

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

ASSETS	Q4/FY2017 Mar 31, 2018	FY2016 Mar 31, 2017	Inc/(Dec)
Current assets			
Cash and deposits	4,596,903	5,818,150	(1,221,247)
Receivables:			
Notes and accounts receivable-trade	11,485,491	9,248,141	2,237,350
Allowance for doubtful accounts	(12,468)	(16,924)	4,456
Inventories	7,334,099	5,903,252	1,430,847
Deferred tax assets	467,982	457,075	10,907
Other	996,278	1,033,780	(37,502)
Total current assets	24,868,285	22,443,474	2,424,811
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	5,820,650	5,609,387	211,263
Accumulated depreciation	(3,542,958)	(3,424,392)	(118,566)
Buildings and structures, net	2,277,692	2,184,995	92,697
Machinery, equipment and vessels	9,277,761	8,526,475	751,286
Accumulated depreciation	(6,505,505)	(5,866,772)	(638,733)
Machinery, equipment and vessels, net	2,772,256	2,659,703	112,553
Tools, furniture and fixtures	6,848,118	6,012,167	835,951
Accumulated depreciation	(5,167,166)	(4,667,822)	(499,344)
Tools, furniture and fixtures, net	1,680,952	1,344,345	336,607
Land	757,666	757,666	-
Leased assets	1,567,759	1,397,339	170,420
Accumulated depreciation	(993,144)	(922,076)	(71,068)
Leased assets, net	574,615	475,263	99,352
Construction in progress	913,772	360,964	552,808
Property, plant and equipment	8,976,953	7,782,936	1,194,017
Intangible assets			
Leased assets	76,302	72,907	3,395
Other	497,551	506,957	(9,406)
Intangible assets	573,853	579,864	(6,011)
Other non-current assets			
Investment securities	2,033,506	1,667,897	365,609
Net defined benefit asset	131,293	-	131,293
Deferred tax assets	97,392	194,525	(97,133)
Other	609,634	651,113	(41,479)
Other non-current assets	2,871,825	2,513,535	358,290
Total noncurrent assets	12,422,631	10,876,335	1,546,296
Total assets	37,290,916	33,319,809	3,971,107

LIABILITIES	Q4/FY2017 Mar 31, 2018	FY2016 Mar 31, 2017	Inc/(Dec)
Current liabilities			
Notes and accounts payable-trade	5,765,480	4,690,101	1,075,379
Short-term loans payable	2,239,539	2,364,965	(125,426)
Current portion of long-term loans payable	1,600,000	-	1,600,000
Lease obligations	205,027	203,519	1,508
Income taxes payable	269,469	188,500	80,969
Deferred tax liabilities	-	23,822	(23,822)
Provision for bonuses	500,490	425,981	74,509
Other	2,454,200	2,184,667	269,533
Total current liabilities	13,034,205	10,081,555	2,952,650
Noncurrent liabilities			
Long-term loans payable	-	1,600,000	(1,600,000)
Lease obligations	516,769	401,307	115,462
Deferred tax liabilities	282,221	78,009	204,212
Provision for product warranties	-	89,124	(89,124)
Net defined benefit liability	159,683	144,034	15,649
Long-term accounts payable	13,885	89,674	(75,789)
Total noncurrent liabilities	972,558	2,402,148	(1,429,590)
Total liabilities	14,006,763	12,483,703	1,523,060
NET ASSETS			
Shareholders' equity			
Capital stock	3,996,269	3,996,269	-
Capital surplus	3,981,928	3,981,928	-
Retained earnings	14,519,069	12,642,064	1,877,005
Treasury stock	(729,045)	(854,955)	125,910
Deposit for subscriptions to treasury shares	-	1,977	(1,977)
Total shareholders' equity	21,768,221	19,767,283	2,000,938
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	636,088	382,371	253,717
Foreign currency translation adjustment	564,846	406,640	158,206
Remeasurements of defined benefit plans	306,717	263,547	43,170
Total valuation and translation adjustments	1,507,651	1,052,558	455,093
Subscription rights to shares	8,281	16,265	(7,984)
Total net assets	23,284,153	20,836,106	2,448,047
Total liabilities and net assets	37,290,916	33,319,809	3,971,107

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

(Thousands of yen)

	Q4/FY2017 Apr'17-Mar'18	Q4/FY2016 Apr'16-Mar'17	Inc/(Dec)
Net sales	51,919,194	44,077,368	7,841,826
Costs and expenses			
Cost of sales	41,811,552	35,251,011	6,560,541
Selling, general and administrative expenses	6,971,711	6,309,783	661,928
	<u>48,783,263</u>	<u>41,560,794</u>	<u>7,222,469</u>
Operating income	<u>3,135,931</u>	<u>2,516,574</u>	<u>619,357</u>
Other income (expenses)			
Interest and dividends income	57,192	46,619	10,573
Interest expenses	(78,871)	(56,320)	(22,551)
Foreign exchange gains (losses), net	(305,419)	62,347	(367,766)
Other	204,163	(224,224)	428,387
	<u>(122,935)</u>	<u>(171,578)</u>	<u>48,643</u>
Income before income taxes	<u>3,012,996</u>	<u>2,344,996</u>	<u>668,000</u>
Income taxes			
Income taxes-current and prior periods	545,862	533,544	12,318
Income taxes-deferred	129,562	(566,141)	695,703
Total income taxes	<u>675,424</u>	<u>(32,597)</u>	<u>708,021</u>
Profit (loss)	<u>2,337,572</u>	<u>2,377,593</u>	<u>(40,021)</u>
Profit (loss) attributable to non-controlling interests	-	(4,175)	4,175
Profit (loss) attributable to owners of parent	<u>2,337,572</u>	<u>2,381,768</u>	<u>(44,196)</u>
Amounts per share of common stock:			
Net income	115.82	118.94	(3.12)
Diluted net income	115.41	118.59	(3.18)
Cash dividends applicable to the period	22.00	18.00	4.00

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

	Q4/FY2017 Apr'17-Mar'18	Q4/FY2016 Apr'16-Mar'17	Inc/(Dec)
Profit (loss)	<u>2,337,572</u>	<u>2,377,593</u>	<u>(40,021)</u>
Other comprehensive income			
Valuation difference on available-for-sale securities	253,717	180,987	72,730
Foreign currency translation adjustment	158,206	(412,290)	570,496
Remeasurements of defined benefit plans, net of tax	43,170	(56,979)	100,149
Total other comprehensive income	<u>455,093</u>	<u>(288,282)</u>	<u>743,375</u>
Comprehensive income	<u>2,792,665</u>	<u>2,089,311</u>	<u>703,354</u>
Comprehensive income attributable to abstract			
Comprehensive income attributable to owners of the parent	2,792,665	2,093,356	699,309
Comprehensive income attributable to non-controlling interests	-	(4,045)	4,045

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

	(Thousands of yen)	
	Q4/FY2017 Apr'17-Mar'18	Q4/FY2016 Apr'16-Mar'17
Net cash provided by (used in) operating activities		
Income before income taxes	3,012,996	2,344,996
Adjustments to reconcile income before income taxes		
To net cash provided by (used in) operating activities:		
Depreciation and amortization	1,880,849	1,700,378
Increase (decrease) in allowance for doubtful accounts	(3,788)	1,132
Increase (decrease) in provision for bonuses	74,086	44,036
Increase (decrease) in provision for product warranties	(89,767)	(14,557)
Increase (decrease) in net defined benefit asset and liability	(53,690)	24,288
Loss (gain) on sales and retirement of noncurrent assets	62,625	26,741
Loss (gain) on sales of investment securities	(259)	-
Foreign exchange losses (gains)	214,929	(33,640)
Other, net	(39,480)	(196,683)
Net changes in operating assets and liabilities		
Decrease (increase) in notes and accounts receivable-trade	(2,359,462)	(825,638)
Decrease (increase) in inventories	(1,480,416)	(640,226)
Decrease (increase) in other assets	38,784	(42,651)
Increase (decrease) in notes and accounts payable-trade	1,130,052	797,236
Increase (decrease) in other liabilities	66,974	559,130
Income taxes (paid) refund	(473,845)	(459,790)
Net cash provided by (used in) operating activities	1,980,588	3,284,752
Net cash provided by (used in) investment activities		
Proceeds from sales of property, plant and equipment	17,912	17,457
Purchase of property, plant and equipment	(2,285,894)	(1,779,423)
Purchase of intangible assets	(277,376)	(98,131)
Proceeds from sales of investment securities	365	-
Other, net	26,186	(42,672)
Net cash provided by (used in) investment activities	(2,518,807)	(1,902,769)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	814,290
Repayments of lease obligations	(208,249)	(213,147)
Cash dividends paid	(402,001)	(278,773)
Proceeds from issuance of subscription rights to shares	60,964	65,936
Other, net	(659)	5,658
Net cash provided by (used in) financing activities	(549,945)	393,964
Effect of exchange rate changes on cash and cash equivalents	(133,083)	(13,030)
Net increase (decrease) in cash and cash equivalents	(1,221,247)	1,762,917
Cash and cash equivalents at beginning of year	5,818,150	4,055,233
Cash and cash equivalents at end of period	4,596,903	5,818,150

The reconciliation of cash and deposits shown in the consolidated balance sheets and cash and cash equivalent shown in the consolidated statements of cash flows are as follows:

	(Thousands of yen)	
	Q4/FY2017 Apr'17-Mar'18	Q4/FY2016 Apr'16-Mar'17
Cash and deposits	4,596,903	5,818,150
Time deposits with maturities longer than 3 months	-	-
Cash and cash equivalents	4,596,903	5,818,150