

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

(Thousands of yen)

ASSETS	Q2/FY2009		FY2008		Inc/(Dec)		Q2/FY2008	
	Sep 30, 2009	%	March 31, 2009	%	%	%	Sep 30, 2008	%
Current assets								
Cash and deposits	4,847,678		5,005,814		(158,136)		2,949,313	
Short-term investment securities	-		24,349		(24,349)		46,522	
Receivables:								
Notes and accounts receivable-trade	5,828,522		4,585,599		1,242,923		7,743,485	
Allowance for doubtful accounts	(13,323)		(90,686)		77,363		(22,202)	
Inventories	2,723,694		2,593,831		129,863		3,917,499	
Deferred tax assets	36,232		45,548		(9,316)		253,773	
Other	654,005		982,438		(328,433)		895,302	
Total current assets	14,076,808	62.27	13,146,893	60.33	929,915	7.07	15,783,692	59.29
Property, plant and equipment								
Land	808,467		808,467		-		808,467	
Buildings and structures	3,889,463		3,989,456		(99,993)		4,052,501	
Machinery, vehicles, tools, furniture and fixtures	10,535,374		10,858,660		(323,286)		12,231,908	
Construction in progress	-		7,187		(7,187)		28,037	
Sub-total	15,233,304		15,663,770		(430,466)		17,120,913	
Accumulated depreciation	(9,494,000)		(9,289,232)		(204,768)		(9,854,661)	
Net property, plant and equipment	5,739,304	25.39	6,374,538	29.25	(635,234)	(9.97)	7,266,252	27.29
Investments and other non-current assets								
Investment securities	1,839,757		1,428,083		411,674		1,929,238	
Deferred tax assets	62,826		124,630		(61,804)		310,170	
Other	886,941		718,326		168,615		1,331,839	
Total investments and other non-current assets	2,789,524	12.34	2,271,039	10.42	518,485	22.83	3,571,247	13.42
Total assets	22,605,636	100.00	21,792,470	100.00	813,166	3.73	26,621,191	100.00
LIABILITIES								
Current liabilities								
Short-term loans payable	1,100,000		1,100,000		-		1,300,000	
Notes and accounts payable-trade	3,147,377		2,136,158		1,011,219		4,372,834	
Income taxes payable	89,018		46,452		42,566		168,135	
Accrued expenses	328,037		338,161		(10,124)		415,205	
Provision for bonuses	224,052		226,565		(2,513)		389,850	
Other	574,697		1,205,275		(630,578)		667,882	
Total current liabilities	5,463,181	24.17	5,052,611	23.18	410,570	8.13	7,313,906	27.48
Noncurrent liabilities								
Long-term loans payable	1,900,000		1,900,000		-		-	
Provision for retirement benefits	153,658		109,460		44,198		185,758	
Deferred tax liabilities	126,524		43,061		83,463		53,644	
Other	825,182		540,268		284,914		570,292	
Total noncurrent liabilities	3,005,364	13.29	2,592,789	11.90	412,575	15.91	809,694	3.04
Total liabilities	8,468,545	37.46	7,645,400	35.08	823,145	10.77	8,123,600	30.52
NET ASSETS								
Capital stock	3,996,269	17.68	3,996,269	18.34	-	-	3,996,269	15.01
Capital surplus	3,981,928	17.61	3,981,928	18.27	-	-	3,981,928	14.96
Retained earnings	7,772,475	34.38	7,740,308	35.52	32,167	0.42	11,750,354	44.14
Treasury stock	(990,791)	(4.38)	(990,753)	(4.55)	(38)	0.00	(989,954)	(3.72)
Sub-total	14,759,881	65.29	14,727,752	67.58	32,129	0.22	18,738,597	70.39
Valuation difference on available-for-sale securities	134,453	0.60	(184,977)	(0.85)	319,430	-	(241,016)	(0.91)
Foreign currency translation adjustment	(757,243)	(3.35)	(395,705)	(1.81)	(361,538)	91.37	10	0.00
Total net assets	14,137,091	62.54	14,147,070	64.92	(9,979)	(0.07)	18,497,591	69.48
Total liabilities and net assets	22,605,636	100.00	21,792,470	100.00	813,166	3.73	26,621,191	100.00

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

(Thousands of yen)

	Q2/FY2009		Q2/FY2008		Inc/(Dec)		FY2008	
	Apr'09-Sep'09	%	Apr'08-Sep'08	%		%	Apr'08-Mar'09	%
Net sales	12,344,687	100.00	16,292,390	100.00	(3,947,703)	(24.23)	27,555,815	100.00
Costs and expenses								
Cost of sales	9,592,483	77.71	12,455,159	76.45	(2,862,676)	(22.98)	22,300,207	80.93
Selling, general and administrative expenses	2,293,830	18.58	3,471,943	21.31	(1,178,113)	(33.93)	6,444,459	23.39
	11,886,313	96.29	15,927,102	97.76	(4,040,789)	(25.37)	28,744,666	104.32
Operating income	458,374	3.71	365,288	2.24	93,086	25.48	(1,188,851)	(4.32)
Other income (expenses):								
Interest and dividends income	24,886		36,508				65,032	
Interest expenses	(31,251)		(14,700)				(38,498)	
Gain on sales of investment securities	7,508		-				-	
Loss on valuation of investment securities	-		(258,543)				(956,738)	
Foreign exchange gains (losses), net	(240,651)		200,523				(17,264)	
Gain on sales of noncurrent assets	1,656		389				1,920	
Loss on sales and retirement of noncurrent assets	(28,670)		(64,714)				(365,965)	
Reversal of allowance for doubtful accounts	67,826		-				-	
Insurance income	-		-				22,758	
Surrender value of insurance	17,609		30,483				30,483	
Gain on convertible insurance	55,657		-				-	
Impairment loss	(32,951)		-				(83,333)	
Business structure improvement expenses	(49,466)		-				(776,992)	
Other	9,757		32,071				31,548	
	(198,090)	(1.60)	(37,983)	(0.23)	(160,107)	421.52	(2,087,049)	(7.57)
Income before income taxes	260,284	2.11	327,305	2.01	(67,021)	(20.48)	(3,275,900)	(11.89)
Income taxes								
Income taxes-current	(110,151)	(0.89)	(146,342)	(0.90)	36,191	(24.73)	(153,671)	(0.56)
Income taxes-deferred	(57,948)	(0.47)	44,317	0.27	(102,265)	-	(174,725)	(0.63)
Net income	92,185	0.75	225,280	1.38	(133,095)	(59.08)	(3,604,296)	(13.08)
Amounts per share of common stock:								
Net income	4.61		11.26		(6.65)		(180.15)	
Diluted net income	-		-		-		-	
Cash dividends applicable to the period	6.00		9.00		(3.00)		12.00	

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

(Thousands of yen)

	Q2/FY2009 Apr'09-Sep'09	Q2/FY2008 Apr'08-Sep'08	FY2008 Apr'08-Mar'09
Net cash provided by (used in) operating activities			
Income before income taxes	260,284	327,305	(3,275,900)
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	654,823	796,951	1,577,218
Impairment loss	32,951	-	83,333
Amortization of goodwill	-	6,667	16,667
Increase (decrease) in allowance for doubtful accounts	(75,461)	(9,811)	61,805
Increase (decrease) in provision for bonuses	218	33,532	(129,402)
Increase (decrease) in provision for retirement benefits	44,074	(3,783)	(79,869)
Loss (gain) on sales and retirement of noncurrent assets	27,014	64,325	364,045
Loss (gain) on sales of investment securities	(7,508)	-	-
Loss (gain) on valuation of investment securities	-	258,543	956,737
Business structure improvement expenses	49,466	-	776,992
Payment for business structure improvement expenses	(644,860)	-	-
Foreign exchange gains (losses), net	245,601	(126,801)	109,605
Other, net	(36,290)	33,064	39,600
Net changes in operating assets and liabilities			
Decrease (increase) in notes and accounts receivable-trade	(1,368,718)	283,055	3,320,478
Decrease (increase) in inventories	(256,956)	(470,273)	737,385
Decrease (increase) in other assets	173,033	40,307	164,329
Increase (decrease) in notes and accounts payable-trade	1,061,651	187,276	(2,013,542)
Increase (decrease) in other liabilities	(75,279)	(131,926)	(232,934)
Income taxes (paid) refund	179,689	(134,865)	(344,976)
Net cash provided by (used in) operating activities	263,732	1,153,566	2,131,571
Net cash provided by (used in) investment activities			
Payments into time deposits	-	-	(3,337)
Proceeds from withdrawal of time deposits	16,014	15,380	14,640
Proceeds from sales of property, plant and equipment	9,705	10,158	40,711
Purchase of property, plant and equipment	(161,501)	(492,624)	(746,815)
Purchase of intangible assets	(10,342)	(5,004)	(6,185)
Purchase of short-term investment securities	-	-	(1,241)
Proceeds from sales of short-term investment securities	-	-	45,036
Proceeds from sales of investment securities	31,857	-	-
Payments for transfer of business	-	(316,333)	(316,333)
Other, net	42,346	(15,823)	(6,508)
Net cash provided by (used in) investment activities	(71,921)	(804,246)	(980,032)
Net cash provided by (used in) financing activities			
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)	-	(1,623)
Repayments of lease obligations	(55,224)	(21,963)	(58,247)
Cash dividends paid	(60,888)	(180,074)	(359,918)
Other, net	-	(163)	267
Net cash provided by (used in) financing activities	(116,150)	(202,200)	1,280,479
Effect of exchange rate changes on cash and cash equivalents	(219,024)	32,892	(193,856)
Net increase (decrease) in cash and cash equivalents	(143,363)	180,012	2,238,162
Cash and cash equivalents at beginning of year	4,991,041	2,752,879	2,752,879
Cash and cash equivalents at end of period	4,847,678	2,932,891	4,991,041

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)

	Q2/FY2009 Apr'09-Sep'09	Q2/FY2008 Apr'08-Sep'08	FY2008 Apr'08-Mar'09
Cash and deposits	4,847,678	2,949,313	5,005,814
Time deposits with maturities longer than 3 months	-	(16,422)	(14,773)
Cash and cash equivalents	4,847,678	2,932,891	4,991,041