

**Interim Non-consolidated Financial Statements for the Fiscal Year Ending March 31, 2008**

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**(1) Balance Sheets**

(Thousands of yen)

Account	First half of FY2006 (As of Sep. 30, 2006)		First half of FY2007 (As of Sep. 30, 2007)		FY2006 selected data (As of Mar. 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
<b>Assets</b>						
I Current assets						
1. Cash and deposits	287,395		404,754		223,147	
2. Notes receivable	142,847		98,238		143,644	
3. Accounts receivable - trade	408,245		430,308		657,184	
4. Securities	742,393		744,766		743,360	
5. Inventories	118,340		153,853		107,375	
6. Other current assets	92,060		76,428		86,574	
Reserve for doubtful receivables	(100)		(100)		(100)	
Total current assets	1,791,182	73.2	1,908,249	75.3	1,961,188	75.5
II Fixed assets						
1. Property, plant and equipment	98,296		96,357		98,083	
2. Intangible assets						
(1) Software in process	12,166		18,489		1,124	
(2) Other	103,606		80,557		100,860	
Total intangible assets	115,772		99,047		101,985	
3. Investments and other assets						
(1) Investment securities	374,224		390,186		395,388	
(2) Affiliate stock	28,500		3,500		3,500	
(3) Claim in bankruptcy	162,498		20,321		76,972	
(4) Other investments and other assets	41,505		41,461		41,909	
Reserve for doubtful receivables	(166,433)		(24,256)		(80,907)	
Total other investments and other assets	440,295		431,213		436,862	
Total fixed assets	654,364	26.8	626,617	24.7	636,931	24.5
Total assets	2,445,547	100.0	2,534,866	100.0	2,598,120	100.0

(Thousands of yen)

Account	First half of FY2006 (As of Sep. 30, 2006)		First half of FY2007 (As of Sep. 30, 2007)		FY2006 selected data (As of Mar. 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
<b>Liabilities</b>						
I Current liabilities						
1. Accounts payable - trade	90,514		83,263		86,602	
2. Income tax payable	6,337		6,602		10,224	
3. Reserve for accrued bonuses	34,806		36,639		31,180	
4. Allowance for product warranty	-		15,300		-	
5. Other current liabilities	76,787		93,212		80,301	
Total current liabilities		208,444		235,017		208,308
		8.5		9.3		8.0
II Long-term liabilities						
1. Corporate bonds	42,000		-		-	
2. Reserve for employees' retirement benefits	33,151		33,958		34,785	
3. Reserve for directors' retirement benefits	28,271		44,458		36,365	
4. Other long-term liabilities	190		190		190	
Total long-term liabilities		103,613		78,607		71,341
		4.3		3.1		2.8
Total liabilities		312,058		313,624		279,649
		12.8		12.4		10.8
<b>Net assets</b>						
I Shareholders' equity						
1. Common stock		1,202,036		1,202,036		1,202,036
		49.1		47.4		46.2
2. Capital surplus						
(1) Additional paid-in capital	300,000		300,000		300,000	
(2) Other capital surplus	731,862		731,862		731,862	
Total capital surplus		1,031,862		1,031,862		1,031,862
		42.2		40.7		39.7
3. Retained earnings						
(1) Legal reserve	-		509		-	
(2) Other retained earnings						
Retained earnings carried forward	36,255		108,047		202,679	
Total retained earnings		36,255		108,556		202,679
		1.5		4.3		7.8
4. Treasury stock	(99,185)	(4.1)	(99,206)	(3.9)	(99,185)	(3.8)
Total shareholders' equity		2,170,968		2,243,249		2,337,391
		88.7		88.5		89.9
II Valuation and translation adjustments						
1. Net unrealized gain (loss) on other securities	(37,479)	(1.5)	(22,007)	(0.9)	(18,920)	(0.7)
Total valuation and translation adjustments		(37,479)		(22,007)		(18,920)
		(1.5)		(0.9)		(0.7)
Total net assets		2,133,489		2,221,241		2,318,471
		87.2		87.6		89.2
Total liabilities and net assets		2,445,547		2,534,866		2,598,120
		100.0		100.0		100.0

**(2) Statements of Income**

(Thousands of yen)

Account	First half of FY2006 (Apr. 1, 2006 – Sep. 30, 2006)		First half of FY2007 (Apr. 1, 2007 – Sep. 30, 2007)		FY2006 selected data (Apr. 1, 2006 – Mar. 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
I Net sales	838,444	100.0	793,087	100.0	1,954,039	100.0
II Cost of sales	466,223	55.6	492,992	62.2	1,118,735	57.3
Gross profit	372,220	44.4	300,095	37.8	835,304	42.7
III SG&A expenses	389,724	46.5	420,874	53.0	762,442	39.0
Operating income (loss)	(17,503)	(2.1)	(120,779)	(15.2)	72,862	3.7
IV Non-operating income	12,384	1.5	13,080	1.6	24,528	1.2
V Non-operating expenses	1,027	0.1	1,522	0.2	2,735	0.1
Ordinary income (loss)	(6,146)	(0.7)	(109,221)	(13.8)	94,654	4.8
VI Extraordinary income	66,061	7.9	57,370	7.2	152,087	7.8
VII Extraordinary loss	18,144	2.2	767	0.0	29,588	1.5
Net income (loss) before income taxes	41,770	5.0	(52,618)	(6.6)	217,153	11.1
Income taxes -current	2,881		3,496		5,762	
Income taxes -deferred	2,633	5,514	(14,368)	(10,872)	8,712	14,474
Net income (loss)	36,255	4.3	(41,746)	(5.3)	202,679	10.4

### (3) Statement of Changes in Shareholders' Equity

First half of FY2006 (Apr. 1, 2006 – Sep. 30, 2006)

(Thousands of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance as of Mar. 31, 2006	1,202,036	300,000	808,006	1,108,006	(35,925)	(35,925)	(15,810)	2,258,307
Changes in the current period								
Dividend of surplus (note)			(40,219)	(40,219)				(40,219)
Compensation for loss (note)			(35,925)	(35,925)	35,925	35,925		-
Net income					36,255	36,255		36,255
Acquisition of treasury stock							(83,375)	(83,375)
Changes (net) in items other than shareholders' equity								
Total changes in the current period	-	-	(76,144)	(76,144)	72,180	72,180	(83,375)	(87,338)
Balance as of Sep. 30, 2006	1,202,036	300,000	731,862	1,031,862	36,255	36,255	(99,185)	2,170,968

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on other securities	Total valuation and translation adjustments	
Balance as of Mar. 31, 2006	16,231	16,231	2,274,538
Changes in the current period			
Dividend of surplus (note)			(40,219)
Compensation for loss (note)			-
Net income			36,255
Acquisition of treasury stock			(83,375)
Changes (net) in items other than shareholders' equity	(53,710)	(53,710)	(53,710)
Total changes in the current period	(53,710)	(53,710)	(141,049)
Balance as of Sep. 30, 2006	(37,479)	(37,479)	2,133,489

Note: Appropriation of earnings resolved at the general meeting of shareholders in June 2006.

First half of FY2007 (Apr. 1, 2007 – Sep. 30, 2007)

(Thousands of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings		
Balance as of Mar. 31, 2007	1,202,036	300,000	731,862	1,031,862	-	202,679	202,679	(99,185)	2,337,391
Changes in the current period									
Dividend of surplus						(52,375)	(52,375)		(52,375)
Legal reserve					509	(509)	-		-
Net loss						(41,746)	(41,746)		(41,746)
Acquisition of treasury stock								(20)	(20)
Changes (net) in items other than shareholders' equity									
Total changes in the current period	-	-	-	-	509	(94,631)	(94,122)	(20)	(94,142)
Balance as of Sep. 30, 2007	1,202,036	300,000	731,862	1,031,862	509	108,047	108,556	(99,206)	2,243,249

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on other securities	Total valuation and translation adjustments	
Balance as of Mar. 31, 2007	(18,920)	(18,920)	2,318,471
Changes in the current period			
Dividend of surplus			(52,375)
Legal reserve			-
Net loss			(41,746)
Acquisition of treasury stock			(20)
Changes (net) in items other than shareholders' equity	(3,086)	(3,086)	(3,086)
Total changes in the current period	(3,086)	(3,086)	(97,229)
Balance as of Sep. 30, 2007	(22,007)	(22,007)	2,221,241

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings carried forward			
Balance as of Mar. 31, 2006	1,202,036	300,000	808,006	1,108,006	(35,925)	(35,925)	(15,810)	2,258,307
Changes in the current fiscal year								
Dividend of surplus (note)			(40,219)	(40,219)				(40,219)
Compensation for loss (note)			(35,925)	(35,925)	35,925	35,925		-
Net income					202,679	202,679		202,679
Acquisition of treasury stock							(83,375)	(83,375)
Changes (net) in items other than shareholders' equity								
Total changes in the current fiscal year	-	-	(76,144)	(76,144)	238,604	238,604	(83,375)	79,084
Balance as of Mar. 31, 2007	1,202,036	300,000	731,862	1,031,862	202,679	202,679	(99,185)	2,337,391

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on other securities	Total valuation and translation adjustments	
Balance as of Mar. 31, 2006	16,231	16,231	2,274,538
Changes in the current fiscal year			
Dividend of surplus (note)			(40,219)
Compensation for loss (note)			-
Net income			202,679
Acquisition of treasury stock			(83,375)
Changes (net) in items other than shareholders' equity	(35,151)	(35,151)	(35,151)
Total changes in the current fiscal year	(35,151)	(35,151)	43,932
Balance as of Mar. 31, 2007	(18,920)	(18,920)	2,318,471

Note: Appropriation of earnings resolved at the general meeting of shareholders in June 2006.

**(4) Statements of Cash Flows**

(Thousands of yen)

	First half of FY2007 (Apr. 1, 2007 – Sep. 30, 2007)
Account	Amount
<b>I Cash flows from operating activities</b>	
Net loss before income taxes	(52,618)
Depreciation and amortization	17,360
Amortization of goodwill	8,363
Decrease in reserve for doubtful receivables	(56,651)
Increase in reserve for accrued bonuses	5,459
Increase in allowance for product warranty	15,300
Decrease in reserve for employees' retirement benefits	(827)
Increase in reserve for directors' retirement benefits	8,093
Interest and dividend income	(10,667)
Investment partnership losses	1,373
Foreign exchange loss	89
Insurance reimbursement	(719)
Loss on removal of fixed assets	25
Loss on revaluation of investment securities	742
Decrease in accounts receivable	272,282
Increase in inventories	(46,477)
Decrease in accounts payable	(3,338)
Decrease in other assets	19,017
Increase in other liabilities	11,390
Subtotal	188,196
Interests and dividends received	10,656
Insurance received	719
Income taxes paid	(868)
Net cash provided by operating activities	198,704
<b>II Cash flows from investing activities</b>	
Payments for acquisition of property, plant and equipment	(1,357)
Payments for acquisition of intangible assets	(19,202)
Proceeds from collection of long-term loans	547
Proceeds from collection of claim in bankruptcy	56,651
Others	(100)
Net cash provided by investing activities	36,539
<b>III Cash flows from financing activities</b>	
Payments for acquisition of treasury stock	(20)
Cash dividends paid	(52,120)
Net cash used in financing activities	(52,141)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(89)
<b>V Increase in cash and cash equivalents</b>	183,012
<b>VI Cash and cash equivalents at beginning of period</b>	966,508
<b>VII Cash and cash equivalents at end of period</b>	1,149,521

Note: Effective from the current period, statements of cash flows is based on non-consolidated basis.