

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

(Thousands of yen)

<b>ASSETS</b>	<b>Q1/FY2010</b>		<b>FY2009</b>		<b>Inc/(Dec)</b>		<b>Q1/FY2009</b>	
	<b>Jun 30, 2010</b>		<b>Mar 31, 2010</b>				<b>Jun 30, 2009</b>	
	%		%		%			%
<b>Current assets</b>								
Cash and deposits	4,943,426		4,848,341		95,085		5,045,212	
Short-term investment securities	-		-		-		28,753	
Receivables:								
Notes and accounts receivable-trade	6,220,849		6,097,161		123,688		4,866,002	
Allowance for doubtful accounts	(4,076)		(5,162)		1,086		(32,753)	
Inventories	2,674,210		2,523,291		150,919		2,555,542	
Deferred tax assets	248,279		208,704		39,575		34,304	
Other	623,796		592,821		30,975		898,337	
<b>Total current assets</b>	<b>14,706,484</b>	<b>64.18</b>	<b>14,265,156</b>	<b>62.15</b>	<b>441,328</b>	<b>3.09</b>	<b>13,395,397</b>	<b>60.29</b>
<b>Property, plant and equipment</b>								
Land	806,381		806,381		-		808,467	
Buildings and structures	4,015,075		3,974,958		40,117		3,982,678	
Machinery, vehicles, tools, furniture and fixtures	10,293,654		10,645,321		(351,667)		10,832,185	
Construction in progress	106,166		176,501		(70,335)		3,244	
Sub-total	15,221,276		15,603,161		(381,885)		15,626,574	
Accumulated depreciation	(9,648,968)		(9,815,708)		166,740		(9,535,578)	
<b>Net property, plant and equipment</b>	<b>5,572,308</b>	<b>24.32</b>	<b>5,787,453</b>	<b>25.22</b>	<b>(215,145)</b>	<b>(3.72)</b>	<b>6,090,996</b>	<b>27.41</b>
<b>Investments and other non-current assets</b>								
Investment securities	1,726,715		1,934,384		(207,669)		1,933,063	
Deferred tax assets	35,828		56,002		(20,174)		112,063	
Other	872,276		908,198		(35,922)		688,050	
<b>Total investments and other non-current assets</b>	<b>2,634,819</b>	<b>11.50</b>	<b>2,898,584</b>	<b>12.63</b>	<b>(263,765)</b>	<b>(9.10)</b>	<b>2,733,176</b>	<b>12.30</b>
<b>Total assets</b>	<b>22,913,611</b>	<b>100.00</b>	<b>22,951,193</b>	<b>100.00</b>	<b>(37,582)</b>	<b>(0.16)</b>	<b>22,219,569</b>	<b>100.00</b>
<b>LIABILITIES</b>								
	<b>Q1/FY2010</b>		<b>FY2009</b>		<b>Inc/(Dec)</b>		<b>Q1/FY2009</b>	
	<b>Jun 30, 2010</b>		<b>Mar 31, 2010</b>				<b>Jun 30, 2009</b>	
	%		%		%			%
<b>Current liabilities</b>								
Short-term loans payable	-		-		-		1,100,000	
Current portion of long-term loans payable	1,300,000		1,300,000		-		-	
Notes and accounts payable-trade	3,368,132		3,100,155		267,977		2,331,787	
Income taxes payable	127,648		119,002		8,646		43,923	
Accrued expenses	400,163		380,552		19,611		370,326	
Provision for bonuses	118,187		281,542		(163,355)		74,981	
Other	1,090,288		834,125		256,163		1,306,568	
<b>Total current liabilities</b>	<b>6,404,418</b>	<b>27.95</b>	<b>6,015,376</b>	<b>26.21</b>	<b>389,042</b>	<b>6.47</b>	<b>5,227,585</b>	<b>23.53</b>
<b>Noncurrent liabilities</b>								
Long-term loans payable	600,000		600,000		-		1,900,000	
Provision for retirement benefits	256,680		233,127		23,553		110,686	
Deferred tax liabilities	74,844		175,519		(100,675)		164,940	
Other	914,140		905,873		8,267		537,009	
<b>Total noncurrent liabilities</b>	<b>1,845,664</b>	<b>8.05</b>	<b>1,914,519</b>	<b>8.34</b>	<b>(68,855)</b>	<b>(3.60)</b>	<b>2,712,635</b>	<b>12.21</b>
<b>Total liabilities</b>	<b>8,250,082</b>	<b>36.00</b>	<b>7,929,895</b>	<b>34.55</b>	<b>320,187</b>	<b>4.04</b>	<b>7,940,220</b>	<b>35.74</b>
<b>NET ASSETS</b>								
Capital stock	3,996,269	17.44	3,996,269	17.41	-	-	3,996,269	17.99
Capital surplus	3,981,928	17.38	3,981,928	17.35	-	-	3,981,928	17.92
Retained earnings	8,432,317	36.80	8,380,680	36.52	51,637	0.62	7,547,791	33.97
Treasury stock	(990,915)	(4.32)	(990,869)	(4.32)	(46)	0.00	(990,791)	(4.46)
Sub-total	15,419,599	67.30	15,368,008	66.96	51,591	0.34	14,535,197	65.42
Valuation difference on available-for-sale securities	58,800	0.26	190,577	0.83	(131,777)	(69.15)	192,405	0.86
Foreign currency translation adjustment	(814,870)	(3.56)	(537,287)	(2.34)	(277,583)	51.66	(448,253)	(2.02)
<b>Total net assets</b>	<b>14,663,529</b>	<b>64.00</b>	<b>15,021,298</b>	<b>65.45</b>	<b>(357,769)</b>	<b>(2.38)</b>	<b>14,279,349</b>	<b>64.26</b>
<b>Total liabilities and net assets</b>	<b>22,913,611</b>	<b>100.00</b>	<b>22,951,193</b>	<b>100.00</b>	<b>(37,582)</b>	<b>(0.16)</b>	<b>22,219,569</b>	<b>100.00</b>

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

(Thousands of yen)

	Q1/FY2010		Q1/FY2009		Inc/(Dec)		FY2009	
	Apr'10-Jun'10	%	Apr'09-Jun'09	%		%	Apr'09-Mar'10	%
<b>Net sales</b>	6,958,456	100.00	5,610,597	100.00	1,347,859	24.02	26,025,697	100.00
<b>Costs and expenses</b>								
Cost of sales	5,308,478	76.29	4,523,382	80.62	785,096	17.36	20,173,172	77.51
Selling, general and administrative expenses	1,207,091	17.35	1,183,283	21.09	23,808	2.01	4,624,944	17.77
	6,515,569	93.64	5,706,665	101.71	808,904	14.17	24,798,116	95.28
<b>Operating income</b>	442,887	6.36	(96,068)	(1.71)	538,955	-	1,227,581	4.72
<b>Other income (expenses):</b>								
Interest and dividends income	24,657		23,330				47,730	
Interest expenses	(14,467)		(14,517)				(63,740)	
Gain on sales of investment securities	-		-				7,508	
Loss on valuation of investment securities	(45)		-				-	
Gain on allotment of shares	14,678		-				-	
Foreign exchange gains (losses), net	(149,043)		(61,369)				(188,047)	
Gain on sales of noncurrent assets	-		2,314				6,759	
Loss on sales and retirement of noncurrent assets	(10,150)		(4,077)				(122,037)	
Reversal of allowance for doubtful accounts	2,287		51,420				68,154	
Insurance income	-		-				548	
Surrender value of insurance	-		16,988				17,609	
Gain on convertible insurance	-		55,657				55,657	
Impairment loss	-		(33,587)				(32,055)	
Business structure improvement expenses	-		(46,696)				(47,982)	
Other	230		3,165				27,736	
	(131,853)	(1.89)	(7,372)	(0.13)	(124,481)	-	(222,160)	(0.86)
<b>Income before income taxes</b>	311,034	4.47	(103,440)	(1.84)	414,474	-	1,005,421	3.86
<b>Income taxes</b>								
Income taxes-current	(104,994)	(1.51)	(16,385)	(0.29)	(88,609)	540.79	(284,035)	(1.09)
Income taxes-deferred	30,383	0.44	(12,674)	(0.23)	43,057	-	99,040	0.38
<b>Net income</b>	236,423	3.40	(132,499)	(2.36)	368,922	-	820,426	3.15
<b>Amounts per share of common stock:</b>								
Net income	11.82		(6.62)		18.44		41.01	
Diluted net income	-		-		-		-	
Cash dividends applicable to the period	-		-		-		15.00	

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

(Thousands of yen)

	Q1/FY2010 Apr'10-Jun'10	Q1/FY2009 Apr'09-Jun'09	FY2009 Apr'09-Mar'10
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	311,034	(103,440)	1,005,421
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	315,520	320,218	1,322,667
Impairment loss	-	33,587	32,055
Increase (decrease) in allowance for doubtful accounts	(781)	(57,236)	(82,238)
Increase (decrease) in provision for bonuses	(160,936)	(151,231)	55,259
Increase (decrease) in provision for retirement benefits	23,821	1,127	123,426
Loss (gain) on sales and retirement of noncurrent assets	10,150	1,763	115,278
Loss (gain) on sales of investment securities	-	-	(7,508)
Loss (gain) on valuation of investment securities	45	-	-
Gain on allotment of shares	(14,678)	-	-
Business structure improvement expenses	-	46,696	47,982
Payment for business structure improvement expenses	-	-	(647,156)
Foreign exchange losses (gains)	146,655	42,991	169,895
Other, net	(10,739)	(82,581)	(19,222)
Net changes in operating assets and liabilities			
Decrease (increase) in notes and accounts receivable-trade	(241,167)	(302,702)	(1,556,826)
Decrease (increase) in inventories	(233,457)	13,662	6,951
Decrease (increase) in other assets	(32,774)	186,668	298,162
Increase (decrease) in notes and accounts payable-trade	309,557	204,085	976,007
Increase (decrease) in other liabilities	279,569	107,476	185,590
Income taxes (paid) refund	(87,407)	(20,118)	(43,239)
<b>Net cash provided by (used in) operating activities</b>	<b>614,412</b>	<b>240,965</b>	<b>1,982,504</b>
<b>Net cash provided by (used in) investment activities</b>			
Proceeds from withdrawal of time deposits	-	15,859	15,601
Proceeds from sales of property, plant and equipment	-	2,314	36,761
Purchase of property, plant and equipment	(108,655)	(75,208)	(676,263)
Purchase of intangible assets	-	(7,039)	(11,219)
Proceeds from sales of investment securities	-	-	31,857
Other, net	(2,188)	280	19,330
<b>Net cash provided by (used in) investment activities</b>	<b>(110,843)</b>	<b>(63,794)</b>	<b>(583,933)</b>
<b>Net cash provided by (used in) financing activities</b>			
Decrease in short-term loans payable	-	-	(1,100,000)
Purchase of treasury stock	(45)	(38)	(116)
Repayments of lease obligations	(48,618)	(19,128)	(140,012)
Cash dividends paid	(180,309)	(60,710)	(180,782)
<b>Net cash provided by (used in) financing activities</b>	<b>(228,972)</b>	<b>(79,876)</b>	<b>(1,420,910)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(179,512)</b>	<b>(43,124)</b>	<b>(120,361)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>95,085</b>	<b>54,171</b>	<b>(142,700)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,848,341</b>	<b>4,991,041</b>	<b>4,991,041</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,943,426</b>	<b>5,045,212</b>	<b>4,848,341</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/FY2010 Apr'10-Jun'10	Q1/FY2009 Apr'09-Jun'09	FY2009 Apr'09-Mar'10
Cash and deposits	4,943,426	5,045,212	4,848,341
Cash and cash equivalents	4,943,426	5,045,212	4,848,341