

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

ASSETS	Q4/FY2016 Mar 31, 2017	FY2015 Mar 31, 2016	Inc/(Dec)
Current assets			
Cash and deposits	5,818,150	4,055,233	1,762,917
Receivables:			
Notes and accounts receivable-trade	9,248,141	8,440,987	807,154
Allowance for doubtful accounts	(16,924)	(15,764)	(1,160)
Inventories	5,903,252	5,384,944	518,308
Deferred tax assets	457,075	275,625	181,450
Other	1,033,780	1,025,804	7,976
Total current assets	22,443,474	19,166,829	3,276,645
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	5,609,387	5,513,126	96,261
Accumulated depreciation	(3,424,392)	(3,366,342)	(58,050)
Buildings and structures, net	2,184,995	2,146,784	38,211
Machinery, equipment and vessels	8,526,475	8,343,486	182,989
Accumulated depreciation	(5,866,772)	(5,868,806)	2,034
Machinery, equipment and vessels, net	2,659,703	2,474,680	185,023
Tools, furniture and fixtures	6,012,167	5,657,673	354,494
Accumulated depreciation	(4,667,822)	(4,439,566)	(228,256)
Tools, furniture and fixtures, net	1,344,345	1,218,107	126,238
Land	757,666	758,468	(802)
Leased assets	1,397,339	1,160,033	237,306
Accumulated depreciation	(922,076)	(776,581)	(145,495)
Leased assets, net	475,263	383,452	91,811
Construction in progress	360,964	445,616	(84,652)
Property, plant and equipment	7,782,936	7,427,107	355,829
Intangible assets			
Leased assets	72,907	99,705	(26,798)
Other	506,957	621,736	(114,779)
Intangible assets	579,864	721,441	(141,577)
Other non-current assets			
Investment securities	1,667,897	1,466,608	201,289
Deferred tax assets	194,525	69,120	125,405
Other	651,113	597,354	53,759
Other non-current assets	2,513,535	2,133,082	380,453
Total noncurrent assets	10,876,335	10,281,630	594,705
Total assets	33,319,809	29,448,459	3,871,350

<u>LIABILITIES</u>	Q4/FY2016	FY2015	Inc/(Dec)
	Mar 31, 2017	Mar 31, 2016	
Current liabilities			
Notes and accounts payable-trade	4,690,101	3,925,945	764,156
Short-term loans payable	2,364,965	1,509,912	855,053
Lease obligations	203,519	205,745	(2,226)
Income taxes payable	188,500	65,983	122,517
Deferred tax liabilities	23,822	5,211	18,611
Provision for bonuses	425,981	384,034	41,947
Other	2,184,667	1,814,622	370,045
Total current liabilities	10,081,555	7,911,452	2,170,103
Noncurrent liabilities			
Long-term loans payable	1,600,000	1,600,000	-
Lease obligations	401,307	326,864	74,443
Deferred tax liabilities	78,009	168,155	(90,146)
Provision for product warranties	89,124	103,681	(14,557)
Net defined benefit liability	144,034	301,239	(157,205)
Long-term accounts payable	89,674	86,254	3,420
Total noncurrent liabilities	2,402,148	2,586,193	(184,045)
Total liabilities	12,483,703	10,497,645	1,986,058
<u>NET ASSETS</u>			
Shareholders' equity			
Capital stock	3,996,269	3,996,269	-
Capital surplus	3,981,928	3,981,928	-
Retained earnings	12,642,064	10,602,678	2,039,386
Treasury stock	(854,955)	(991,475)	136,520
Deposit for subscriptions to treasury shares	1,977	-	1,977
Total shareholders' equity	19,767,283	17,589,400	2,177,883
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	382,371	201,384	180,987
Foreign currency translation adjustment	406,640	819,060	(412,420)
Remeasurements of defined benefit plans	263,547	320,526	(56,979)
Total valuation and translation adjustments	1,052,558	1,340,970	(288,412)
Subscription rights to shares	16,265	20,444	(4,179)
Total net assets	20,836,106	18,950,814	1,885,292
Total liabilities and net assets	33,319,809	29,448,459	3,871,350

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

(Thousands of yen)

	Q4/FY2016 Apr'16-Mar'17	Q4/FY2015 Apr'15-Mar'16	Inc/(Dec)
Net sales	44,077,368	39,998,456	4,078,912
Costs and expenses			
Cost of sales	35,251,011	33,035,418	2,215,593
Selling, general and administrative expenses	6,309,783	5,905,739	404,044
	<u>41,560,794</u>	<u>38,941,157</u>	<u>2,619,637</u>
Operating income	<u>2,516,574</u>	<u>1,057,299</u>	<u>1,459,275</u>
Other income (expenses)			
Interest and dividends income	46,619	54,986	(8,367)
Interest expenses	(56,320)	(39,433)	(16,887)
Foreign exchange gains (losses), net	62,347	(287,785)	350,132
Gain on sales of investment securities	-	558,355	(558,355)
Product warranties expenses	(16,358)	(423,070)	406,712
Provision for product warranties	(102,142)	(110,545)	8,403
Other	(105,724)	14,125	(119,849)
	<u>(171,578)</u>	<u>(233,367)</u>	<u>61,789</u>
Income before income taxes	<u>2,344,996</u>	<u>823,932</u>	<u>1,521,064</u>
Income taxes			
Income taxes-current and prior periods	533,544	307,325	226,219
Income taxes-deferred	(566,141)	104,273	(670,414)
Total income taxes	<u>(32,597)</u>	<u>411,598</u>	<u>(444,195)</u>
Profit (loss)	<u>2,377,593</u>	<u>412,334</u>	<u>1,965,259</u>
Profit (loss) attributable to non-controlling interests	(4,175)	-	(4,175)
Profit (loss) attributable to owners of parent	<u>2,381,768</u>	<u>412,334</u>	<u>1,969,434</u>
Amounts per share of common stock:			
Net income	118.94	20.61	98.33
Diluted net income	118.59	20.58	98.01
Cash dividends applicable to the period	18.00	14.00	4.00

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

	Q4/FY2016 Apr'16-Mar'17	Q4/FY2015 Apr'15-Mar'16	Inc/(Dec)
Profit (loss)	<u>2,377,593</u>	<u>412,334</u>	<u>1,965,259</u>
Other comprehensive income			
Valuation difference on available-for-sale securities	180,987	(534,035)	715,022
Foreign currency translation adjustment	(412,290)	(803,894)	391,604
Remeasurements of defined benefit plans, net of tax	(56,979)	(56,123)	(856)
Total other comprehensive income	<u>(288,282)</u>	<u>(1,394,052)</u>	<u>1,105,770</u>
Comprehensive income	<u>2,089,311</u>	<u>(981,718)</u>	<u>3,071,029</u>
Comprehensive income attributable to abstract			
Comprehensive income attributable to owners of the parent	2,093,356	(981,718)	3,075,074
Comprehensive income attributable to non-controlling interest	(4,045)	-	(4,045)

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

	(Thousands of yen)	
	Q4/FY2016 Apr'16-Mar'17	Q4/FY2015 Apr'15-Mar'16
Net cash provided by (used in) operating activities		
Income before income taxes	2,344,996	823,932
Adjustments to reconcile income before income taxes		
To net cash provided by (used in) operating activities:		
Depreciation and amortization	1,700,378	1,733,981
Increase (decrease) in allowance for doubtful accounts	1,132	(3,559)
Increase (decrease) in provision for bonuses	44,036	39,791
Increase (decrease) in provision for product warranties	(14,557)	103,681
Increase (decrease) in net defined benefit liability	24,288	12,311
Loss (gain) on sales and retirement of noncurrent assets	26,741	14,317
Loss (gain) on sales of investment securities	-	(558,355)
Product warranties expenses	16,358	423,070
Foreign exchange losses (gains)	(33,640)	312,021
Other, net	(17,463)	1,369
Net changes in operating assets and liabilities		
Decrease (increase) in notes and accounts receivable-trade	(825,638)	(1,577,562)
Decrease (increase) in inventories	(640,226)	(299,398)
Decrease (increase) in other assets	(42,651)	(276,331)
Increase (decrease) in notes and accounts payable-trade	797,236	332,223
Increase (decrease) in other liabilities	559,130	(21,837)
Income taxes (paid) refund	(459,790)	(298,755)
Net cash provided by (used in) operating activities	3,284,752	535,923
Net cash provided by (used in) investment activities		
Proceeds from sales of property, plant and equipment	17,457	7,278
Purchase of property, plant and equipment	(1,779,423)	(1,367,436)
Purchase of intangible assets	(98,131)	(85,300)
Proceeds from sales of investment securities	-	698,042
Other, net	(42,672)	18,315
Net cash provided by (used in) investment activities	(1,902,769)	(729,101)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	814,290	4,345
Proceeds from long-term loans payable	-	1,600,000
Repayments of lease obligations	(213,147)	(211,624)
Cash dividends paid	(278,773)	(319,274)
Proceeds from issuance of subscription rights to shares	65,936	-
Other, net	5,658	(120)
Net cash provided by (used in) financing activities	393,964	1,073,327
Effect of exchange rate changes on cash and cash equivalents	(13,030)	(370,531)
Net increase (decrease) in cash and cash equivalents	1,762,917	509,618
Cash and cash equivalents at beginning of year	4,055,233	3,545,615
Cash and cash equivalents at end of period	5,818,150	4,055,233

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)	
	Q4/FY2016 Apr'16-Mar'17	Q4/FY2015 Apr'15-Mar'16
Cash and deposits	5,818,150	4,055,233
Time deposits with maturities longer than 3 months	-	-
Cash and cash equivalents	5,818,150	4,055,233