

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

(Thousands of yen)

ASSETS	FY2008		FY2007		Inc/(Dec)	
	Mar 31, 2009	%	March 31, 2008	%	Inc/(Dec)	%
Current assets						
Cash and deposits	5,005,814		2,784,379		2,221,435	
Short-term investment securities	24,349		43,794		(19,445)	
Receivables:						
Notes and accounts receivable-trade	4,585,599		7,963,851		(3,378,252)	
Allowance for doubtful accounts	(90,686)		(31,523)		(59,163)	
Inventories	2,593,831		3,383,689		(789,858)	
Deferred tax assets	45,548		262,315		(216,767)	
Other	982,438		834,481		147,957	
Total current assets	13,146,893	60.33	15,240,986	58.36	(2,094,093)	(13.74)
Property, plant and equipment						
Land	808,467		808,467		-	
Buildings and structures	3,989,456		3,942,575		46,881	
Machinery, vehicles, tools, furniture and fixtures	10,858,660		11,650,042		(791,382)	
Construction in progress	7,187		8,435		(1,248)	
Sub-total	15,663,770		16,409,519		(745,749)	
Accumulated depreciation	(9,289,232)		(9,154,333)		(134,899)	
Net property, plant and equipment	6,374,538	29.25	7,255,186	27.78	(880,648)	(12.14)
Investments and other non-current assets						
Investment securities	1,428,083		2,295,652		(867,569)	
Deferred tax assets	124,630		283,202		(158,572)	
Other	718,326		1,039,505		(321,179)	
Total investments and other non-current assets	2,271,039	10.42	3,618,359	13.86	(1,347,320)	(37.24)
Total assets	21,792,470	100.00	26,114,531	100.00	(4,322,061)	(16.55)
LIABILITIES						
Current liabilities						
Short-term loans payable	1,100,000		1,300,000		(200,000)	
Notes and accounts payable-trade	2,136,158		4,266,447		(2,130,289)	
Income taxes payable	46,452		229,525		(183,073)	
Accrued expenses	338,161		349,902		(11,741)	
Provision for bonuses	226,565		356,531		(129,966)	
Other	1,205,275		598,886		606,389	
Total current liabilities	5,052,611	23.18	7,101,291	27.19	(2,048,680)	(28.85)
Noncurrent liabilities						
Long-term loans payable	1,900,000		-		1,900,000	
Provision for retirement benefits	109,460		189,976		(80,516)	
Deferred tax liabilities	43,061		41,656		1,405	
Other	540,268		408,590		131,678	
Total noncurrent liabilities	2,592,789	11.90	640,222	2.45	1,952,567	304.98
Total liabilities	7,645,400	35.08	7,741,513	29.64	(96,113)	(1.24)
NET ASSETS						
Capital stock	3,996,269	18.34	3,996,269	15.30	-	-
Capital surplus	3,981,928	18.27	3,981,928	15.25	-	-
Retained earnings	7,740,308	35.52	11,697,613	44.79	(3,957,305)	(33.83)
Sub-total	15,718,505	72.13	19,675,810	75.34	(3,957,305)	(20.11)
Valuation difference on available-for-sale securities	(184,977)	(0.85)	(177,038)	(0.67)	(7,939)	4.48
Foreign currency translation adjustment	(395,705)	(1.81)	(135,935)	(0.52)	(259,770)	191.10
Treasury stock	(990,753)	(4.55)	(989,819)	(3.79)	(934)	0.09
Total net assets	14,147,070	64.92	18,373,018	70.36	(4,225,948)	(23.00)
Total liabilities and net assets	21,792,470	100.00	26,114,531	100.00	(4,322,061)	(16.55)

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

	(Thousands of yen)					
	FY2008		FY2007		Inc/(Dec)	
	Apr'08-Mar'09	%	Apr'07-Mar'08	%		%
Net sales	27,555,815	100.00	33,565,752	100.00	(6,009,937)	(17.90)
Costs and expenses						
Cost of sales	22,300,207	80.93	25,311,702	75.41	(3,011,495)	(11.90)
Selling, general and administrative expenses	6,444,459	23.39	6,768,403	20.16	(323,944)	(4.79)
	28,744,666	104.32	32,080,105	95.57	(3,335,439)	(10.40)
Operating income	(1,188,851)	(4.32)	1,485,647	4.43	(2,674,498)	-
Other income (expenses):						
Interest and dividends income	65,032		79,673			
Interest expenses	(38,498)		(27,139)			
Loss on sales of investment securities	-		(4,966)			
Gain on sales of investment securities	-		118,274			
Loss on valuation of investment securities	(956,738)		(251,435)			
Equity in earnings of affiliates	-		32,881			
Foreign exchange gains (losses), net	(17,264)		(593,309)			
Gain on sales of noncurrent assets	1,920		4,217			
Loss on sales and retirement of noncurrent assets	(365,965)		(20,703)			
Gain on sales of subsidiaries and affiliates' stocks	-		151,427			
Insurance income	22,758		-			
Surrender value of insurance	30,483		-			
Impairment loss	(83,333)		-			
Business structure improvement expenses	(776,992)		-			
Other	31,548		27,545			
	(2,087,049)	(7.57)	(483,535)	(1.44)	(1,603,514)	331.62
Income before income taxes	(3,275,900)	(11.89)	1,002,112	2.99	(4,278,012)	-
Income taxes						
Income taxes-current	(153,671)	(0.56)	(524,760)	(1.57)	371,089	(70.72)
Income taxes-deferred	(174,725)	(0.63)	(88,017)	(0.26)	(86,708)	98.51
Net income	(3,604,296)	(13.08)	389,335	1.16	(3,993,631)	(1,025.76)
Amounts per share of common stock:						
Net income	(180.15)		19.33		(199.48)	
Diluted net income	-		19.31		-	

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

(Thousands of yen)

	FY2008	FY2007
	Apr'08-Mar'09	Apr'07-Mar'08
Net cash provided by (used in) operating activities		
Income before income taxes	(3,275,900)	1,002,112
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,577,218	1,571,858
Impairment loss	83,333	-
Amortization of goodwill	16,667	-
Increase (decrease) in allowance for doubtful accounts	61,805	5,842
Increase (decrease) in provision for retirement benefits	(79,869)	(5,811)
Loss (gain) on sales and retirement of noncurrent assets	364,045	16,486
Loss (gain) on sales of investment securities	-	(113,308)
Loss (gain) on valuation of investment securities	956,737	251,435
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	(151,427)
Equity in (earnings) losses of affiliates	-	(32,881)
Business structure improvement expenses	776,992	-
Foreign exchange gains (losses), net	109,605	506,074
Others	(89,802)	18,827
Net changes in operating assets and liabilities		
Decrease (increase) in notes and accounts receivable-trade	3,320,478	(111,159)
Decrease (increase) in inventories	737,385	(319,231)
Decrease (increase) in other assets	164,329	125,990
Increase (decrease) in notes and accounts payable-trade	(2,013,542)	428,031
Increase (decrease) in other liabilities	(232,934)	(119,400)
Income taxes paid	(344,976)	(934,087)
Net cash provided by (used in) operating activities	2,131,571	2,139,351
Net cash provided by (used in) investment activities		
Payments into time deposits	(3,337)	(35,044)
Proceeds from withdrawal of time deposits	14,640	-
Proceeds from sales of property, plant and equipment	40,711	21,485
Purchase of property, plant and equipment	(746,815)	(1,864,864)
Purchase of intangible assets	(6,185)	-
Proceeds from sales of stocks of subsidiaries and affiliates	-	300,612
Purchase of short-term investment securities	(1,241)	(49,953)
Purchase of investment securities	-	(299,926)
Proceeds from sales of investment securities	45,036	322,475
Payments for transfer of business	(316,333)	-
Other, net	(6,508)	(9,396)
Net cash provided by (used in) investment activities	(980,032)	(1,614,611)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	400,000	800,000
Decrease in short-term loans payable	(600,000)	-
Proceeds from long-term loans payable	1,900,000	-
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	-	4,686
Purchase of treasury stock	(1,623)	(380,317)
Repayments of lease obligations	(58,247)	-
Cash dividends paid	(359,918)	(363,343)
Other, net	267	28
Net cash provided by (used in) financing activities	1,280,479	61,054
Effect of exchange rate changes on cash and cash equivalents	(193,856)	(261,749)
Net increase (decrease) in cash and cash equivalents	2,238,162	324,045
Cash and cash equivalents at beginning of year	2,752,879	2,428,834
Cash and cash equivalents at end of period	4,991,041	2,752,879

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

(Thousands of yen)

	FY2008	FY2007
	Apr'08-Mar'09	Apr'07-Mar'08
Cash and deposits	5,005,814	2,784,379
Time deposits with maturities longer than 3 months	(14,773)	(31,500)
Cash and cash equivalents	4,991,041	2,752,879