

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

<u>ASSETS</u>	<u>Q2/FY2018</u> <u>Sep 30, 2018</u>	<u>FY2017</u> <u>Mar 31, 2018</u>	<u>Inc/(Dec)</u>
Current assets			
Cash and deposits	8,638,481	4,596,903	4,041,578
Receivables:			
Notes and accounts receivable-trade	11,276,085	11,485,491	(209,406)
Allowance for doubtful accounts	(13,754)	(12,468)	(1,286)
Inventories	7,923,372	7,334,099	589,273
Other	1,194,291	996,278	198,013
Total current assets	29,018,475	24,400,303	4,618,172
Noncurrent assets			
Net property, plant and equipment	10,044,347	8,976,953	1,067,394
Intangible assets	627,685	573,853	53,832
Net defined benefit asset	146,918	131,293	15,625
Investments and other non-current assets	2,785,444	2,947,616	(162,172)
Total noncurrent assets	13,604,394	12,629,715	974,679
Total assets	42,622,869	37,030,018	5,592,851
	<u>Q2/FY2018</u> <u>Sep 30, 2018</u>	<u>FY2017</u> <u>Mar 31, 2018</u>	<u>Inc/(Dec)</u>
LIABILITIES			
Current liabilities			
Notes and accounts payable-trade	6,560,858	5,765,480	795,378
Short-term loans payable	3,594,056	2,239,539	1,354,517
Current portion of long-term loans payable	1,600,000	1,600,000	-
Income taxes payable	290,937	269,469	21,468
Provision for bonuses	652,064	500,490	151,574
Other	3,156,087	2,659,228	496,859
Total current liabilities	15,854,002	13,034,206	2,819,796
Noncurrent liabilities			
Long-term loans payable	1,800,000	-	1,800,000
Net defined benefit liability	165,013	159,683	5,330
Other	554,798	551,976	2,822
Total noncurrent liabilities	2,519,811	711,659	1,808,152
Total liabilities	18,373,813	13,745,865	4,627,948
NET ASSETS			
Shareholders' equity			
Capital stock	3,996,269	3,996,269	-
Capital surplus	3,981,928	3,981,928	-
Retained earnings	15,519,333	14,519,069	1,000,264
Treasury stock	(720,327)	(729,045)	8,718
Total shareholders' equity	22,777,203	21,768,221	1,008,982
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	569,582	636,088	(66,506)
Foreign currency translation adjustment	624,538	564,846	59,692
Remeasurements of defined benefit plans	268,022	306,717	(38,695)
Total valuation and translation adjustments	1,462,142	1,507,651	(45,509)
Subscription rights to shares	7,689	8,281	(592)
Non-controlling interest	2,022	-	2,022
Total net assets	24,249,056	23,284,153	964,903
Total liabilities and net assets	42,622,869	37,030,018	5,592,851

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

(Thousands of yen)

	Q2/FY2018 Apr'18-Sep'18	Q2/FY2017 Apr'17-Sep'17	Inc/(Dec)
Net sales	26,645,144	24,765,945	1,879,199
Costs and expenses			
Cost of sales	21,793,660	19,949,563	1,844,097
Selling, general and administrative expenses	3,526,711	3,499,405	27,306
	<u>25,320,371</u>	<u>23,448,968</u>	<u>1,871,403</u>
Operating income	<u>1,324,773</u>	<u>1,316,977</u>	<u>7,796</u>
Other income (expenses)			
Interest and dividends income	25,570	23,927	1,643
Interest expenses	(44,675)	(37,588)	(7,087)
Foreign exchange gains (losses), net	409,952	5,633	404,319
Other	17,811	55,025	(37,214)
	<u>408,658</u>	<u>46,997</u>	<u>361,661</u>
Income before income taxes	<u>1,733,431</u>	<u>1,363,974</u>	<u>369,457</u>
Income taxes			
Income taxes-current and prior periods	307,574	289,507	18,067
Income taxes-deferred	136,424	3,068	133,356
Total income taxes	<u>443,998</u>	<u>292,575</u>	<u>151,423</u>
Profit (loss)	<u>1,289,433</u>	<u>1,071,399</u>	<u>218,034</u>
Profit (loss) attributable to non-controlling interests	1,963	-	1,963
Profit (loss) attributable to owners of parent	<u>1,287,470</u>	<u>1,071,399</u>	<u>216,071</u>
Amounts per share of common stock:			
Net income	63.64	53.14	10.50
Diluted net income	63.41	52.90	10.51
Cash dividends applicable to the period	12.00	8.00	4.00

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

	Q2/FY2018 Apr'18-Sep'18	Q2/FY2017 Apr'17-Sep'17	Inc/(Dec)
Profit (loss)	<u>1,289,433</u>	<u>1,071,399</u>	<u>218,034</u>
Other comprehensive income			
Valuation difference on available-for-sale securities	(66,506)	382,641	(449,147)
Foreign currency translation adjustment	59,751	281,086	(221,335)
Remeasurements of defined benefit plans, net of tax	(38,695)	(8,960)	(29,735)
Total other comprehensive income	<u>(45,450)</u>	<u>654,767</u>	<u>(700,217)</u>
Comprehensive income	<u>1,243,983</u>	<u>1,726,166</u>	<u>(482,183)</u>
Comprehensive income attributable to abstract			
Comprehensive income attributable to owners of the parent	1,241,961	1,726,166	(484,205)
Comprehensive income attributable to minority interests	2,022	-	2,022

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

	(Thousands of yen)	
	Q2/FY2018 Apr'18-Sep'18	Q2/FY2017 Apr'17-Sep'17
Net cash provided by (used in) operating activities		
Income before income taxes	1,733,431	1,363,974
Adjustments to reconcile income before income taxes		
To net cash provided by (used in) operating activities:		
Depreciation and amortization	982,814	909,630
Increase (decrease) in allowance for doubtful accounts	525	(1,687)
Increase (decrease) in provision for bonuses	151,053	147,615
Increase (decrease) in net defined benefit liability	(66,323)	56
Loss (gain) on sales and retirement of noncurrent assets	9,242	31,583
Foreign exchange losses (gains)	(163,697)	(46,650)
Other, net	42,999	25,192
Net changes in operating assets and liabilities		
Decrease (increase) in notes and accounts receivable-trade	534,266	(1,109,385)
Decrease (increase) in inventories	(423,061)	(1,136,910)
Decrease (increase) in other assets	(49,039)	(293,332)
Increase (decrease) in notes and accounts payable-trade	423,841	1,319,941
Increase (decrease) in other liabilities	65,755	(15,242)
Income taxes (paid) refund	(285,413)	(211,897)
Net cash provided by (used in) operating activities	2,956,393	982,888
Net cash provided by (used in) investment activities		
Proceeds from sales of property, plant and equipment	16,759	13,191
Purchase of property, plant and equipment	(1,654,978)	(977,123)
Purchase of intangible assets	(113,501)	(111,296)
Other, net	(795)	52,577
Net cash provided by (used in) investment activities	(1,752,515)	(1,022,651)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,200,000	-
Proceeds from long-term loans payable	1,800,000	-
Repayments of lease obligations	(105,494)	(107,398)
Cash dividends paid	(281,938)	(240,180)
Proceeds from issuance of subscription rights to shares	4,237	37,234
Other, net	(81)	1,701
Net cash provided by (used in) financing activities	2,616,724	(308,643)
Effect of exchange rate changes on cash and cash equivalents	220,976	61,008
Net increase (decrease) in cash and cash equivalents	4,041,578	(287,398)
Cash and cash equivalents at beginning of year	4,596,903	5,818,150
Cash and cash equivalents at end of period	8,638,481	5,530,752

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)	
	Q2/FY2018 Apr'18-Sep'18	Q2/FY2017 Apr'17-Sep'17
Cash and deposits	8,638,481	5,530,752
Time deposits with maturities longer than 3 months	-	-
Cash and cash equivalents	8,638,481	5,530,752