

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(Thousands of yen)

ASSETS	FY2006		FY2005		Inc/(Dec)	
	Mar 31, 2007	%	March 31, 2006	%	Inc/(Dec)	%
Current assets:						
Cash and cash equivalents	2,428,834		4,456,817		(2,027,983)	
Receivables:						
Notes and accounts receivable - trade	8,221,059		8,439,023		(217,964)	
Allowance for doubtful accounts	(27,932)		(23,541)		(4,391)	
Inventories	3,471,433		3,358,515		112,918	
Deferred tax assets	264,883		180,083		84,800	
Other current assets	882,858		687,825		195,033	
Total current assets	15,241,135	56.16	17,098,722	63.52	(1,857,587)	(10.86)
Property, plant and equipment:						
Land	804,393		802,640		1,753	
Buildings and structures	3,195,166		3,051,757		143,409	
Machinery and equipment	10,944,792		9,940,578		1,004,214	
Construction in progress	519,450		293,832		225,618	
Sub-total	15,463,801		14,088,807		1,374,994	
Accumulated depreciation	(8,094,697)		(7,480,507)		(614,190)	
Net property, plant and equipment	7,369,104	27.16	6,608,300	24.55	760,804	11.51
Investments and other non-current assets:						
Investment securities :						
Unconsolidated subsidiaries and affiliated companies	187,186		137,467		49,719	
Others	3,250,342		2,138,565		1,111,777	
Deferred tax assets	59,214		112,768		(53,554)	
Other non-current assets	1,029,787		824,649		205,138	
Total investments and other non-current assets	4,526,529	16.68	3,213,449	11.93	1,313,080	40.86
Total assets	27,136,768	100.00	26,920,471	100.00	216,297	0.80
LIABILITIES						
Current liabilities:						
Short-term borrowings	500,000		500,000		-	
Notes and accounts payable - trade	3,949,988		4,865,831		(915,843)	
Accrued income taxes	429,011		556,549		(127,538)	
Accrued expenses	263,313		288,786		(25,473)	
Accrued employees' bonuses	338,454		295,533		42,921	
Other current liabilities	1,265,498		1,164,913		100,585	
Total current liabilities	6,746,264	24.86	7,671,612	28.50	(925,348)	(12.06)
Long-term liabilities						
Employee's severance and retirement benefits	196,250		211,811		(15,561)	
Retirement benefits for directors and corporate auditors	-		444,286		(444,286)	
Deferred tax liabilities	87,260		76,423		10,837	
Other long-term liabilities	421,150		-		421,150	
Total long-term liabilities	704,660	2.60	732,520	2.72	(27,860)	(3.80)
Total liabilities	7,450,924	27.46	8,404,132	31.22	(953,208)	(11.34)
MINORITY INTEREST						
Minority interest	-		-		-	
SHAREHOLDERS' EQUITY						
Common stock	3,996,269	14.72	3,996,269	14.84	-	-
Capital Surplus	3,981,928	14.67	3,981,928	14.79	-	-
Retained earnings	11,674,334	43.02	10,684,768	39.69	989,566	9.26
Sub-total	19,652,531	72.41	18,662,965	69.32	989,566	5.30
Net unrealized holding gains on securities	293,892	1.08	372,160	1.38	(78,268)	(21.03)
Foreign currency translation adjustments	356,427	1.32	141,718	0.53	214,709	151.50
Treasury stock, at cost	(617,006)	(2.27)	(660,504)	(2.45)	43,498	(6.59)
Total shareholders' equity	19,685,844	72.54	18,516,339	68.78	1,169,505	6.32
Total liabilities, minority interest and shareholders' equity	27,136,768	100.00	26,920,471	100.00	216,297	0.80

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Thousands of yen)

	FY2006		FY2005		Inc/(Dec)	
	Apr'06-Mar'07	%	Apr'05-Mar'06	%		%
Net sales	32,885,673	100.00	30,343,090	100.00	2,542,583	8.38
Costs and expenses						
Cost of sales	23,948,053	72.82	21,982,637	72.45	1,965,416	8.94
Selling, general and administrative expenses	6,616,943	20.12	5,806,208	19.13	810,735	13.96
Operating income	2,320,677	7.06	2,554,245	8.42	(233,568)	(9.14)
Other income (expenses):						
Interest and dividend income	43,496		53,270			
Interest expense	(8,810)		(5,781)			
Loss on sale of investment securities	(10,930)		(21,351)			
Gain on sale of investment securities	59,412		7			
Write-down of investment securities	-		-			
Equity in gain of affiliated companies	66,324		23,957			
Foreign exchange gain (Loss), net	(36,161)		121,916			
Loss on sale and disposal of property, plant and equipment	(96,204)		(202,953)			
Impairment loss	-		(25,000)			
Gain on sale of property, plant and equipment	4,005		6,339			
Amortization of negative consolidation goodwill	10,712		-			
Other - net	38,149		23,455			
	69,993	0.21	(56,378)	(0.19)	126,371	-
Income before income taxes	2,390,670	7.27	2,497,867	8.23		
Income taxes						
Current	(908,194)	(2.76)	(1,062,420)	3.50	154,226	(14.52)
Deferred	(92,953)	(0.28)	(172,194)	0.57	79,241	(46.02)
Net income	1,389,523	4.23	1,263,253	4.16	126,270	10.00
Amounts per share of common stock:						
Net income	68.30		61.03		7.27	
Diluted net income	68.11		60.93		7.18	

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of yen)

	FY2006	FY2005
	Apr'06-Mar'07	Apr'05-Mar'06
Cash flows from operating activities:		
Income before income taxes	2,390,669	2,497,867
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	1,299,753	1,006,400
Increase(decrease) in allowance for doubtful accounts	4,395	2,444
Decrease in accrued retirement benefits	(15,664)	(274,828)
Net loss(gain) on sale and disposal of property, plant and equipment	92,199	196,614
Net loss(gain) on sale of marketable securities and investments	(48,482)	21,343
Impairment loss	-	25,000
Equity in gain of affiliated companies	(66,324)	(23,957)
Amortization of negative consolidation goodwill	(10,712)	-
Foreign exchange Loss (gain) , net	6,157	(139,897)
Others	(418,215)	96,422
Net changes in operating assets and liabilities		
Notes and accounts receivable - trade	280,533	(839,994)
Inventories	(89,222)	(709,581)
Other assets	(220,808)	(76,587)
Notes and accounts payable - trade	(937,026)	890,103
Other liabilities	242,718	468,569
Payments for income taxes	(1,109,508)	(1,105,753)
Net cash provided by operating activities	1,400,463	2,034,165
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	79,203	16,927
Payments for acquisition of property, plant and equipment	(1,741,655)	(1,900,518)
Payments for purchases of investment in an affiliated company	(45,117)	-
Payments for purchases of investment securities	(1,599,354)	(1,049,525)
Proceeds from sale of investment securities	404,070	729,199
Other - net	(231,367)	(48,215)
Net cash used in investing activities	(3,134,220)	(2,252,132)
Cash flows from financing activities:		
Proceeds from exercise of stock options	35,409	16,997
Increase in treasury stock	(1,865)	(996)
Cash dividends paid	(366,676)	(285,025)
Other - net	(6,016)	(5,992)
Net cash used in financing activities	(339,148)	(275,016)
Effect of exchange rate changes on cash and cash equivalents	44,922	151,284
Net increase (decrease) in cash and cash equivalents	(2,027,983)	(341,699)
Cash and cash equivalents at beginning of year	4,456,817	4,798,516
Cash and cash equivalents at end of period	2,428,834	4,456,817