

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

(Thousands of yen)

<b>ASSETS</b>	<b>Q2/FY2011</b>		<b>FY2010</b>		<b>Inc/(Dec)</b>		<b>Q2/FY2010</b>	
	<b>Sep 30, 2011</b>		<b>Mar 31, 2011</b>				<b>Sep 30, 2010</b>	
		%		%		%		%
<b>Current assets</b>								
Cash and deposits	3,465,664		4,335,151		(869,487)		4,921,030	
Receivables:								
Notes and accounts receivable-trade	6,569,650		5,590,626		979,024		6,645,419	
Allowance for doubtful accounts	(2,125)		(3,538)		1,413		(5,074)	
Inventories	2,911,670		2,752,195		159,475		2,685,758	
Deferred tax assets	298,352		309,565		(11,213)		319,766	
Other	622,172		503,311		118,861		499,711	
<b>Total current assets</b>	<b>13,865,383</b>	<b>64.53</b>	<b>13,487,310</b>	<b>63.25</b>	<b>378,073</b>	<b>2.80</b>	<b>15,066,610</b>	<b>65.65</b>
<b>Property, plant and equipment</b>								
Land	801,381		801,381		-		801,381	
Buildings and structures	3,901,812		3,998,467		(96,655)		3,984,061	
Machinery, vehicles, tools, furniture and fixtures	9,996,120		10,390,931		(394,811)		10,264,908	
Construction in progress	166,374		99,626		66,748		92,882	
Sub-total	14,865,687		15,290,405		(424,718)		15,143,232	
Accumulated depreciation	(9,894,179)		(10,128,465)		234,286		(9,758,315)	
<b>Net property, plant and equipment</b>	<b>4,971,508</b>	<b>23.14</b>	<b>5,161,940</b>	<b>24.21</b>	<b>(190,432)</b>	<b>(3.69)</b>	<b>5,384,917</b>	<b>23.46</b>
<b>Investments and other non-current assets</b>								
Investment securities	1,555,578		1,791,900		(236,322)		1,598,279	
Deferred tax assets	110,811		56,770		54,041		43,405	
Other	982,348		824,475		157,873		856,317	
<b>Total investments and other non-current assets</b>	<b>2,648,737</b>	<b>12.33</b>	<b>2,673,145</b>	<b>12.54</b>	<b>(24,408)</b>	<b>(0.91)</b>	<b>2,498,001</b>	<b>10.89</b>
<b>Total assets</b>	<b>21,485,628</b>	<b>100.00</b>	<b>21,322,395</b>	<b>100.00</b>	<b>163,233</b>	<b>0.77</b>	<b>22,949,528</b>	<b>100.00</b>
<b>LIABILITIES</b>								
	<b>Q2/FY2011</b>		<b>FY2010</b>		<b>Inc/(Dec)</b>		<b>Q2/FY2010</b>	
	<b>Sep 30, 2011</b>		<b>Mar 31, 2011</b>				<b>Sep 30, 2010</b>	
		%		%		%		%
<b>Current liabilities</b>								
Short-term loans payable	700,000		-		700,000		-	
Current portion of long-term loans payable	600,000		400,000		200,000		1,300,000	
Notes and accounts payable-trade	3,333,958		3,076,962		256,996		3,510,246	
Income taxes payable	59,772		187,882		(128,110)		168,315	
Accrued expenses	423,248		395,263		27,985		382,526	
Provision for bonuses	352,766		309,185		43,581		324,475	
Other	901,130		757,120		144,010		780,328	
<b>Total current liabilities</b>	<b>6,370,874</b>	<b>29.65</b>	<b>5,126,412</b>	<b>24.04</b>	<b>1,244,462</b>	<b>24.28</b>	<b>6,465,890</b>	<b>28.17</b>
<b>Noncurrent liabilities</b>								
Long-term loans payable	-		200,000		(200,000)		600,000	
Provision for retirement benefits	311,667		303,686		7,981		269,564	
Deferred tax liabilities	57,020		81,616		(24,596)		29,279	
Other	845,172		861,851		(16,679)		936,012	
<b>Total noncurrent liabilities</b>	<b>1,213,859</b>	<b>5.65</b>	<b>1,447,153</b>	<b>6.79</b>	<b>(233,294)</b>	<b>(16.12)</b>	<b>1,834,855</b>	<b>8.00</b>
<b>Total liabilities</b>	<b>7,584,733</b>	<b>35.30</b>	<b>6,573,565</b>	<b>30.83</b>	<b>1,011,168</b>	<b>15.38</b>	<b>8,300,745</b>	<b>36.17</b>
<b>NET ASSETS</b>								
Capital stock	3,996,269	18.60	3,996,269	18.74	-	-	3,996,269	17.41
Capital surplus	3,981,928	18.53	3,981,928	18.68	-	-	3,981,928	17.35
Retained earnings	8,176,820	38.06	8,607,390	40.37	(430,570)	(5.00)	8,680,890	37.83
Treasury stock	(991,103)	(4.61)	(991,041)	(4.65)	(62)	0.01	(990,915)	(4.32)
<b>Total shareholders' equity</b>	<b>15,163,914</b>	<b>70.58</b>	<b>15,594,546</b>	<b>73.14</b>	<b>(430,632)</b>	<b>(2.76)</b>	<b>15,668,172</b>	<b>68.27</b>
Valuation difference on available-for-sale securities	63,823	0.30	97,434	0.45	(33,611)	(34.50)	(29,295)	(0.13)
Foreign currency translation adjustment	(1,326,842)	(6.18)	(943,150)	(4.42)	(383,692)	40.68	(990,094)	(4.31)
<b>Total valuation and translation adjustments</b>	<b>(1,263,019)</b>	<b>(5.88)</b>	<b>(845,716)</b>	<b>(3.97)</b>	<b>(417,303)</b>	<b>49.34</b>	<b>(1,019,389)</b>	<b>(4.44)</b>
<b>Total net assets</b>	<b>13,900,895</b>	<b>64.70</b>	<b>14,748,830</b>	<b>69.17</b>	<b>(847,935)</b>	<b>(5.75)</b>	<b>14,648,783</b>	<b>63.83</b>
<b>Total liabilities and net assets</b>	<b>21,485,628</b>	<b>100.00</b>	<b>21,322,395</b>	<b>100.00</b>	<b>163,233</b>	<b>0.77</b>	<b>22,949,528</b>	<b>100.00</b>



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

	(Thousands of yen)		
	Q2/FY2011 Apr'11-Sep'11	Q2/FY2010 Apr'10-Sep'10	FY2010 Apr'10-Mar'11
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	(239,561)	604,986	908,476
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	560,554	630,063	1,252,328
Impairment loss	-	5,000	5,000
Increase (decrease) in allowance for doubtful accounts	(918)	363	(1,365)
Increase (decrease) in provision for bonuses	46,347	47,251	30,067
Increase (decrease) in provision for retirement benefits	7,981	36,579	70,726
Loss (gain) on sales and retirement of noncurrent assets	43,007	29,363	63,560
Loss (gain) on valuation of investment securities	179,651	46	-
Gain on allotment of shares	-	(14,678)	(14,678)
Foreign exchange losses (gains)	99,881	270,442	272,223
Other, net	(11,624)	(7,409)	9,440
Net changes in operating assets and liabilities			
Decrease (increase) in notes and accounts receivable-trade	(1,214,386)	(751,571)	338,788
Decrease (increase) in inventories	(287,177)	(305,471)	(353,104)
Decrease (increase) in other assets	(260,437)	(8,760)	72,006
Increase (decrease) in notes and accounts payable-trade	333,582	484,376	44,860
Increase (decrease) in other liabilities	188,279	(55,226)	(107,691)
Income taxes (paid) refund	(177,270)	(89,579)	(386,180)
<b>Net cash provided by (used in) operating activities</b>	<b>(732,091)</b>	<b>875,775</b>	<b>2,204,456</b>
<b>Net cash provided by (used in) investment activities</b>			
Payments into time deposits	-	(22,740)	(22,380)
Proceeds from withdrawal of time deposits	-	-	22,380
Proceeds from sales of property, plant and equipment	1,453	7,108	5,355
Purchase of property, plant and equipment	(339,548)	(208,683)	(460,368)
Purchase of intangible assets	(80,763)	(6,403)	(39,741)
Other, net	(16,213)	(11,555)	(36,333)
<b>Net cash provided by (used in) investment activities</b>	<b>(435,071)</b>	<b>(242,273)</b>	<b>(531,087)</b>
<b>Net cash provided by (used in) financing activities</b>			
Increase in short-term loans payable	700,000	-	-
Repayment of long-term loans payable	-	-	(1,300,000)
Purchase of treasury stock	(63)	(45)	(195)
Repayments of lease obligations	(125,694)	(101,757)	(215,269)
Cash dividends paid	(180,348)	(179,403)	(359,452)
Other, net	-	-	13
<b>Net cash provided by (used in) financing activities</b>	<b>393,895</b>	<b>(281,205)</b>	<b>(1,874,903)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(96,220)</b>	<b>(301,688)</b>	<b>(311,656)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(869,487)</b>	<b>50,609</b>	<b>(513,190)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,335,151</b>	<b>4,848,341</b>	<b>4,848,341</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,465,664</b>	<b>4,898,950</b>	<b>4,335,151</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)		
	Q2/FY2011 Apr'11-Sep'11	Q2/FY2010 Apr'10-Sep'10	FY2010 Apr'10-Mar'11
Cash and deposits	3,465,664	4,921,030	4,335,151
Time deposits with maturities longer than 3 months	-	(22,080)	-
<b>Cash and cash equivalents</b>	<b>3,465,664</b>	<b>4,898,950</b>	<b>4,335,151</b>