

YOKOWO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Q2/FY2019	FY2018	Inc/(Dec)
	Sep 30, 2019	Mar 31, 2019	
Current assets			
Cash and deposits	6,944	7,190	(246)
Receivables:			
Notes and accounts receivable-trade	11,760	11,582	178
Allowance for doubtful accounts	(4)	(5)	1
Inventories	8,893	8,174	719
Other	1,504	1,387	117
Total current assets	29,097	28,328	769
Noncurrent assets			
Net property, plant and equipment	11,317	10,859	458
Intangible assets	775	717	58
Net defined benefit asset	26	16	10
Investments and other non-current assets	2,659	2,861	(202)
Total noncurrent assets	14,777	14,453	324
Total assets	43,874	42,781	1,093
LIABILITIES	Q2/FY2019	FY2018	Inc/(Dec)
	Sep 30, 2019	Mar 31, 2019	
Current liabilities			
Notes and accounts payable-trade	6,660	6,019	641
Short-term loans payable	3,471	3,540	(69)
Income taxes payable	400	331	69
Provision for bonuses	779	540	239
Provision for product warranties	-	365	(365)
Other	3,219	3,327	(108)
Total current liabilities	14,529	14,122	407
Noncurrent liabilities			
Long-term loans payable	3,400	3,400	-
Net defined benefit liability	178	174	4
Other	598	599	(1)
Total noncurrent liabilities	4,176	4,173	3
Total liabilities	18,705	18,295	410
NET ASSETS			
Shareholders' equity			
Capital stock	3,996	3,996	-
Capital surplus	3,982	3,982	-
Retained earnings	17,547	16,197	1,350
Treasury stock	(692)	(720)	28
Deposit for subscriptions to treasury shares	-	1	(1)
Total shareholders' equity	24,833	23,456	1,377
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	327	356	(29)
Foreign currency translation adjustment	(127)	526	(653)
Remeasurements of defined benefit plans	116	136	(20)
Total valuation and translation adjustments	316	1,018	(702)
Subscription rights to shares	6	7	(1)
Non-controlling interest	14	5	9
Total net assets	25,169	24,486	683
Total liabilities and net assets	43,874	42,781	1,093

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

(Millions of yen)

	Q2/FY2019 Apr'19-Sep'19	Q2/FY2018 Apr'18-Sep'18	Inc/(Dec)
Net sales	29,934	26,645	3,289
Costs and expenses			
Cost of sales	23,391	21,794	1,597
Selling, general and administrative expenses	4,039	3,526	513
	<u>27,430</u>	<u>25,320</u>	<u>2,110</u>
Operating income	<u>2,504</u>	<u>1,325</u>	<u>1,179</u>
Other income (expenses)			
Interest and dividends income	35	25	10
Interest expenses	(57)	(45)	(12)
Foreign exchange gains (losses), net	(244)	410	(654)
Other	(45)	18	(63)
	<u>(311)</u>	<u>408</u>	<u>(719)</u>
Income before income taxes	<u>2,193</u>	<u>1,733</u>	<u>460</u>
Income taxes			
Income taxes-current and prior periods	491	308	183
Income taxes-deferred	48	136	(88)
Total income taxes	<u>539</u>	<u>444</u>	<u>95</u>
Profit (loss)	<u>1,654</u>	<u>1,289</u>	<u>365</u>
Profit (loss) attributable to non-controlling interests	8	2	6
Profit (loss) attributable to owners of parent	<u>1,646</u>	<u>1,287</u>	<u>359</u>
Amounts per share of common stock:			
Net income	81.30	63.64	17.66
Diluted net income	81.07	63.41	17.66
Cash dividends applicable to the period	14.00	12.00	2.00

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

	Q2/FY2019 Apr'19-Sep'19	Q2/FY2018 Apr'18-Sep'18	Inc/(Dec)
Profit (loss)	<u>1,654</u>	<u>1,289</u>	<u>365</u>
Other comprehensive income			
Valuation difference on available-for-sale securities	(29)	(67)	38
Foreign currency translation adjustment	(653)	60	(713)
Remeasurements of defined benefit plans, net of tax	(19)	(38)	19
Total other comprehensive income	<u>(701)</u>	<u>(45)</u>	<u>(656)</u>
Comprehensive income	<u>953</u>	<u>1,244</u>	<u>(291)</u>
Comprehensive income attributable to abstract			
Comprehensive income attributable to owners of the parent	945	1,242	(297)
Comprehensive income attributable to minority interests	8	2	6

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

	(Millions of yen)	
	Q2/FY2019	Q2/FY2018
	Apr'19-Sep'19	Apr'18-Sep'18
Net cash provided by (used in) operating activities		
Income before income taxes	2,193	1,733
Adjustments to reconcile income before income taxes		
To net cash provided by (used in) operating activities:		
Depreciation and amortization	1,291	983
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	248	151
Increase (decrease) in provision for product warranties	(365)	-
Increase (decrease) in net defined benefit asset and liability	(33)	(66)
Loss (gain) on sales and retirement of noncurrent assets	5	9
Foreign exchange losses (gains)	85	(164)
Other, net	10	42
Net changes in operating assets and liabilities		
Decrease (increase) in notes and accounts receivable-trade	(664)	534
Decrease (increase) in inventories	(1,017)	(423)
Decrease (increase) in other assets	(120)	(49)
Increase (decrease) in notes and accounts payable-trade	1,128	424
Increase (decrease) in other liabilities	(69)	66
Income taxes (paid) refund	(412)	(285)
Net cash provided by (used in) operating activities	2,280	2,956
Net cash provided by (used in) investment activities		
Proceeds from sales of property, plant and equipment	8	17
Purchase of property, plant and equipment	(1,642)	(1,655)
Purchase of intangible assets	(169)	(114)
Other, net	(27)	(1)
Net cash provided by (used in) investment activities	(1,830)	(1,753)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4)	1,200
Proceeds from long-term loans payable	-	1,800
Repayments of lease obligations	(187)	(105)
Cash dividends paid	(282)	(282)
Proceeds from issuance of subscription rights to shares	13	4
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(461)	2,617
Effect of exchange rate changes on cash and cash equivalents	(235)	221
Net increase (decrease) in cash and cash equivalents	(246)	4,041
Cash and cash equivalents at beginning of year	7,190	4,597
Cash and cash equivalents at end of period	6,944	8,638

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:

	(Millions of yen)	
	Q2/FY2019	Q2/FY2018
	Apr'19-Sep'19	Apr'18-Sep'18
Cash and deposits	6,944	8,638
Time deposits with maturities longer than 3 months	-	-
Cash and cash equivalents	6,944	8,638