

Non-consolidated Financial Statements
for the First Nine Months of the Fiscal Year Ending March 31, 2008

Company name: Elmic Wescom, Inc.	Listing: TSE Mothers Market
Stock code: 4770	URL: http://www.elwsc.co.jp/
President: Kazuya Murashima	
Contact: Kimio Ando, Director, Administration	Telephone: +81-(0)-45-650-4500

(1) Balance Sheets

(Thousands of yen)

Account	3Q FY2006 (As of Dec. 31, 2006)		3Q FY2007 (As of Dec. 31, 2007)		FY2006 selected data (As of Mar. 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
Assets						
I Current assets						
1. Cash and deposits	181,440		339,643		223,147	
2. Notes receivable	178,112		143,375		143,644	
3. Accounts receivable - trade	442,645		379,823		657,184	
4. Securities	742,810		746,196		743,360	
5. Inventories	137,398		163,856		107,375	
6. Other current assets	144,193		60,440		86,574	
Reserve for doubtful receivables	(100)		(100)		(100)	
Total current assets	1,826,501	73.6	1,833,235	75.2	1,961,188	75.5
II Fixed assets						
1. Property, plant and equipment	98,577		94,412		98,083	
2. Intangible assets	108,207		93,329		101,985	
3. Investments and other assets						
(1) Investment securities	407,349		376,577		395,388	
(2) Claim in bankruptcy	114,874		1,344		76,972	
(3) Other investments and other assets	45,143		44,856		45,409	
Reserve for doubtful receivables	(118,809)		(5,279)		(80,907)	
Total other investments and other assets	448,558		417,498		436,862	
Total fixed assets	655,344	26.4	605,240	24.8	636,931	24.5
Total assets	2,481,845	100.0	2,438,476	100.0	2,598,120	100.0

(Thousands of yen)

Account	3Q FY2006 (As of Dec. 31, 2006)		3Q FY2007 (As of Dec. 31, 2007)		FY2006 selected data (As of Mar. 31, 2007)				
	Amounts	%	Amounts	%	Amounts	%			
Liabilities									
I Current liabilities									
1. Accounts payable - trade	92,618		25,555		86,602				
2. Income tax payable	6,350		6,040		10,224				
3. Reserve for accrued bonuses	17,451		17,536		31,180				
4. Allowance for product warranty	-		14,620		-				
5. Other current liabilities	87,105		107,040		80,301				
Total current liabilities		203,526	8.2		170,792	7.0		208,308	8.0
II Long-term liabilities									
1. Reserve for employees' retirement benefits	33,382		33,427		34,785				
2. Reserve for directors' retirement benefits	32,318		48,505		36,365				
3. Other long-term liabilities	190		190		190				
Total long-term liabilities		65,890	2.7		82,123	3.4		71,341	2.8
Total liabilities		269,417	10.9		252,916	10.4		279,649	10.8
Net assets									
I Shareholders' equity									
1. Common stock		1,202,036	48.4		1,202,036	49.3		1,202,036	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	41.6		1,031,862	42.3		1,031,862	39.7
3. Retained earnings									
(1) Legal reserve	-			509			-		
(2) Other retained earnings									
Retained earnings carried forward	86,069			85,976			202,679		
Total retained earnings		86,069	3.4		86,485	3.6		202,679	7.8
4. Treasury stock		(99,185)	(4.0)		(99,206)	(4.1)		(99,185)	(3.8)
Total shareholders' equity		2,220,782	89.4		2,221,177	91.1		2,337,391	89.9
II Valuation and translation adjustments									
1. Net unrealized gain (loss) on other securities		(8,353)	(0.3)		(35,616)	(1.5)		(18,920)	(0.7)
Total valuation and translation adjustments		(8,353)	(0.3)		(35,616)	(1.5)		(18,920)	(0.7)
Total net assets		2,212,428	89.1		2,185,560	89.6		2,318,471	89.2
Total liabilities and net assets		2,481,845	100.0		2,438,476	100.0		2,598,120	100.0

(2) Statements of Income

(Thousands of yen)

Account	3Q FY2006 (Apr. 1, 2006 – Dec. 31, 2006)		3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)		FY2006 selected data (Apr. 1, 2006 – Mar. 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
I Net sales	1,350,394	100.0	1,214,196	100.0	1,954,039	100.0
II Cost of sales	773,648	57.3	735,949	60.6	1,118,735	57.3
Gross profit	576,745	42.7	478,247	39.4	835,304	42.7
III SG&A expenses	586,071	43.4	631,935	52.1	762,442	39.0
Operating income (loss)	(9,326)	(0.7)	(153,687)	(12.7)	72,862	3.7
IV Non-operating income	18,406	1.4	18,608	1.5	24,528	1.2
V Non-operating expenses	1,241	0.1	1,651	0.1	2,735	0.1
Ordinary income (loss)	7,839	0.6	(136,730)	(11.3)	94,654	4.8
VI Extraordinary income	113,685	8.4	76,998	6.3	152,087	7.8
VII Extraordinary loss	18,763	1.4	767	0.0	29,588	1.5
Net income (loss) before income taxes	102,761	7.6	(60,500)	(5.0)	217,153	11.1
Income taxes -current	4,321		4,936		5,762	
Income taxes -deferred	12,370	16,691	(1,618)	3,317	8,712	14,474
Net income (loss)	86,069	6.4	(63,817)	(5.3)	202,679	10.4

(3) Statement of Changes in Shareholders' Equity

3Q FY2006 (Apr. 1, 2006 – Dec. 31, 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			(40,219)	(40,219)				(40,219)
Compensation for loss			(35,925)	(35,925)	35,925	35,925		-
Net income					86,069	86,069		86,069
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)	121,994	121,994	(83,375)	(37,524)
Balance as of Dec. 31, 2006	1,202,036	300,000	731,862	1,031,862	86,069	86,069	(99,185)	2,220,782

	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			(40,219)
Compensation for loss			-
Net income			86,069
Acquisition of treasury stock			(83,375)
Changes (net) in items other than shareholders' equity	(24,585)	(24,585)	(24,585)
Total changes in the current period	(24,585)	(24,585)	(62,109)
Balance as of Dec. 31, 2006	(8,353)	(8,353)	2,212,428

	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						(63,817)	(63,817)		(63,817)
Acquisition of treasury stock								(20)	(20)
Changes (net) in items other than shareholders' equity									
Total changes in the current period	-	-	-	-	509	(116,702)	(116,193)	(20)	(116,214)
Balance as of Dec. 31, 2007	1,202,036	300,000	731,862	1,031,862	509	85,976	86,485	(99,206)	2,221,177

	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			(63,817)
Acquisition of treasury stock			(20)
Changes (net) in items other than shareholders' equity	(16,696)	(16,696)	(16,696)
Total changes in the current period	(16,696)	(16,696)	(132,910)
Balance as of Dec. 31, 2007	(35,616)	(35,616)	2,185,560

	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)

	3Q FY2007 (Apr. 1, 2007 – Dec. 31, 2007)
Account	
I Cash flows from operating activities	
Net loss before income taxes	(60,500)
Depreciation and amortization	24,819
Amortization of goodwill	12,545
Decrease in reserve for doubtful receivables	(75,628)
Decrease in reserve for accrued bonuses	(13,643)
Increase in allowance for product warranty	14,620
Decrease in reserve for employees' retirement benefits	(1,358)
Increase in reserve for directors' retirement benefits	12,140
Interest and dividend income	(15,926)
Investment partnership losses	1,373
Foreign exchange loss	133
Insurance reimbursement	(719)
Loss on removal of fixed assets	25
Loss on revaluation of investment securities	742
Gain on sales of investment securities	(650)
Decrease in accounts receivable	277,631
Increase in inventories	(56,481)
Decrease in accounts payable	(61,047)
Decrease in other assets	23,054
Increase in other liabilities	23,867
Subtotal	104,998
Interests and dividends received	15,956
Insurance received	719
Income taxes paid	(1,852)
Net cash provided by operating activities	119,821
II Cash flows from investing activities	
Payments for acquisition of property, plant and equipment	(1,882)
Payments for acquisition of intangible assets	(23,181)
Payments for acquisition of investment securities	(100,700)
Proceeds from sale of investment securities	101,350
Proceeds from collection of long-term loans	777
Proceeds from collection of claim in bankruptcy	75,628
Others	(80)
Net cash provided by investing activities	51,911
III Cash flows from financing activities	
Payments for acquisition of treasury stock	(20)
Cash dividends paid	(52,247)
Net cash used in financing activities	(52,268)
IV Effect of exchange rate changes on cash and cash equivalents	(133)
V Increase in cash and cash equivalents	119,331
VI Cash and cash equivalents at beginning of period	966,508
VII Cash and cash equivalents at end of period	1,085,839

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