
Segment profit	11,646	2,171	1,876	166	15,861	(338)	15,523
Segment assets	164,583	15,843	27,401	3,862	211,692	64,425	276,117
Other:							
Depreciation	1,643	228	102	55	2,028		2,028
Increase in property, plant and equipment and intangible assets ...	22,901	123	1,430	57	24,511		24,511

Notes 1: Reconciliations are as follows.

- (1) The ¥(27) million (\$ (338) thousand) reconciliation to segment loss includes eliminations for intersegment transactions of ¥7 million (\$91 thousand) and inventory reconciliation of ¥(35) million (\$ (429) thousand).
- (2) The ¥5,282 million (\$64,425 thousand) reconciliation to segment assets includes eliminations for intersegment transactions of ¥(2,277) million (\$22,780) thousand) and operating funds of surplus assets by the Company (cash and deposits, securities) of ¥7,178 million (\$87,547 thousand).

Notes 2: Segment profit is reconciled to be consistent with operating income shown in the consolidated statements of income.

4. Information about products and services

Millions of Yen				
2012				
	Take-Out Robots	Custom Ordered Equipments	Parts and Maintenance Service	Total
Sales to external customers	¥ 9,048	¥ 3,085	¥ 2,105	¥ 14,240

Millions of Yen				
2011				
	Take-Out Robots	Custom Ordered Equipments	Parts and Maintenance Service	Total
Sales to external customers	¥ 8,912	¥ 1,670	¥ 1,984	¥ 12,567

Thousands of U.S. Dollars				
2012				
	Take-Out Robots	Custom Ordered Equipments	Parts and Maintenance Service	Total
Sales to external customers	\$ 110,347	\$ 37,628	\$ 25,682	\$ 173,658

5. Information about geographical areas

(1) Sales

Millions of Yen						
2012						
Japan	North America	China Taiwan	Other Asia	Europe	Other	Total
¥ 5,203	¥ 2,387	¥ 2,332	¥ 3,337	¥ 801	¥ 177	¥ 14,240

Millions of Yen						
2011						
Japan	North America	China Taiwan	Other Asia	Europe	Other	Total
¥ 5,120	¥ 1,986	¥ 2,640	¥ 2,009	¥ 658	¥ 152	¥ 12,567

Thousands of U.S. Dollars						
2012						
Japan	North America	China Taiwan	Other Asia	Europe	Other	Total
\$ 63,458	\$ 29,111	\$ 28,445	\$ 40,699	\$ 9,778	\$ 2,164	\$ 173,658

Note: Sales are classified in countries or regions based on location of customers.

- (2) Property, plant and equipment
Information is omitted because property, plant, and equipment in Japan accounted for over 90% property, plant, and equipment on consolidated balance sheet.

6. Information about major customers

Information is omitted because there were no customers that accounted for 10% or more of total net sales recorded under consolidated statements of operations and comprehensive income included in net sales to outside customers.

Independent Auditors' Report



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Yushin Precision Equipment Co., Ltd.:

We have audited the accompanying consolidated balance sheet of Yushin Precision Equipment Co., Ltd. and subsidiaries as of March 31, 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yushin Precision Equipment Co., Ltd. and subsidiaries as of March 31, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 27, 2012

Company Profile

(As of March 31, 2012)

Company Name : Yushin Precision Equipment Co., Ltd.

Establishment : October 1973

Capital : 1,985 million yen

Head Office : 11-260 Kogahonmachi, Fushimi-ku, Kyoto, Japan 612-8492,
Phone : (81)75-933-9555 Fax : (81)75-934-4033

Number of Employees : 571 (Including consolidated subsidiaries), 369 (Yushin Precision Equipment Co., Ltd.)

Number of Shareholders : 5,021

Listed Stock Exchange : First Sections, Tokyo

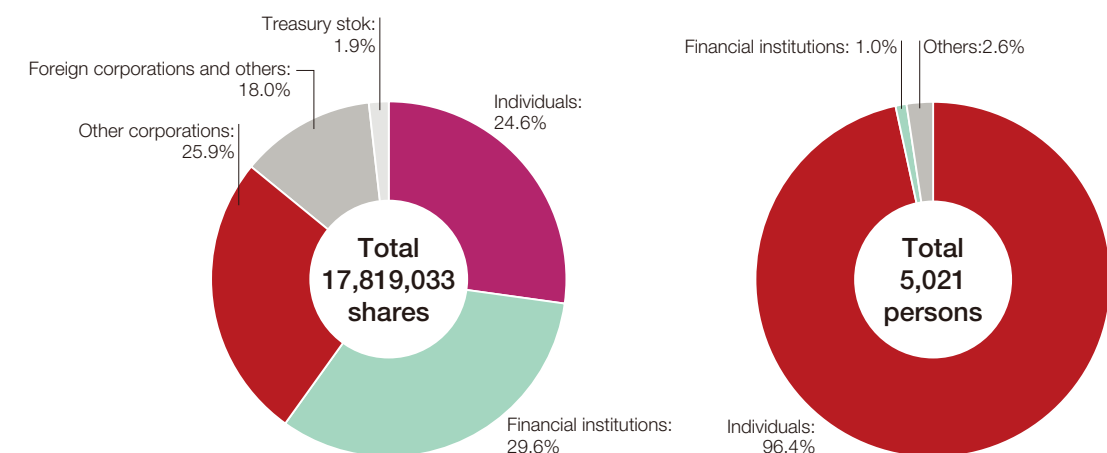
Securities Identification Number : 6482

Major Shareholders

(As of March 31, 2012)

	Number of Shares held (thousand)	Percentage of Shares held (%)
Yushin Industry Co., Ltd.	4,376	25.0
Mayumi Kotani	2,239	12.8
The Nomura Trust and Banking Co., Ltd. (Trust Account 3071019)	774	4.4
The Master Trust Bank of Japan, Ltd. (Retail Trust Account 620021158)	774	4.4
Japan Trustee Service Bank, Ltd. (Trust Accounts)	605	3.5
The Kyoto Chuo Shinkin Bank, Ltd.	544	3.1
Tha Bank of Tokyo-Mitsubishi UFJ, Ltd.	424	2.4
RBC DEXIA INVESTOR SERVICES TRUST LONDON (Client Accounts)	423	2.4
The Chase Manhattan Bank NA, London SL, Omnibus Accounts	361	2.1
The Bank of Kyoto, Ltd.	352	2.0

Distribution of ownership among shareholders



Yushin Precision Equipment Co., Ltd.

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