

**YOKOWO CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET**

(Thousands of yen)

<b>ASSETS</b>	<b>Q1/FY2008</b>		<b>FY2007</b>		<b>Inc/(Dec)</b>		<b>Q1/FY2007</b>	
	<b>June 30, 2008</b>	<b>%</b>	<b>March 31, 2008</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>June 30, 2007</b>	<b>%</b>
<b>Current assets:</b>								
Cash and cash equivalents	2,888,803		2,784,379		104,424		2,343,879	
Marketable securities	46,517		43,794		2,723		-	
Receivables:								
Notes and accounts receivable - trade	8,082,297		7,963,851		118,446		8,960,172	
Allowance for doubtful accounts	(18,036)		(31,523)		13,487		(28,896)	
Inventories	3,576,405		3,383,689		192,716		3,685,883	
Deferred tax assets	165,635		262,315		(96,680)		112,746	
Other current assets	1,148,595		834,481		314,114		1,035,513	
<b>Total current assets</b>	<b>15,890,216</b>	<b>58.42</b>	<b>15,240,986</b>	<b>58.36</b>	<b>649,230</b>	<b>4.26</b>	<b>16,109,297</b>	<b>55.93</b>
<b>Property, plant and equipment:</b>								
Land	808,467		808,467		-		805,974	
Buildings and structures	4,102,700		3,942,575		160,125		3,368,930	
Machinery and equipment	12,219,936		11,650,042		569,894		11,655,260	
Construction in progress	18,101		8,435		9,666		818,898	
Sub-total	17,149,204		16,409,519		739,685		16,649,062	
Accumulated depreciation	(9,662,441)		(9,154,333)		(508,108)		(8,575,038)	
<b>Net property, plant and equipment</b>	<b>7,486,763</b>	<b>27.52</b>	<b>7,255,186</b>	<b>27.78</b>	<b>231,577</b>	<b>3.19</b>	<b>8,074,024</b>	<b>28.04</b>
<b>Investments and other non-current assets:</b>								
Investment securities :								
Unconsolidated subsidiaries and affiliated companies	-		-		-		217,529	
Others	2,500,761		2,295,652		205,109		3,287,237	
Deferred tax assets	202,794		283,202		(80,408)		55,010	
Other non-current assets	1,119,461		1,039,505		79,956		1,058,166	
<b>Total investments and other non-current assets</b>	<b>3,823,016</b>	<b>14.06</b>	<b>3,618,359</b>	<b>13.86</b>	<b>204,657</b>	<b>5.66</b>	<b>4,617,942</b>	<b>16.03</b>
<b>Total assets</b>	<b>27,199,995</b>	<b>100.00</b>	<b>26,114,531</b>	<b>100.00</b>	<b>1,085,464</b>	<b>4.16</b>	<b>28,801,263</b>	<b>100.00</b>
<b>LIABILITIES</b>								
<b>Current liabilities:</b>								
Short-term borrowings	1,300,000		1,300,000		-		500,000	
Notes and accounts payable - trade	4,124,988		4,266,447		(141,459)		4,469,224	
Accrued income taxes	195,690		229,525		(33,835)		299,252	
Accrued expenses	423,129		349,902		73,227		388,117	
Accrued employees' bonuses	118,660		356,531		(237,871)		109,567	
Other current liabilities	1,307,157		598,886		708,271		2,071,917	
<b>Total current liabilities</b>	<b>7,469,624</b>	<b>27.46</b>	<b>7,101,291</b>	<b>27.19</b>	<b>368,333</b>	<b>5.19</b>	<b>7,838,077</b>	<b>27.21</b>
<b>Long-term liabilities</b>								
Employee's severance and retirement benefits	190,551		189,976		575		189,554	
Deferred tax liabilities	45,148		41,656		3,492		124,115	
Other long-term liabilities	412,931		408,590		4,341		421,150	
<b>Total long-term liabilities</b>	<b>648,630</b>	<b>2.38</b>	<b>640,222</b>	<b>2.45</b>	<b>8,408</b>	<b>1.31</b>	<b>734,819</b>	<b>2.55</b>
<b>Total liabilities</b>	<b>8,118,254</b>	<b>29.84</b>	<b>7,741,513</b>	<b>29.64</b>	<b>376,741</b>	<b>4.87</b>	<b>8,572,896</b>	<b>29.76</b>
<b>MINORITY INTEREST</b>								
Minority interest	-		-		-		-	
<b>NET ASSETS</b>								
Common stock	3,996,269	14.69	3,996,269	15.30	-	-	3,996,269	13.88
Capital surplus	3,981,928	14.64	3,981,928	15.25	-	-	3,981,928	13.82
Retained earnings	11,893,788	43.73	11,697,613	44.79	196,175	1.68	11,816,706	41.03
Sub-total	19,871,985	73.06	19,675,810	75.34	196,175	1.00	19,794,903	68.73
Net unrealized holding gains on securities	(55,388)	(0.20)	(177,038)	(0.67)	121,650	-	315,775	1.10
Foreign currency translation adjustments	255,011	0.94	(135,935)	(0.52)	390,946	-	734,879	2.55
Treasury stock, at cost	(989,867)	(3.64)	(989,819)	(3.79)	(48)	-	(617,190)	(2.14)
<b>Total net assets</b>	<b>19,081,741</b>	<b>70.16</b>	<b>18,373,018</b>	<b>70.36</b>	<b>708,723</b>	<b>3.86</b>	<b>20,228,367</b>	<b>70.24</b>
<b>Total liabilities, minority interest and net assets</b>	<b>27,199,995</b>	<b>100.00</b>	<b>26,114,531</b>	<b>100.00</b>	<b>1,085,464</b>	<b>4.16</b>	<b>28,801,263</b>	<b>100.00</b>

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

(Thousands of yen)

	Q1/FY2008		Q1/FY2007		Inc/(Dec)		FY2007	
	Apr'08-Jun'08	%	Apr'07-Jun'07	%		%	Apr'07-Mar'08	%
<b>Net sales</b>	8,200,905	100.00	8,351,892	100.00	(150,987)	(1.81)	33,565,752	100.00
<b>Costs and expenses</b>								
Cost of sales	6,023,559	73.45	6,234,949	74.65	(211,390)	(3.39)	25,311,702	75.41
Selling, general and administrative expenses	1,734,165	21.15	1,670,400	20.00	63,765	3.82	6,768,403	20.16
	7,757,724	94.60	7,905,349	94.65	(147,625)	(1.87)	32,080,105	95.57
<b>Operating income</b>	443,181	5.40	446,543	5.35	(3,362)	(0.75)	1,485,647	4.43
<b>Other income (expenses):</b>								
Interest and dividend income	30,251		20,129				79,673	
Interest expense	(4,541)		(4,055)				(27,139)	
Loss on sale of investment securities	-		-				(4,966)	
Gain on sale of investment securities	-		-				118,274	
Write-down of investment securities	-		-				(251,435)	
Gain on sale of investment in an affiliated company	-		-				151,427	
Equity in gain of affiliated companies	-		18,407				32,881	
Foreign exchange gain (loss), net	96,770		150,636				(593,309)	
Loss on sale and disposal of property, plant and equipment	(2,694)		(931)				(20,703)	
Gain on sale of property, plant and equipment	-		3,359				4,217	
Other - net	30,364		4,651				27,545	
	150,150	1.83	192,196	2.30	(42,046)	-	(483,535)	(1.44)
<b>Income before income taxes</b>	593,331	7.23	638,739	7.65			1,002,112	2.99
<b>Income taxes</b>								
Current	(117,575)	(1.43)	(178,639)	(2.14)	61,064	(34.18)	(524,760)	(1.57)
Deferred	(99,501)	(1.21)	(134,545)	(1.61)	35,044	(26.05)	(88,017)	(0.26)
<b>Net income</b>	376,255	4.59	325,555	3.90	50,700	15.57	389,335	1.16
<b>Amounts per share of common stock:</b>								
Net income	18.80		16.00		2.80		19.33	
Diluted net income	-		15.97		-		19.31	

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

(Thousands of yen)

	Q1/FY2008 Apr'08-Jun'08	Q1/FY2007 Apr'07-Jun'07	FY2007 Apr'07-Mar'08
<b>Cash flows from operating activities:</b>			
Income before income taxes	593,331	638,739	1,002,112
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation	377,468	359,602	1,571,858
Amortization of goodwill	1,666	-	-
Increase(decrease) in allowance for doubtful accounts	(14,552)	146	5,842
Increase(decrease) in accrued retirement benefits	590	(6,720)	(5,811)
Net loss(gain) on sale and disposal of property, plant and equipment	2,694	(2,429)	16,486
Net gain on sale of marketable securities and investments	-	-	(113,308)
Write-down of investment securities	-	-	251,435
Gain on sale of investment in an affiliated company	-	-	(151,427)
Equity in gain of affiliated companies	-	(18,407)	(32,881)
Foreign exchange loss (gain),net	(182,531)	(168,005)	506,074
Others	(258,632)	(283,834)	18,827
Net changes in operating assets and liabilities			
Notes and accounts receivable - trade	29,199	(616,405)	(111,159)
Inventories	(51,349)	(114,211)	(319,231)
Other assets	(163,347)	(172,161)	125,990
Notes and accounts payable - trade	(90,797)	530,643	428,031
Other liabilities	577,845	495,171	(119,400)
Payments for income taxes	(234,259)	(248,455)	(934,087)
<b>Net cash provided by operating activities</b>	<b>587,326</b>	<b>393,674</b>	<b>2,139,351</b>
<b>Cash flows from investing activities:</b>			
Payments for purchases of time deposits	-	-	(35,044)
Proceeds from repayment of time deposits	15,020	-	-
Proceeds from sale of property, plant and equipment	7,772	5,306	21,485
Payments for acquisition of property, plant and equipment	(132,407)	(357,703)	(1,864,864)
Proceeds from sale of investment in an affiliated company	-	-	300,612
Payments for purchases of marketable securities	-	-	(49,953)
Payments for purchases of investment securities	-	-	(299,926)
Proceeds from sale of investment securities	-	-	322,475
Acquisition of business	(277,682)	-	-
Other - net	(5,076)	(7,386)	(9,396)
<b>Net cash used in investing activities</b>	<b>(392,372)</b>	<b>(359,783)</b>	<b>(1,614,611)</b>
<b>Cash flows from financing activities:</b>			
Net increase in short-term borrowings	-	-	800,000
Proceeds from exercise of stock options	-	-	4,686
Increase in treasury stock	(48)	(184)	(380,317)
Cash dividends paid	(180,663)	(183,449)	(363,343)
Other - net	(186)	-	28
<b>Net cash used in financing activities</b>	<b>(180,897)</b>	<b>(183,633)</b>	<b>61,054</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>103,424</b>	<b>64,787</b>	<b>(261,749)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>117,481</b>	<b>(84,955)</b>	<b>324,045</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,752,879</b>	<b>2,428,834</b>	<b>2,428,834</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,870,360</b>	<b>2,343,879</b>	<b>2,752,879</b>

The reconciliation of cash and cash equivalents between the consolidated balance sheets and the consolidated statements of cash flows are as follows:

(Thousands of yen)

	Q1/FY2008 Apr'08-Jun'08	Q1/FY2007 Apr'07-Jun'07	FY2007 Apr'07-Mar'08
Cash and deposits	2,888,803	2,343,879	2,784,379
Time deposits with maturities longer than 3 months	(18,443)	-	(31,500)
<b>Cash and cash equivalents</b>	<b>2,870,360</b>	<b>2,343,879</b>	<b>2,752,879</b>