

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

ASSETS	Q3/FY2009		FY2008		Inc/(Dec)		Q3/FY2008	
	Dec 31, 2009	%	March 31, 2009	%	%	%	Dec 31, 2008	%
Current assets								
Cash and deposits	5,512,505		5,005,814		506,691		4,094,984	
Short-term investment securities	-		24,349		(24,349)		66,941	
Receivables:								
Notes and accounts receivable-trade	6,070,074		4,585,599		1,484,475		6,276,622	
Allowance for doubtful accounts	(14,359)		(90,686)		76,327		(16,403)	
Inventories	2,891,754		2,593,831		297,923		3,324,783	
Deferred tax assets	31,340		45,548		(14,208)		52,816	
Other	680,873		982,438		(301,565)		1,126,575	
Total current assets	15,172,187	64.74	13,146,893	60.33	2,025,294	15.41	14,926,318	61.30
Property, plant and equipment								
Land	806,381		808,467		(2,086)		808,467	
Buildings and structures	3,936,136		3,989,456		(53,320)		3,930,673	
Machinery, vehicles, tools, furniture and fixtures	10,498,731		10,858,660		(359,929)		11,687,536	
Construction in progress	2,418		7,187		(4,769)		14,586	
Sub-total	15,243,666		15,663,770		(420,104)		16,441,262	
Accumulated depreciation	(9,629,510)		(9,289,232)		(340,278)		(9,812,748)	
Net property, plant and equipment	5,614,156	23.95	6,374,538	29.25	(760,382)	(11.93)	6,628,514	27.22
Investments and other non-current assets								
Investment securities	1,691,653		1,428,083		263,570		1,535,852	
Deferred tax assets	65,521		124,630		(59,109)		34,770	
Other	894,384		718,326		176,058		1,225,600	
Total investments and other non-current assets	2,651,558	11.31	2,271,039	10.42	380,519	16.76	2,796,222	11.48
Total assets	23,437,901	100.00	21,792,470	100.00	1,645,431	7.55	24,351,054	100.00
LIABILITIES								
Q3/FY2009		FY2008		Inc/(Dec)		Q3/FY2008		
Dec 31, 2009	%	March 31, 2009	%	%	%	Dec 31, 2008	%	
Current liabilities								
Short-term loans payable	1,100,000		1,100,000		-		1,500,000	
Notes and accounts payable-trade	3,568,983		2,136,158		1,432,825		3,278,167	
Income taxes payable	89,772		46,452		43,320		141,312	
Accrued expenses	351,930		338,161		13,769		376,693	
Provision for bonuses	125,785		226,565		(100,780)		114,950	
Other	750,932		1,205,275		(454,343)		822,164	
Total current liabilities	5,987,402	25.54	5,052,611	23.18	934,791	18.50	6,233,286	25.60
Noncurrent liabilities								
Long-term loans payable	1,900,000		1,900,000		-		1,500,000	
Provision for retirement benefits	209,363		109,460		99,903		186,257	
Deferred tax liabilities	80,263		43,061		37,202		93,391	
Other	837,938		540,268		297,670		554,969	
Total noncurrent liabilities	3,027,564	12.92	2,592,789	11.90	434,775	16.77	2,334,617	9.58
Total liabilities	9,014,966	38.46	7,645,400	35.08	1,369,566	17.91	8,567,903	35.18
NET ASSETS								
Capital stock	3,996,269	17.05	3,996,269	18.34	-	-	3,996,269	16.41
Capital surplus	3,981,928	16.99	3,981,928	18.27	-	-	3,981,928	16.35
Retained earnings	8,017,920	34.21	7,740,308	35.52	277,612	3.59	9,838,013	40.40
Treasury stock	(990,844)	(4.23)	(990,753)	(4.55)	(91)	0.01	(990,891)	(4.07)
Sub-total	15,005,273	64.02	14,727,752	67.58	277,521	1.88	16,825,319	69.09
Valuation difference on available-for-sale securities	46,613	0.20	(184,977)	(0.85)	231,590	-	(271,961)	(1.11)
Foreign currency translation adjustment	(628,951)	(2.68)	(395,705)	(1.81)	(233,246)	58.94	(770,207)	(3.16)
Total net assets	14,422,935	61.54	14,147,070	64.92	275,865	1.95	15,783,151	64.82
Total liabilities and net assets	23,437,901	100.00	21,792,470	100.00	1,645,431	7.55	24,351,054	100.00

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

(Thousands of yen)

	Q3/FY2009		Q3/FY2008		Inc/(Dec)		FY2008	
	Apr'09-Dec'09	%	Apr'08-Dec'08	%		%	Apr'08-Mar'09	%
Net sales	19,105,530	100.00	23,015,730	100.00	(3,910,200)	(16.99)	27,555,815	100.00
Costs and expenses								
Cost of sales	14,798,580	77.46	17,970,117	78.08	(3,171,537)	(17.65)	22,300,207	80.93
Selling, general and administrative expenses	3,408,501	17.84	5,017,035	21.80	(1,608,534)	(32.06)	6,444,459	23.39
	18,207,081	95.30	22,987,152	99.88	(4,780,071)	(20.79)	28,744,666	104.32
Operating income	898,449	4.70	28,578	0.12	869,871	3,043.85	(1,188,851)	(4.32)
Other income (expenses):								
Interest and dividends income	38,950		56,913				65,032	
Interest expenses	(47,898)		(27,623)				(38,498)	
Gain on sales of investment securities	7,508		-				-	
Loss on valuation of investment securities	-		(760,283)				(956,738)	
Foreign exchange gains (losses), net	(178,774)		(312,547)				(17,264)	
Gain on sales of noncurrent assets	6,617		368				1,920	
Loss on sales and retirement of noncurrent assets	(101,121)		(65,057)				(365,965)	
Reversal of allowance for doubtful accounts	65,660		3,308				-	
Insurance income	548		23,693				22,758	
Surrender value of insurance	17,609		30,483				30,483	
Gain on convertible insurance	55,657		-				-	
Impairment loss	(32,315)		-				(83,333)	
Business structure improvement expenses	(49,298)		-				(776,992)	
Other	9,399		9,117				31,548	
	(207,458)	(1.08)	(1,041,628)	(4.52)	834,170	(80.08)	(2,087,049)	(7.57)
Income before income taxes	690,991	3.62	(1,013,050)	(4.40)	1,704,041	-	(3,275,900)	(11.89)
Income taxes								
Income taxes-current	(159,995)	(0.84)	(182,356)	(0.79)	22,361	(12.26)	(153,671)	(0.56)
Income taxes-deferred	(73,330)	(0.38)	(311,309)	(1.35)	237,979	(76.44)	(174,725)	(0.63)
Net income	457,666	2.40	(1,506,715)	(6.54)	1,964,381	-	(3,604,296)	(13.08)
Amounts per share of common stock:								
Net income	22.88		(75.30)		98.18		(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)

	Q3/FY2009 Apr'09-Dec'09	Q3/FY2008 Apr'08-Dec'08	FY2008 Apr'08-Mar'09
Net cash provided by (used in) operating activities			
Income before income taxes	690,991	(1,013,051)	(3,275,900)
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	985,303	1,222,189	1,577,218
Impairment loss	32,315	-	83,333
Amortization of goodwill	-	11,667	16,667
Increase (decrease) in allowance for doubtful accounts	(73,373)	(14,361)	61,805
Increase (decrease) in provision for bonuses	(99,416)	(235,735)	(129,402)
Increase (decrease) in provision for retirement benefits	99,758	(3,172)	(79,869)
Loss (gain) on sales and retirement of noncurrent assets	94,504	64,689	364,045
Loss (gain) on sales of investment securities	(7,508)	-	-
Loss (gain) on valuation of investment securities	-	760,283	956,737
Business structure improvement expenses	49,298	-	776,992
Payment for business structure improvement expenses	(647,212)	-	-
Foreign exchange losses (gains)	215,154	77,166	109,605
Other, net	(27,274)	26,735	39,600
Net changes in operating assets and liabilities			
Decrease (increase) in notes and accounts receivable-trade	(1,559,991)	1,527,746	3,320,478
Decrease (increase) in inventories	(387,899)	(162,088)	737,385
Decrease (increase) in other assets	208,091	75,652	164,329
Increase (decrease) in notes and accounts payable-trade	1,458,298	(836,373)	(2,013,542)
Increase (decrease) in other liabilities	107,686	93,728	(232,934)
Income taxes (paid) refund	59,108	(459,062)	(344,976)
Net cash provided by (used in) operating activities	1,197,833	1,136,013	2,131,571
Net cash provided by (used in) investment activities			
Payments into time deposits	-	-	(3,337)
Proceeds from withdrawal of time deposits	15,834	14,950	14,640
Proceeds from sales of property, plant and equipment	16,433	11,069	40,711
Purchase of property, plant and equipment	(313,316)	(681,896)	(746,815)
Purchase of intangible assets	(10,741)	(3,122)	(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	34,394	(4,128)	(6,508)
Net cash provided by (used in) investment activities	(225,539)	(979,460)	(980,032)
Net cash provided by (used in) financing activities			
Increase in short-term loans payable	-	200,000	400,000
Decrease in short-term loans payable	-	-	(600,000)
Proceeds from long-term loans payable	-	1,500,000	1,900,000
Purchase of treasury stock	(91)	-	(1,623)
Repayments of lease obligations	(95,152)	(39,794)	(58,247)
Cash dividends paid	(181,138)	(360,878)	(359,918)
Other, net	-	(1,369)	267
Net cash provided by (used in) financing activities	(276,381)	1,297,959	1,280,479
Effect of exchange rate changes on cash and cash equivalents	(174,449)	(124,111)	(193,856)
Net increase (decrease) in cash and cash equivalents	521,464	1,330,401	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	5,512,505	4,083,280	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)

	Q3/FY2009 Apr'09-Dec'09	Q3/FY2008 Apr'08-Dec'08	FY2008 Apr'08-Mar'09
Cash and deposits	5,512,505	4,094,984	5,005,814
Time deposits with maturities longer than 3 months	-	(11,704)	(14,773)
Cash and cash equivalents	5,512,505	4,083,280	4,991,041