

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

(Thousands of yen)

| <b>ASSETS</b>   | <b>Q1/FY2009</b>     |               | <b>FY2008</b>         |               | <b>Inc/(Dec)</b> |               | <b>Q1/FY2008</b>     |               |
|---|----------------------|---------------|-----------------------|---------------|------------------|---------------|----------------------|---------------|
|   | <b>June 30, 2009</b> | <b>%</b>      | <b>March 31, 2009</b> | <b>%</b>      |                  | <b>%</b>      | <b>June 30, 2008</b> | <b>%</b>      |
| <b>Current assets</b>                                 |                      |               |                       |               |                  |               |                      |               |
| Cash and deposits                                     | 5,045,212            |               | 5,005,814             |               | 39,398           |               | 2,888,803            |               |
| Short-term investment securities                      | 28,753               |               | 24,349                |               | 4,404            |               | 46,517               |               |
| Receivables:  |                      |               |                       |               |                  |               |                      |               |
| Notes and accounts receivable-trade                   | 4,866,002            |               | 4,585,599             |               | 280,403          |               | 8,082,297            |               |
| Allowance for doubtful accounts                       | (32,753)             |               | (90,686)              |               | 57,933           |               | (18,036)             |               |
| Inventories   | 2,555,542            |               | 2,593,831             |               | (38,289)         |               | 3,576,405            |               |
| Deferred tax assets                                   | 34,304               |               | 45,548                |               | (11,244)         |               | 165,635              |               |
| Other   | 898,337              |               | 982,438               |               | (84,101)         |               | 1,148,595            |               |
| <b>Total current assets</b>                           | <b>13,395,397</b>    | <b>60.29</b>  | <b>13,146,893</b>     | <b>60.33</b>  | <b>248,504</b>   | <b>1.89</b>   | <b>15,890,216</b>    | <b>58.42</b>  |
| <b>Property, plant and equipment</b>                  |                      |               |                       |               |                  |               |                      |               |
| Land  | 808,467              |               | 808,467               |               | -                |               | 808,467              |               |
| Buildings and structures                              | 3,982,678            |               | 3,989,456             |               | (6,778)          |               | 4,102,700            |               |
| Machinery, vehicles, tools, furniture and fixtures    | 10,832,185           |               | 10,858,660            |               | (26,475)         |               | 12,219,936           |               |
| Construction in progress                              | 3,244                |               | 7,187                 |               | (3,943)          |               | 18,101               |               |
| Sub-total   | 15,626,574           |               | 15,663,770            |               | (37,196)         |               | 17,149,204           |               |
| Accumulated depreciation                              | (9,535,578)          |               | (9,289,232)           |               | (246,346)        |               | (9,662,441)          |               |
| <b>Net property, plant and equipment</b>              | <b>6,090,996</b>     | <b>27.41</b>  | <b>6,374,538</b>      | <b>29.25</b>  | <b>(283,542)</b> | <b>(4.45)</b> | <b>7,486,763</b>     | <b>27.52</b>  |
| <b>Investments and other non-current assets</b>       |                      |               |                       |               |                  |               |                      |               |
| Investment securities                                 | 1,933,063            |               | 1,428,083             |               | 504,980          |               | 2,500,761            |               |
| Deferred tax assets                                   | 112,063              |               | 124,630               |               | (12,567)         |               | 202,794              |               |
| Other   | 688,050              |               | 718,326               |               | (30,276)         |               | 1,119,461            |               |
| <b>Total investments and other non-current assets</b> | <b>2,733,176</b>     | <b>12.30</b>  | <b>2,271,039</b>      | <b>10.42</b>  | <b>462,137</b>   | <b>20.35</b>  | <b>3,823,016</b>     | <b>14.06</b>  |
| <b>Total assets</b>                                   | <b>22,219,569</b>    | <b>100.00</b> | <b>21,792,470</b>     | <b>100.00</b> | <b>427,099</b>   | <b>1.96</b>   | <b>27,199,995</b>    | <b>100.00</b> |
| <b>LIABILITIES</b>                                    |                      |               |                       |               |                  |               |                      |               |
| <b>Current liabilities</b>                            |                      |               |                       |               |                  |               |                      |               |
| Short-term loans payable                              | 1,100,000            |               | 1,100,000             |               | -                |               | 1,300,000            |               |
| Notes and accounts payable-trade                      | 2,331,787            |               | 2,136,158             |               | 195,629          |               | 4,124,988            |               |
| Income taxes payable                                  | 43,923               |               | 46,452                |               | (2,529)          |               | 195,690              |               |
| Accrued expenses                                      | 370,326              |               | 338,161               |               | 32,165           |               | 423,129              |               |
| Provision for bonuses                                 | 74,981               |               | 226,565               |               | (151,584)        |               | 118,660              |               |
| Other   | 1,306,568            |               | 1,205,275             |               | 101,293          |               | 1,307,157            |               |
| <b>Total current liabilities</b>                      | <b>5,227,585</b>     | <b>23.53</b>  | <b>5,052,611</b>      | <b>23.18</b>  | <b>174,974</b>   | <b>3.46</b>   | <b>7,469,624</b>     | <b>27.46</b>  |
| <b>Noncurrent liabilities</b>                         |                      |               |                       |               |                  |               |                      |               |
| Long-term loans payable                               | 1,900,000            |               | 1,900,000             |               | -                |               | -                    |               |
| Provision for retirement benefits                     | 110,686              |               | 109,460               |               | 1,226            |               | 190,551              |               |
| Deferred tax liabilities                              | 164,940              |               | 43,061                |               | 121,879          |               | 45,148               |               |
| Other   | 537,009              |               | 540,268               |               | (3,259)          |               | 412,931              |               |
| <b>Total noncurrent liabilities</b>                   | <b>2,712,635</b>     | <b>12.21</b>  | <b>2,592,789</b>      | <b>11.90</b>  | <b>119,846</b>   | <b>4.62</b>   | <b>648,630</b>       | <b>2.38</b>   |
| <b>Total liabilities</b>                              | <b>7,940,220</b>     | <b>35.74</b>  | <b>7,645,400</b>      | <b>35.08</b>  | <b>294,820</b>   | <b>3.86</b>   | <b>8,118,254</b>     | <b>29.84</b>  |
| <b>NET ASSETS</b>                                     |                      |               |                       |               |                  |               |                      |               |
| Capital stock   | 3,996,269            | 17.99         | 3,996,269             | 18.34         | -                | -             | 3,996,269            | 14.69         |
| Capital surplus                                       | 3,981,928            | 17.92         | 3,981,928             | 18.27         | -                | -             | 3,981,928            | 14.64         |
| Retained earnings                                     | 7,547,791            | 33.97         | 7,740,308             | 35.52         | (192,517)        | (2.49)        | 11,893,788           | 43.73         |
| Treasury stock  | (990,791)            | (4.46)        | (990,753)             | (4.55)        | (38)             | 0.00          | (989,867)            | (3.64)        |
| Sub-total   | 14,533,197           | 65.42         | 14,727,752            | 67.58         | (192,555)        | (1.31)        | 18,882,118           | 69.42         |
| Valuation difference on available-for-sale securities | 192,405              | 0.86          | (184,977)             | (0.85)        | 377,382          | -             | (55,388)             | (0.20)        |
| Foreign currency translation adjustment               | (448,253)            | (2.02)        | (395,705)             | (1.81)        | (52,548)         | 13.28         | 255,011              | 0.94          |
| <b>Total net assets</b>                               | <b>14,279,349</b>    | <b>64.26</b>  | <b>14,147,070</b>     | <b>64.92</b>  | <b>132,279</b>   | <b>0.94</b>   | <b>19,081,741</b>    | <b>70.16</b>  |
| <b>Total liabilities and net assets</b>               | <b>22,219,569</b>    | <b>100.00</b> | <b>21,792,470</b>     | <b>100.00</b> | <b>427,099</b>   | <b>1.96</b>   | <b>27,199,995</b>    | <b>100.00</b> |

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

(Thousands of yen)

|   | Q1/FY2009     |        | Q1/FY2008     |        | Inc/(Dec)   |         | FY2008        |         |
|---|---------------|--------|---------------|--------|-------------|---------|---------------|---------|
|   | Apr'09-Jun'09 | %      | Apr'08-Jun'08 | %      |             | %       | Apr'08-Mar'09 | %       |
| <b>Net sales</b>                                  | 5,610,597     | 100.00 | 8,200,905     | 100.00 | (2,590,308) | (31.59) | 27,555,815    | 100.00  |
| <b>Costs and expenses</b>                         |               |        |               |        |             |         |               |         |
| Cost of sales                                     | 4,523,382     | 80.62  | 6,023,559     | 73.45  | (1,500,177) | (24.91) | 22,300,207    | 80.93   |
| Selling, general and administrative expenses      | 1,183,283     | 21.09  | 1,734,165     | 21.15  | (550,882)   | (31.77) | 6,444,459     | 23.39   |
|   | 5,706,665     | 101.71 | 7,757,724     | 94.60  | (2,051,059) | (26.44) | 28,744,666    | 104.32  |
| <b>Operating income</b>                           | (96,068)      | (1.71) | 443,181       | 5.40   | (539,249)   | -       | (1,188,851)   | (4.32)  |
| <b>Other income (expenses):</b>                   |               |        |               |        |             |         |               |         |
| Interest and dividends income                     | 23,330        |        | 30,251        |        |             |         | 65,032        |         |
| Interest expenses                                 | (14,517)      |        | (4,541)       |        |             |         | (38,498)      |         |
| Loss on valuation of investment securities        | -             |        | -             |        |             |         | (956,738)     |         |
| Foreign exchange gains (losses), net              | (61,369)      |        | 96,770        |        |             |         | (17,264)      |         |
| Gain on sales of noncurrent assets                | 2,314         |        | -             |        |             |         | 1,920         |         |
| Loss on sales and retirement of noncurrent assets | (4,077)       |        | (2,694)       |        |             |         | (365,965)     |         |
| Reversal of allowance for doubtful accounts       | 51,420        |        | -             |        |             |         | -             |         |
| Insurance income                                  | -             |        | -             |        |             |         | 22,758        |         |
| Surrender value of insurance                      | 16,988        |        | -             |        |             |         | 30,483        |         |
| Gain on convertible insurance                     | 55,657        |        | -             |        |             |         | -             |         |
| Impairment loss                                   | (33,587)      |        | -             |        |             |         | (83,333)      |         |
| Business structure improvement expenses           | (46,696)      |        | -             |        |             |         | (776,992)     |         |
| Other   | 3,165         |        | 30,364        |        |             |         | 31,548        |         |
|   | (7,372)       | (0.13) | 150,150       | 1.83   | (157,522)   | -       | (2,087,049)   | (7.57)  |
| <b>Income before income taxes</b>                 | (103,440)     | (1.84) | 593,331       | 7.23   |             |         | (3,275,900)   | (11.89) |
| <b>Income taxes</b>                               |               |        |               |        |             |         |               |         |
| Income taxes-current                              | (16,385)      | (0.29) | (117,575)     | (1.43) | 101,190     | (86.06) | (153,671)     | (0.56)  |
| Income taxes-deferred                             | (12,674)      | (0.23) | (99,501)      | (1.21) | 86,827      | (87.26) | (174,725)     | (0.63)  |
| <b>Net income</b>                                 | (132,499)     | (2.36) | 376,255       | 4.59   | (508,754)   | -       | (3,604,296)   | (13.08) |
| <b>Amounts per share of common stock:</b>         |               |        |               |        |             |         |               |         |
| Net income  | (6.62)        |        | 18.80         |        | (25.42)     |         | (180.15)      |         |
| Diluted net income                                | -             |        | -             |        | -           |         | -             |         |

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

(Thousands of yen)

|  | Q1/FY2009<br>Apr'09-Jun'09 | Q1/FY2008<br>Apr'08-Jun'08 | FY2008<br>Apr'08-Mar'09 |
|--|----------------------------|----------------------------|-------------------------|
| <b>Net cash provided by (used in) operating activities</b>   |                            |                            |                         |
| Income before income taxes   | (103,440)                  | 593,331                    | (3,275,900)             |
| Adjustments to reconcile income before income taxes<br>to net cash provided by (used in) operating activities: |                            |                            |                         |
| Depreciation and amortization  | 320,218                    | 377,468                    | 1,577,218               |
| Impairment loss  | 33,587                     | -                          | 83,333                  |
| Amortization of goodwill   | -                          | 1,666                      | 16,667                  |
| Increase (decrease) in allowance for doubtful accounts   | (57,236)                   | (14,552)                   | 61,805                  |
| Increase (decrease) in provision for bonuses   | (151,231)                  | (239,490)                  | (129,402)               |
| Increase (decrease) in provision for retirement benefits   | 1,127                      | 590                        | (79,869)                |
| Loss (gain) on sales and retirement of noncurrent assets   | 1,763                      | 2,694                      | 364,045                 |
| Loss (gain) on valuation of investment securities  | -                          | -                          | 956,737                 |
| Business structure improvement expenses  | 46,696                     | -                          | 776,992                 |
| Foreign exchange gains (losses), net   | 42,991                     | (182,531)                  | 109,605                 |
| Others   | (82,581)                   | (19,142)                   | 39,600                  |
| Net changes in operating assets and liabilities  |                            |                            |                         |
| Decrease (increase) in notes and accounts receivable-trade   | (302,702)                  | 29,199                     | 3,320,478               |
| Decrease (increase) in inventories   | 13,662                     | (51,349)                   | 737,385                 |
| Decrease (increase) in other assets  | 186,668                    | (163,347)                  | 164,329                 |
| Increase (decrease) in notes and accounts payable-trade  | 204,085                    | (90,797)                   | (2,013,542)             |
| Increase (decrease) in other liabilities   | 107,476                    | 577,845                    | (232,934)               |
| Income taxes paid  | (20,118)                   | (234,259)                  | (344,976)               |
| <b>Net cash provided by (used in) operating activities</b>   | <b>240,965</b>             | <b>587,326</b>             | <b>2,131,571</b>        |
| <b>Net cash provided by (used in) investment activities</b>  |                            |                            |                         |
| Payments into time deposits  | -                          | -                          | (3,337)                 |
| Proceeds from withdrawal of time deposits  | 15,859                     | 15,020                     | 14,640                  |
| Proceeds from sales of property, plant and equipment   | 2,314                      | 7,772                      | 40,711                  |
| Purchase of property, plant and equipment  | (75,208)                   | (132,407)                  | (746,815)               |
| Purchase of intangible assets  | (7,039)                    | -                          | (6,185)                 |
| Purchase of short-term investment securities   | -                          | -                          | (1,241)                 |
| Proceeds from sales of investment securities   | -                          | -                          | 45,036                  |
| Payments for transfer of business  | -                          | (277,682)                  | (316,333)               |
| Other, net   | 280                        | (5,075)                    | (6,508)                 |
| <b>Net cash provided by (used in) investment activities</b>  | <b>(63,794)</b>            | <b>(392,372)</b>           | <b>(980,032)</b>        |
| <b>Net cash provided by (used in) financing activities</b>   |                            |                            |                         |
| Increase in short-term loans payable   | -                          | -                          | 400,000                 |
| Decrease in short-term loans payable   | -                          | -                          | (600,000)               |
| Proceeds from long-term loans payable  | -                          | -                          | 1,900,000               |
| Purchase of treasury stock   | (38)                       | (48)                       | (1,623)                 |
| Repayments of lease obligations  | (19,128)                   | -                          | (58,247)                |
| Cash dividends paid  | (60,710)                   | (180,663)                  | (359,918)               |
| Other, net   | -                          | (186)                      | 267                     |
| <b>Net cash provided by (used in) financing activities</b>   | <b>(79,876)</b>            | <b>(180,897)</b>           | <b>1,280,479</b>        |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>  | <b>(43,124)</b>            | <b>103,424</b>             | <b>(193,856)</b>        |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>54,171</b>              | <b>117,481</b>             | <b>2,238,162</b>        |
| <b>Cash and cash equivalents at beginning of year</b>  | <b>4,991,041</b>           | <b>2,752,879</b>           | <b>2,752,879</b>        |
| <b>Cash and cash equivalents at end of period</b>  | <b>5,045,212</b>           | <b>2,870,360</b>           | <b>4,991,041</b>        |

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)

|  | Q1/FY2009<br>Apr'09-Jun'09 | Q1/FY2008<br>Apr'08-Jun'08 | FY2008<br>Apr'08-Mar'09 |
|--|----------------------------|----------------------------|-------------------------|
| Cash and deposits                                  | 5,045,212                  | 2,888,803                  | 5,005,814               |
| Time deposits with maturities longer than 3 months | -                          | (18,443)                   | (14,773)                |
| Cash and cash equivalents                          | 5,045,212                  | 2,870,360                  | 4,991,041               |