

ANNUAL REPORT 2013

Year Ended March 31, 2013



**2012 Japan Machinery Federation's
Energy Efficient Machine Award Winner**

Yushin Precision Equipment Co., Ltd.
Securities Identification Code : 6482

Message from the President

Let me extend my wishes to you 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 40th year of operations, the fiscal year from April 1, 2012 to March 31, 2013.

June 2013


Mayumi Kotani
 President



Outlook for Fiscal Year 2014 (Year ending March 31, 2014)

As for the business environment surrounding the Yushin Group, although the economic recovery is expected, only a small increase in the capital investment is anticipated within Japan since manufacturing shifted to overseas due to the prolonged appreciation of the yen. However, overseas capital investment is expected to be strong particularly in North America and South East Asia.

Under these circumstances, Yushin will improve the product lineup by enhancing product

These robots were designed using Yushin's structural optimization technology, which has won a technology award from the Japan Society of Mechanical Engineers. Thus, consolidated net sales increased by 3.4% year on year to 14,721 million yen, although the sales in China and the sales of custom-ordered equipment were below the expectation. Meanwhile, operating income increased by 17.7% year on year to 1,498 million yen, ordinary income turned up by 38.0% to 1,746 million yen, and net income increased by 43.2% to 1,114 million yen.

For the year under review, a full-year dividend is 30 yen per share, comprising an interim dividend of 10 yen per share, a year-end dividend of 10 yen per share and a 40th year commemorate dividend (at the year-end) of 10 yen per share.

Business Results

In this fiscal year, although economy in North America and Asia started to show strength in the latter half of the period, the world economy was faltering through the period due to the debt and financial instability in Europe and the deceleration of growth in Chinese economy. In Japan, the economy turned upward toward the end of the period since the Japanese yen depreciated against other currencies and the stock prices rose. However, the real economy through the year was under severe conditions due to the deteriorating Japan-China relation and the electricity supply instability.

As for industries related to Yushin, demand was strong in the automotive industry but demand in the IT and Electronics device industry was weak. Against this background, the Yushin Group increased sales of take-out robots, with customers recognizing the speed, weight and energy efficiency advantages of the YC Series.

できぬ・無理だ、は出発点

Impossible mark the starting point of a challenge.



Susumu Kotani, Yushin's Founder

Medium and Long-Term Management Strategies

Yushin aims at becoming number one company across the board in the "take-out robot" industry, by speedily developing products differentiated by their quality and superiority that meet our customer needs, and by conducting business even more aggressively in the global market. This will be achieved by the following strategies.

Product strategies

1) Yushin developed high-speed take-out robots "HSA" and "TSXA" utilizing optimum design technology in 2010. This technology has been 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. For this reason, take-out robot "YC" won "the Japan Machinery Federation's Energy Efficient Machine Award". Yushin will offer this definitely-differentiated product

by appealing the performance superiority such as high-speed, light weight and power-saving. 2) Develop businesses in the semiconductor-related and medical-related area as new domains that have technological synergies.

Market strategies

1) Yushin has developed a sales and service network for take-out robots in Japan, the U.S, Asia, and Europe. Expand and strengthen the network in areas where business is expected to grow, including South East Asia, Mexico and Turkey, to develop a global business that can adequately respond to worldwide customer purchases. 2) Increase the sales in semiconductor-related and medical-related area by maximally utilizing the production capacity of Technical center. 3) Start businesses in new domains so as to generate sales-related synergies.

development utilizing design optimization and quickly bringing the products and service responding to customers' needs. Yushin will also attract new customer for the take-out robots while promoting receiving orders for custom-ordered equipments from the area such as medical and semiconductor-related. Furthermore, Yushin will increase earnings by increasing overseas sales and promote cost-cutting including overseas procurement.

Yushin forecasts its business performance for the FY2014, based on the current information available, as follows.

	(Millions of yen)
Net sales	16,400 (Y/Y 11.4 %)
Operating income	1,800 (Y/Y 20.1 %)
Ordinary income	2,130 (Y/Y 22.0 %)
Net income	1,310 (Y/Y 17.5 %)

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. Taking advance with automation for plastic molding plants, Yushin has been expanding its service network throughout the world.



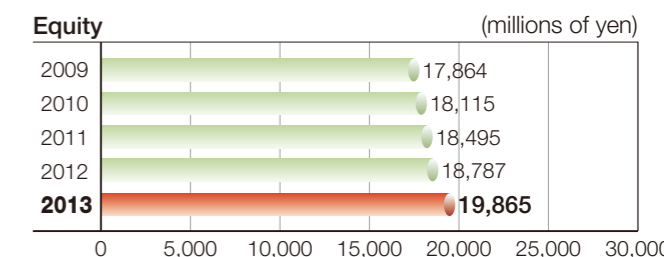
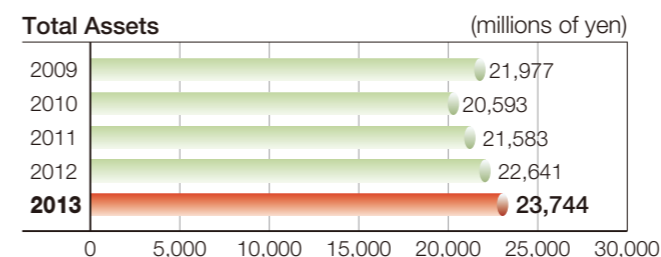
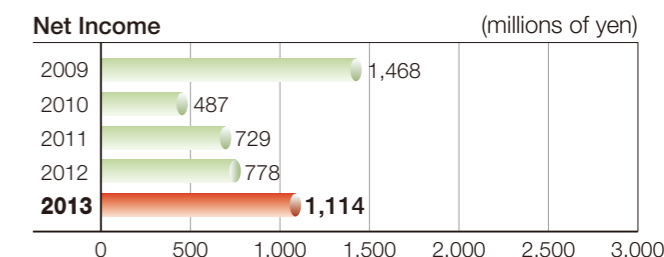
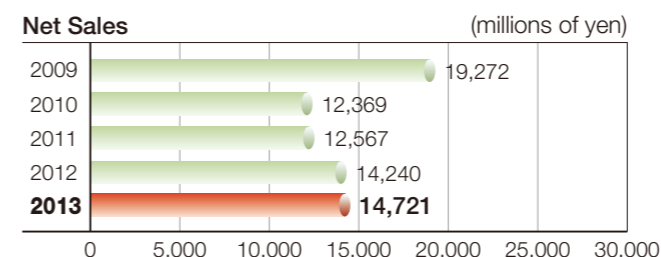
Serving society through developing plastics industry.

Consolidated Financial Highlights

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

	Millions of Yen					Thousands of U.S. Dollars
	2013	2012	2011	2010	2009	2013
For the year:						
Net sales	¥ 14,721	¥ 14,240	¥ 12,567	¥ 12,369	¥ 19,272	\$ 156,613
Operating income	1,498	1,272	1,097	752	2,829	15,943
Income before income taxes and minority interest	1,779	1,265	1,055	870	2,353	18,932
Net income	1,114	778	729	487	1,468	11,859
R&D Expenses	591	565	477	478	686	6,292
At Year end:						
Total assets	23,744	22,641	21,583	20,593	21,977	252,600
Equity	19,865	18,787	18,495	18,115	17,864	211,336
Per share of common stock:						
	Yen					U.S. Dollars
Net income	¥ 63.74	¥ 44.50	¥ 41.73	¥ 27.87	¥ 82.71	\$ 0.68
Cash dividends	30.00	20.00	18.00	15.00	28.00	0.32
Equity	1,131.63	1,072.24	1,055.42	1,034.11	1,019.99	12.03
Equity ratio:						
	%					
Return on assets	4.8%	3.5%	3.5%	2.3%	6.3%	
Return on equity	5.8	4.2	4.0	2.7	8.2	

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 ¥94 to \$1.



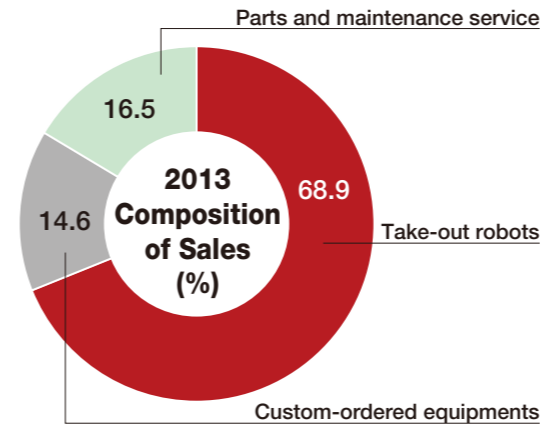
Estimates, Forecasts, and Plans

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.

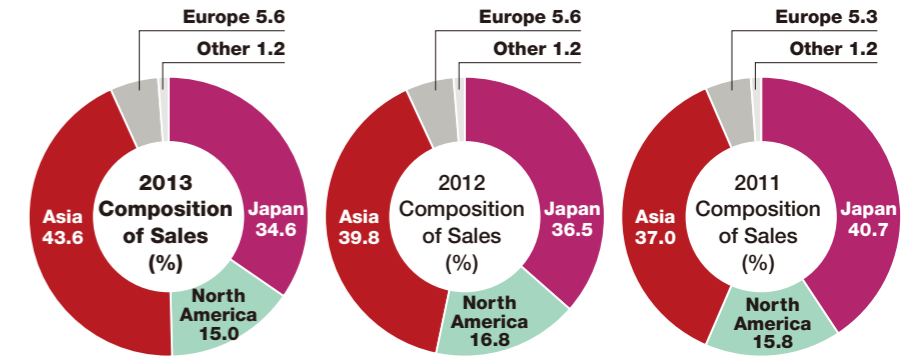
Review of Operations



Sales by product



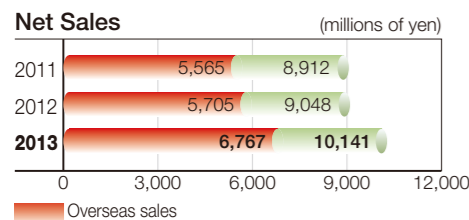
Sales by region



Take-out Robots



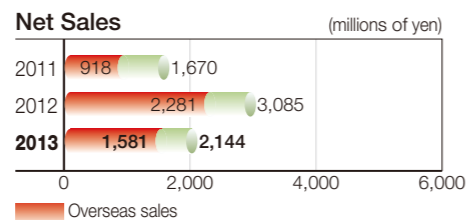
As the sales of YC series increased, net sales of take-out robot increased by 1,092 million yen (12.1%) from the previous FY to 10,141 million yen.



Custom-ordered Equipments



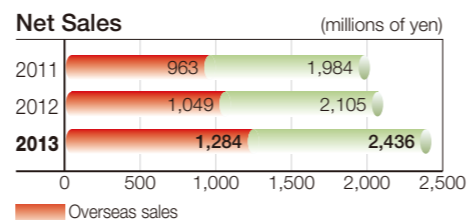
Net sales of custom-ordered equipments decreased by 941 million yen (30.5%) from the previous FY to 2,144 million yen due to slow sales in the semiconductor-related equipments.



Parts and maintenance service



Net sales of parts and maintenance service increased by 330 million yen (15.7%) from the previous FY to 2,436 million yen.



Performance of geographic segments

[Japan]

Net sales decreased by 5.4% to 12,393 million yen and operating income also decreased by 2.9% from the previous FY to 927 million yen, because sales of custom ordered equipments was not so strong.

[North America]

As for the subsidiary in the United States, net sales increased by 21.2% from the previous FY to 2,199 million yen and operating income increased by 40.0% to 249 million yen.

[Asia]

Net sales increased by 27.5% from the previous FY to 3,460 million yen and operating income increased by 85.5% to 285 million yen due to the good performance of the subsidiaries in Korea and Thailand.

[Europe]

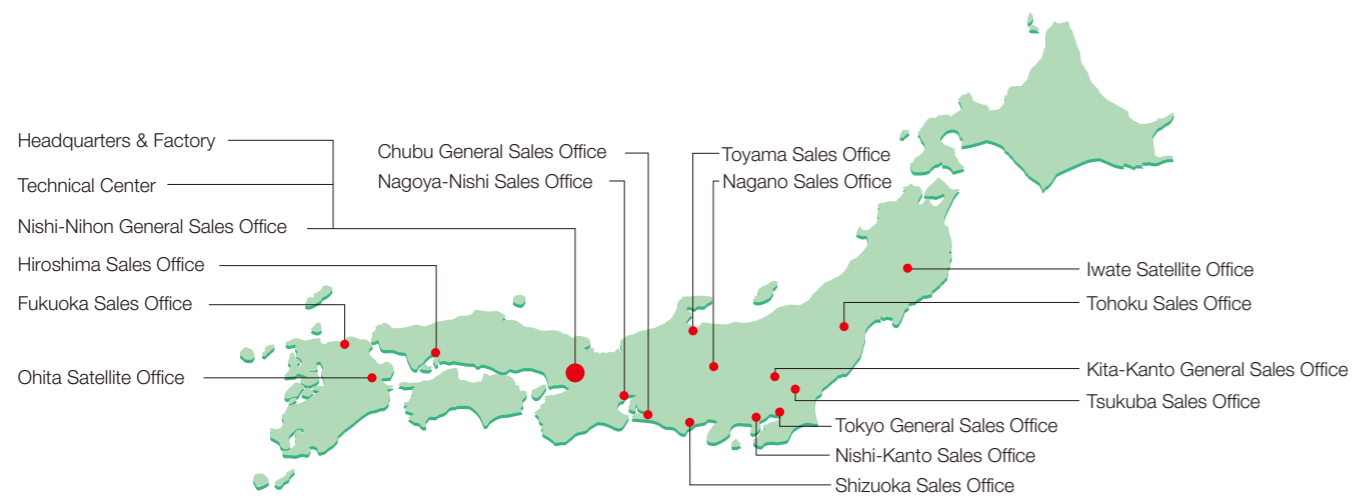
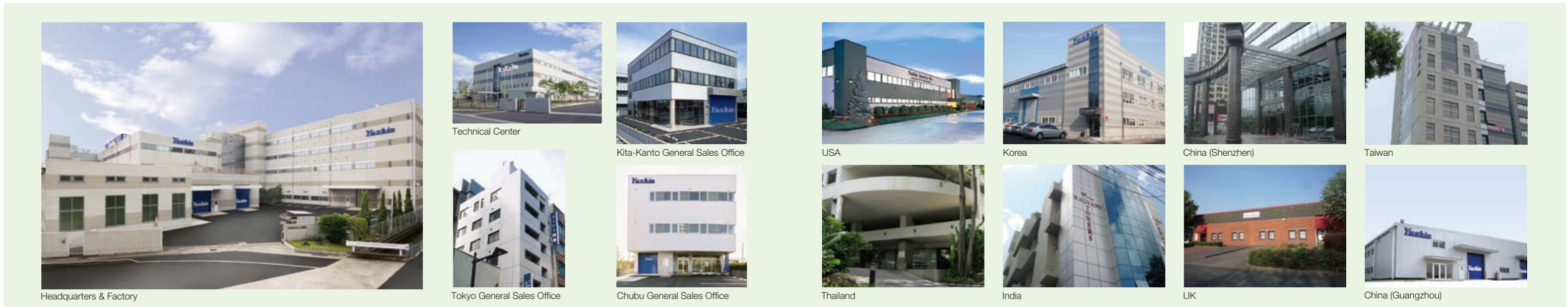
Net sales increased by 141.8% from the previous FY to 580 million yen and operating income also increased by 307.0% from the previous FY to 55 million yen.

Overseas sales

Overseas sales simply indicate the sales of Yushin for countries or areas other than Japan. Overseas sales increased by 6.6% year on year to ¥9,633 million. The ratio of overseas sales on the total sales was 65.4%, 1.9 point increase from the previous year.

As for each region, sales to North America decreased by 7.2% to ¥2,215 million, sales to Asia increased by 13.1% to ¥6,411 million and sales to Europe increased by 2.8% to ¥824 million. Southeast Asia, especially Thailand and Indonesia, Korea and North America were strong.

Global Network (As of June 30, 2013)



Headquarters & Factory Yushin Precision Equipment Co., Ltd.

11-260 Kogahonmachi, Fushimi-ku, Kyoto, Japan 612-8492
TEL: +(81)75-933-9555

Subsidiaries (Sales)

- 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
- Taiwan Yushin Precision Equipment (Taiwan) Co., Ltd. <Taipei>
10F., No.45, Sec.1, Minquan E. Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)
TEL: +(886)2-2585-0507
Taichung Office
- China Yushin Precision Equipment Trading (Shenzhen) Co., Ltd.
13F Tower 1, Yang Guang Hua Yi Building NO.3003, Nan Hai Ave, Nan Shan District, Shen Zhen, China
TEL: +(86)755-8358-0139
Yushin Precision Equipment Trading (Shanghai) Co., Ltd.
Unit E2, 19/Floor, No.1800 Zhongshan West Road, Shanghai, 200235 China
TEL: +(86)21-6440-1586-7
Tianjin Office
- Indonesia PT. Yushin Precision Equipment Indonesia <Jakarta>
Plaza Sentral 19th Floor, Japan Jenderal Sudirman No.47, Jakarta 12930, Indonesia
TEL: +(62)21-571-1737
- Malaysia Yushin Precision Equipment Sdn. Bhd. (Malaysia) <Kuala Lumpur>
No. 13A, Jalan Kenari 17D, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan, Malaysia
TEL: +(60)3-8076-2177
- 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
- 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
- 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
- USA Yushin America, Inc. <Rhode Island>
35 Kenney Drive, Cranston, RI 02920 U.S.A.
TEL: +(1)401-463-1800
California Office
Ohio Office
Texas Office
North Carolina Office
Indiana Office
Nebraska Office
Tennessee Office
Mexico Branch

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

- 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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14-16 Auburn St, Grafton, Auckland 1023 (New Zealand)
TEL: +(64)9-379-5716
- Australia Tasman Machinery Pty Limited <Melbourne>
3/51 Grange Road, Cheltenham Victoria 3192 (Australia)
TEL: +(61)3-9584-8355
- Italy MACAM S.r.l. <Torino>
Via Asti, 88/A 10090 Rivoli (TO), Italia
TEL: +(39)11-959-50-57
- The Netherlands Polymac-Robotics B.V. <Ede>
Morsestraat 20 Ede 6716 AH EDE, The Netherlands
TEL: +(31)318-648615
- Spain Mecman Industrial <Barcelona>
Avda. Principal, 41 Pol. Ind. Can Clapers 08181 Sentmenat (Barcelona) Apdo. correos, 98, Spain
TEL: +(34)902-636-717
- Canada En-Plas, Inc. <Toronto>
1395 Morningside Avenue Scarborough, (Toronto) Ontario M1B 3J1, Canada
TEL: +(1)416-286-3030



Energy-Saving YC Series Take-Out Robot for Injection Molding Machines Earns Japan Machinery Federation's Energy Efficient Machine Award

YC Series of take-out robots for plastic injection molding machines received the Japan Machinery Federation "Energy Efficient Machine" Chairman's Award in 2012. The JMF's annual Energy Efficient Machine awards recognize superior energy-saving machines that have been developed and commercialized within the past 5 years. Machines eligible for the award are (1) general machinery as well as facilities and systems (especially those that utilize alternative natural resources or non-recycled resources such as industrial waste or methane gas); (2) gauges and control systems that contribute to energy efficiency; and (3) commercial motor vehicles or air conditioners.

Yushin engineers conceived the YC series with design optimization* via CAE (computer-aided engineering). Engineers optimized moving components to reduce weight from 133.6kg to 99.5kg, a 25.5% weight reduction that led directly to energy savings: the YC's electrical consumption dropped 26%, from 420W to 312W per cycle. Also, the YC's

standard-equipped ECO Vacuum compressed-air economizing tool lowered factory air usage from 19NI to 4.8NI per cycle, a 75% reduction. Additionally, engineers improved the YC's vibration damping to nearly eliminate arm-end oscillations and reduce settling time by 72%, thereby shortening overall molding cycles. All these improvements raised the robot's production merits considerably. YC series robots debuted in July of 2011 and have already sold more than 2,500 units.

* Yushin's Design Optimization collaboration with Kyoto University earned the Japan Society of Mechanical Engineers' Technology Award in 2011.

Yushin Opens Subsidiary in Indonesia

Yushin has established a wholly-owned subsidiary in Jakarta, Indonesia: PT. Yushin Precision Equipment Indonesia in November 2012.

Yushin has studied the Indonesian market since first opening a remote office there in 1998. Presently, Indonesia has seen a remarkable influx of Japanese and Korean companies, mainly in the motorcycle, automotive, and electronics industries. The new Yushin subsidiary office promises to grow Indonesian domestic sales and offer solid technical support for Yushin in this growing market.

The Indonesian subsidiary houses a team of 2 Japanese and 8 local staff who conduct sales, offer technical support, and perform installations and maintenance of Yushin's primary products: take-out robots for injection molding machines. The office, located in Indonesia's capital city Jakarta, is conveniently close to the region's major industrial parks.

With the new Indonesian office, Yushin now has a network of 11 subsidiaries outside of Japan.

New Technical Center to Expand Business and Production

Yushin opened a new facility "Technical Center" about eight minutes' walk northeast of our headquarters in Kyoto, Japan. The facility, newly built on a 10,850m² lot, was conceived as a manufacturing center for Yushin's enterprises in new high-tech markets and began operations on April 1, 2013.

Yushin built Technical Center to strengthen production capabilities for the semiconductor and medical fields. Yushin purchased land for the facility in July 2011, and construction of the four-floor, 9,577m² facility began in August 2012. Yushin invested approximately 1.1 billion yen to construct the new location.

The technical center's primary purpose is to house Yushin's production of semiconductor-related equipment and specialized automation for medical applications. Yushin's annual net sales target for products in these new fields is 5 billion yen by the fiscal year ending March 2016. Through this and other measures around the world, Yushin is dedicated to building an organization that reacts quickly to emerging market demands with ever higher quality products.

Board of Directors and Auditors

(As of June 30, 2013)



President and Representative Director
Mayumi Kotani



Executive Managing Director
Satoshi Kimura



Managing Director
Yasuharu Odachi



Managing Director
Yasushi Kitagawa



Director
Yuji Tsujimoto



Full-time Corporate Auditor
Shujiro Sawada



Outside Corporate Auditor
Yasuhiro Orita



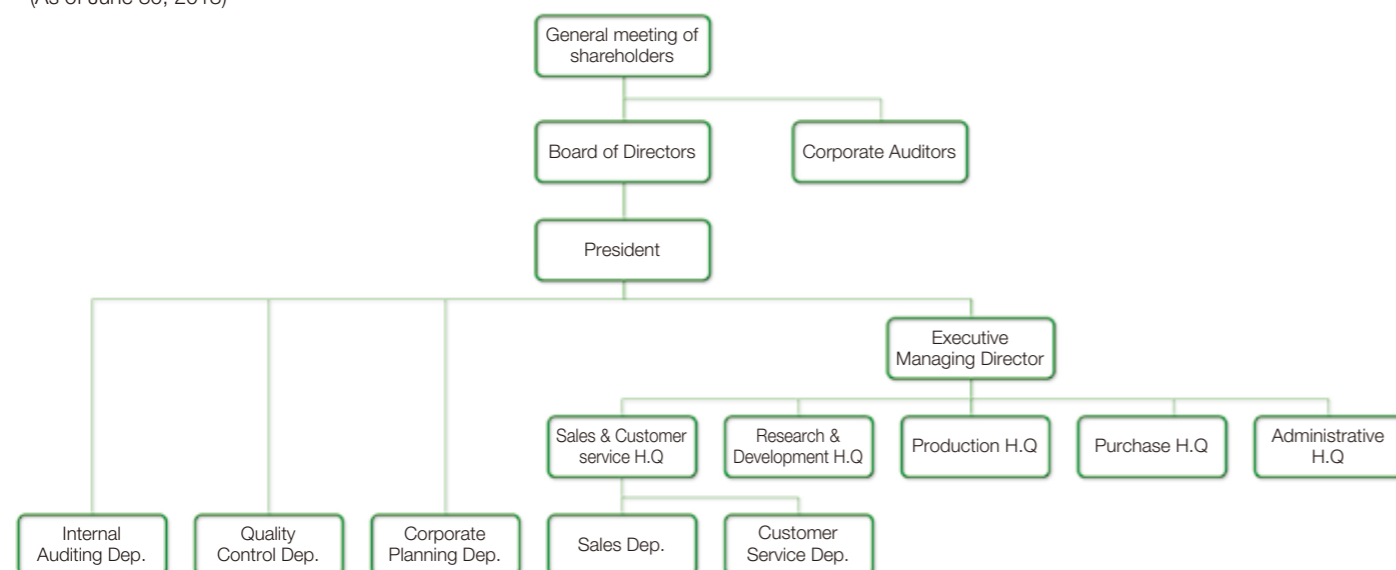
Outside Corporate Auditor
Takao Yoshikawa



Outside Corporate Auditor
Hiroho Kamakura

Organization Chart

(As of June 30, 2013)



Financial Review

Yushin Precision Equipment Co., Ltd. and Subsidiaries

1. Net Sales

Net sales increased by 3.4% year on year to 14,721 million yen. By products, net sales of take-out robot increased by 1,092 million yen (12.1%) from the previous FY to 10,141 million yen, with customers recognizing the speed, weight and energy efficiency advantages of the YC Series. These robots were designed using Yushin's structural optimization technology, which has won a technology award from the Japan Society of Mechanical Engineers. Net sales of custom-ordered equipments was decreased by 941 million yen (30.5%) from the previous FY to 2,144 million yen due to slow sales in the semiconductor-related equipments. Net sales of parts and maintenance service increased by 330 million yen (15.7%) from the previous FY to 2,436 million yen.

2. Operating Income and Net Income

Operating income increased by 17.7% year on year to 1,498 million yen and net income increased by 43.2% to 1,114 million yen. This was achieved mainly by the increased profitability and units of sales of take-out robot, earnings expansion led by sales increase in overseas subsidiaries and continuous cost-cut activity.

3. Financial Condition

Total assets increased by 1,102 million yen from the end of the previous fiscal year to 23,744 million yen due to the increase of 959 million yen in buildings and structures by the construction of the Technical center, 285 million yen in work-in-process, and 179 million yen in merchandise and finished goods. Cash and deposits decreased by 401 million yen.

Total liabilities increased by 24 million yen from the end of the previous fiscal year to 3,878 million yen.

Net assets increased by 1,078 million yen from the end of the previous fiscal year to 19,865 million yen due to the rise of retained earnings by 765 million yen and foreign currency translation adjustments by 263 million yen.

4. Cash Flow

The balance of cash and cash equivalents on March 31, 2013 decreased by 448 million yen from the end of the previous fiscal year to 7,564 million yen. Main reasons are as follows.

【Cash flow from operating activities】

Income before income taxes and minority interests adjustment was 1,779 million yen, but due to the decrease of 818 million yen in notes and accounts payable, the increase of 258 million yen in inventories and income taxes paid of 648 million yen, cash flow from operating activities for the fiscal year ended March 31, 2013 was a net inflow of 520 million yen (it was a net inflow of 584 million yen in the previous fiscal year).

【Cash flow from investment activities】

Due to the purchases of property (777 million yen), cash flow from investment activities for the fiscal year ended March 31, 2013 was a net outflow of 781 million yen (it was a net outflow of 1,920 million yen in the previous fiscal year).

【Cash flow from financing activities】

Due to the dividends paid of 350 million yen, cash flow from financing activities was a net outflow of 351 million yen (it was a net outflow of 409 million yen in the previous fiscal year).

Consolidated Balance Sheet

Yushin Precision Equipment Co., Ltd. and Subsidiaries
March 31, 2013

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
CURRENT ASSETS:			
Cash and cash equivalents (Note 10)	¥ 7,564	¥ 8,013	\$ 80,476
Short-term investments (Notes 3 and 10)	81	33	861
Receivables (Note 10) :			
Trade notes	933	868	9,927
Trade accounts	3,668	3,801	39,028
Allowance for doubtful receivables	(16)	(18)	(170)
Inventories (Note 4)	4,028	3,615	42,854
Deferred tax assets (Note 7)	392	365	4,178
Other current assets	370	283	3,937
Total current assets	17,022	16,964	181,094
PROPERTY, PLANT AND EQUIPMENT:			
Land	3,953	3,935	42,057
Buildings and structures	3,972	2,915	42,264
Machinery and equipment	333	289	3,552
Furniture and fixtures	1,205	1,079	12,819
Construction in progress	3	3	35
Total	9,468	8,222	100,729
Accumulated depreciation	(3,332)	(3,117)	(35,448)
Net property, plant and equipment	6,136	5,105	65,281
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 10)	246	241	2,620
Insurance funds	135	123	1,437
Prepaid pension cost (Note 5)	53	65	565
Deferred tax assets (Note 7)	6	16	65
Other assets	144	125	1,536
Total investments and other assets	585	572	6,225
TOTAL	¥ 23,744	¥ 22,641	\$ 252,600

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
CURRENT LIABILITIES:			
Payables (Note 10) :			
Trade notes	¥ 72	¥ 428	\$ 771
Trade accounts	1,647	1,885	17,524
Construction and other	938	469	9,989
Income taxes payable (Note 10)	280	300	2,988
Accrued expenses	316	294	3,368
Warranty reserve	127	104	1,351
Other current liabilities (Note 7)	316	245	3,369
Total current liabilities	3,700	3,728	39,362
LONG-TERM LIABILITIES:			
Liability for retirement benefits to directors (Note 5)	66	66	710
Deferred tax liabilities (Note 7)	32		347
Other (Note 5)	79	59	843
Total long-term liabilities	178	126	1,901
EQUITY (Notes 6 and 13):			
Common stock, authorized, 40,000,000 shares; issued, 17,819,033 shares in 2013 and 2012	1,985	1,985	21,124
Capital surplus	2,023	2,023	21,530
Retained earnings	16,390	15,625	174,367
Treasury stock - at cost: 329,376 shares in 2013 and 328,960 shares in 2012	(348)	(347)	(3,708)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	58	47	619
Foreign currency translation adjustments	(317)	(581)	(3,381)
Total	19,791	18,753	210,551
Minority interests	73	33	785
Total equity	19,865	18,787	211,336
TOTAL	¥ 23,744	¥ 22,641	\$ 252,600

Consolidated Statement of Cash Flows

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Year Ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 1,779	¥ 1,265	\$ 18,932
Adjustments for:			
Income taxes - paid	(648)	(349)	(6,895)
Depreciation and amortization	221	219	2,356
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	226	(428)	2,410
Increase in inventories	(258)	(924)	(2,751)
(Decrease) increase in trade payables	(818)	476	(8,702)
(Decrease) increase in provision for doubtful receivables ..	(40)	1	(434)
Other - net	58	324	620
Total adjustments	(1,259)	(680)	(13,396)
Net cash provided by operating activities	520	584	5,536
INVESTING ACTIVITIES:			
Increase in short-term investments	(71)		(755)
Purchases of property, plant and equipment	(777)	(2,008)	(8,266)
Proceeds from sales of property, plant and equipment	1	1	19
Purchases of investment securities	(1)	(1)	(17)
Proceeds from sales of investment securities	46	1	497
Other - net	19	86	206
Net cash used in investing activities	(781)	(1,920)	(8,316)
FINANCING ACTIVITIES:			
Dividends paid	(350)	(402)	(3,726)
Dividends paid to minority interests	(1)	(5)	(12)
Purchase of treasury stock	(0)	(0)	(7)
Proceeds from stock issuance to minority shareholders	0		2
Net cash used in financing activities	(351)	(409)	(3,744)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	164	(73)	1,752
NET DECREASE IN CASH AND CASH EQUIVALENTS	(448)	(1,818)	(4,771)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,013	9,831	85,248
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 7,564	¥ 8,013	\$ 80,476

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Yushin Precision Equipment Co., Ltd. and Subsidiaries
Year Ended March 31, 2013

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 2012 consolidated financial statements to conform to the classifications used in 2013.

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 ¥ 94 to \$1, the approximate rate of exchange at March 31, 2013. 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, 2013, include the accounts of the Company and all of its 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 November 2012, Yushin Precision Equipment (Singapore) Pte. Ltd. was removed from the scope of consolidation following completion of the subsidiary's liquidation.

PT. Yushin Precision Equipment Indonesia was established during the year ended March 31, 2013, and therefore became consolidated subsidiary of the Company.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

In May 2006, the Accounting Standards Board of Japan (the "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 that 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. However, 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, except for the following items which 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 equity; (c) expensing capitalized development costs of R&D; (d) cancellation 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, 2013, the balance of the liability for retirement benefits to directors was ¥66 million (\$710 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.

o. 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 statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

p. 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 following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation - 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.

q. 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, and 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, is 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

The revised accounting standard does 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 have not yet been 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.

(c) Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both 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 for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

3. SECURITIES

(1) Short-term Investments

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Time deposits	¥ 81	¥ 33	\$ 861

(2) Investment Securities

The carrying amounts and aggregate fair values of investment securities as of March 31, 2013 and 2012, were as follows:

	Millions of Yen							
	2013				2012			
Securities classified as:	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:								
Equity securities	¥ 155	¥ 90		¥ 246	¥ 166	¥ 76	¥ 0	¥ 241

	Thousands of U.S. Dollars			
	2013			
Securities classified as:	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	\$ 1,655	\$ 964		\$ 2,620

(3) The proceeds, realized gains and realized losses of the available-for-sale securities which were sold during the year ended March 31, 2013, were as follows:

	Millions of Yen		
	Proceeds	Realized Gains	Realized Loss
March 31, 2013			
Available-for-sale: Equity securities	¥ 46	¥ 34	

March 31, 2012	Millions of Yen		
	Proceeds	Realized Gains	Realized Loss
Available-for-sale: Equity securities	¥ 1	¥ 0	

March 31, 2013	Thousands of U.S. Dollars		
	Proceeds	Realized Gains	Realized Loss
Available-for-sale: Equity securities	\$ 497	\$ 396	

(4) There was no impairment loss on available-for-sale equity securities for the year ended March 31, 2013, and ¥0 million of impairment loss for the year ended March 31, 2012.

● 4. INVENTORIES

Inventories at March 31, 2013 and 2012, consisted of the following:	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Finished products	¥ 1,077	¥ 898	\$ 11,463
Work in process	1,142	856	12,149
Raw materials and supplies	1,808	1,861	19,241
Total	¥ 4,028	¥ 3,615	\$ 42,854

● 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 (\$ 710 thousand) and ¥66 million as of March 31, 2013 and 2012, respectively.

The asset for employees' retirement benefits at March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥ 547	¥ 511	\$ 5,820
Fair value of plan assets	(557)	(459)	(5,929)
Unrecognized actuarial loss	(28)	(106)	(304)
Net asset	¥ (38)	¥ (54)	\$ (413)
Prepaid pension cost	¥ 53	¥ 65	\$ 565
Liability for employee's retirement benefits	¥ (14)	¥ (10)	\$ (152)

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, 2013 and 2012, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost	¥ 40	¥ 39	\$ 434
Interest cost	6	6	69
Expected return on plan assets	(4)	(4)	(48)
Recognized actuarial loss	14	12	156
Net periodic retirement benefit costs	57	53	610
Premium payments to defined contribution pension plan	46	46	497
Total	¥ 104	¥ 99	\$ 1,108

Assumptions used for the years ended March 31, 2013 and 2012 are set forth as follows:

	2013	2012
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, 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 38.1% and 40.6% for the years ended March 31, 2013 and 2012, respectively.

The tax effects of significant temporary differences and tax loss carry forwards, which resulted in deferred tax assets and liabilities at March 31, 2013 and 2012, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Deferred tax assets:			
Inventories	¥ 212	¥ 175	\$ 2,262
Building depreciation	41	37	446
Software	55	64	586
Enterprise tax payable	18	23	199
Retirement benefits to directors	23	23	252
Warranty reserve	29	38	317
Advances received	26	23	282
Accrued bonuses	73	68	778
Foreign exchange losses		15	
Other	72	81	771
Less valuation allowance	(26)	(44)	(283)
Total	¥ 527	¥ 506	\$ 5,611
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	¥ 84	¥ 60	\$ 898
Prepaid pension cost	18	23	200
Unrealized gain on available-for-sale securities	29	22	312
Other	32	21	349
Total	¥ 165	¥ 127	\$ 1,761
Net deferred tax assets	¥ 361	¥ 378	\$ 3,849

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

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Current assets - Deferred tax assets	¥ 392	¥ 365	\$ 4,178
Investments and other assets - Deferred tax assets	6	16	65
Current liabilities - Other current liabilities	(4)	(3)	(46)
Long-term liabilities - Deferred tax liabilities	(32)		(347)
Net deferred tax assets	¥ 361	¥ 378	\$ 3,849

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, 2013 and 2012, is as follows:

	2013	2012
Normal effective statutory tax rate	38.1 %	40.6 %
Expenses not deductible for income tax purposes	1.6	2.0
Net change in valuation allowance	(0.6)	1.9
Changes in the effective statutory tax rate		1.1
Difference in income tax rates applicable to income in certain foreign countries	(3.9)	(2.4)
Undistributed earnings of foreign subsidiaries	1.6	0.3
Tax credit for research and development expenses	(2.7)	(5.4)
Other - net	(0.8)	0.2
Actual effective tax rate	33.3 %	38.3 %

● 8. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥ 591 million (\$ 6,292 thousand) and ¥565 million for the years ended March 31, 2013 and 2012, 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, 2013 and 2012, were ¥ 146 million (\$1,558 thousand) and ¥139 million, respectively.

● 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 certificates of deposit. Funds on hand are used to fund its ongoing operations. Derivatives are not used 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, 2013						
Cash and cash equivalents	¥ 7,564	¥ 7,564	¥	\$ 80,476	\$ 80,476	\$
Short-term investments	81	81		861	861	
Receivables	4,601	4,601		48,955	48,955	
Investment securities	246	246		2,620	2,620	
Total	¥ 12,493	¥ 12,493	¥	\$ 132,914	\$ 132,914	\$
Payables	¥ 2,658	¥ 2,658	¥	\$ 28,285	\$ 28,285	\$
Income taxes payable	280	280		2,988	2,988	
Total	¥ 2,939	¥ 2,939	¥	\$ 31,273	\$ 31,273	\$
March 31, 2012						
	Millions of Yen					
	Carrying Amount	Fair Value	Unrealized Gain/Loss			
Cash and cash equivalents	¥ 8,013	¥ 8,013	¥			
Short-term investments	33	33				
Receivables	4,670	4,670				
Investment securities	241	241				
Total	¥ 12,959	¥ 12,959	¥			
Payables	¥ 2,783	¥ 2,783	¥			
Income taxes payable	300	300				
Total	¥ 3,083	¥ 3,083	¥			

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, 2013				
Cash and cash equivalents	¥ 7,564	¥	¥	¥
Short-term investments	81			
Receivables	4,601			
Total	¥ 12,247	¥	¥	¥
March 31, 2012				
	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
Cash and cash equivalents	¥ 8,013	¥	¥	¥
Short-term investments	33			
Receivables	4,670			
Total	¥ 12,717	¥	¥	¥
March 31, 2013				
	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
Cash and cash equivalents	\$ 80,476	\$	\$	\$
Short-term investments	861			
Receivables	48,955			
Total	\$ 130,294	\$	\$	\$

● 11. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Unrealized gain (loss) on available-for-sale securities:			
Gains arising during the year	¥ 49	¥ (9)	\$ 531
Reclassification adjustments to profit or loss	(34)	(0)	(369)
Amount before income tax effect	15	(9)	162
Income tax effect	(4)	6	(48)
Total	¥ 10	¥ (3)	\$ 113
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 275	¥ (74)	\$ 2,930
Reclassification adjustments to profit or loss		(6)	
Amount before income tax effect	275	(81)	2,930
Total	¥ 275	¥ (81)	\$ 2,930
Total other comprehensive income	¥ 286	¥ (85)	\$ 3,043

● 12. NET INCOME PER SHARE

Details of the basic net income per share (EPS) for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted-Average Shares	EPS	
Year Ended March 31, 2013:				
Basic EPS				
Net income available to common shareholders	¥ 1,114	17,489	¥ 63.74	\$ 0.68
Year Ended March 31, 2012:				
Basic EPS				
Net income available to common shareholders	¥ 778	17,490	¥ 44.50	

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

● 13. SUBSEQUENT EVENTS

Appropriation of Retained Earnings

The following appropriation of retained earnings at March 31, 2013, was approved at the Company's Board of Directors' meeting held on May 9, 2013:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥ 20 (\$ 0.2) per share	¥ 349	\$ 3,721

● 14. 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 - Asia (South Korea, Taiwan, China, Indonesia, Malaysia, Thailand and India), Europe (UK) and U.S.A. - 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, Asia, Europe and U.S.A.

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".

Segment profit by business segment reported is calculated based on operating income.

Intersegment sales and transfers are based on realized market price basis.

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

	Millions of Yen					Reconciliations	Consolidated
	2013						
	Reportable Segment				Total		
	Japan	Asia	Europe	U.S.A.			
Sales:							
Sales to external customers	¥ 8,733	¥ 3,223	¥ 568	¥ 2,195	¥ 14,721	¥	¥ 14,721
Intersegment sales or transfers	3,660	236	12	4	3,913	(3,913)	
Total	12,393	3,460	580	2,199	18,635	(3,913)	14,721
Segment profit	927	285	55	249	1,518	(19)	1,498
Segment assets	14,745	2,420	380	1,310	18,857	4,887	23,744
Other:							
Depreciation	132	12	5	19	170		170
Increase in property, plant and equipment and intangible assets	1,177	22	7	17	1,225		1,225

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

	Thousands of U.S. Dollars						
	2013					Reconciliations	Consolidated
	Reportable Segment						
Japan	Asia	Europe	U.S.A.	Total			
Sales:							
Sales to external customers	\$ 92,912	\$ 34,297	\$ 6,051	\$ 23,351	\$ 156,613	\$	\$ 156,613
Intersegment sales or transfers	38,936	2,515	128	51	41,632	(41,632)	
Total	131,849	36,813	6,180	23,403	198,246	(41,632)	156,613
Segment profit	9,868	3,036	592	2,651	16,150	(206)	15,943
Segment assets	156,868	25,749	4,045	13,945	200,609	51,991	252,600
Other:							
Depreciation	1,412	128	61	208	1,811		1,811
Increase in property, plant and equipment and intangible assets ...	12,524	237	83	188	13,034		13,034

Note 1: Reconciliations for the year ended March 31, 2013, are as follows:

- (1) The ¥(19) million (\$206 thousand) reconciliation to segment loss includes eliminations for intersegment transactions of ¥37 million (\$394 thousand) and inventory reconciliation of ¥(56) million (\$600 thousand).
(2) The ¥4,887 million (\$51,991 thousand) reconciliation to segment assets includes eliminations for intersegment transactions of ¥(2,161) million (\$22,991 thousand) and operating funds of surplus assets by the Company (cash and deposits, securities) of ¥7,048 million (\$74,982 thousand).

Note 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			
	2013			
	Take-Out Robots	Custom-Ordered Equipments	Parts and Maintenance Service	Total
Sales to external customers	¥ 10,141	¥ 2,144	¥ 2,436	¥ 14,721

	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

	Thousands of U.S. Dollars			
	2013			
	Take-Out Robots	Custom-Ordered Equipments	Parts and Maintenance Service	Total
Sales to external customers	\$ 107,886	\$ 22,808	\$ 25,918	\$ 156,613

5. Information about geographical areas

(1) Sales

	Millions of Yen						
	2013						
	Japan	China Taiwan	Other Asia	Europe	North America	Other	Total
	¥ 5,088	¥ 2,392	¥ 4,019	¥ 824	¥ 2,215	¥ 181	¥ 14,721

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

	Thousands of U.S. Dollars						
	2013						
	Japan	China Taiwan	Other Asia	Europe	North America	Other	Total
	\$ 54,128	\$ 25,451	\$ 42,758	\$ 8,769	\$ 23,569	\$ 1,935	\$ 156,613

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 more than 90% of property, plant and equipment on the 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 its subsidiaries as of March 31, 2013, 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 accordance 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 misstatement, 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 accordance 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 its subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in accordance 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 accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2013

Company Profile

(As of March 31, 2013)

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 : 588 (Including consolidated subsidiaries), 366 (Yushin Precision Equipment Co., Ltd.)

Number of Shareholders : 4,782

Listed Stock Exchange : First Section, Tokyo

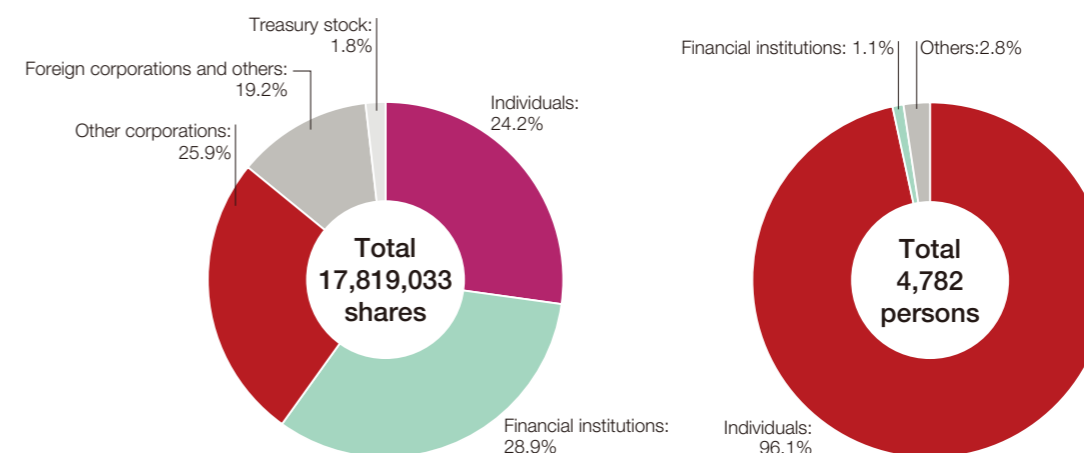
Securities Identification Code : 6482

Major Shareholders

(As of March 31, 2013)

	Number of Shares held (thousand)	Percentage of Shares held (%)
Yushin Industry Co., Ltd.	4,376	25.0
Mayumi Kotani	2,217	12.7
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
The Kyoto Chuo Shinkin Bank, Ltd.	544	3.1
RBC IST LONDON - CLIENTS ACCOUNT	529	3.0
Japan Trustee Service Bank, Ltd. (Trust Accounts)	508	2.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	424	2.4
The Bank of Kyoto, Ltd.	352	2.0
BNP Paribas Sec Services Luxembourg, Jasdec, Aberdeen Global Client Assets	345	2.0

Distribution of ownership among shareholders



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