

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

Company name:	Elmic Wescom, Inc.	Listing:	TSE Mothers Market
Stock code:	4770	URL:	<a href="http://www.elwsc.co.jp/">http://www.elwsc.co.jp/</a>
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Contact:	Kimio Ando, Director, Administration		

**(1) Balance Sheets**

(Thousands of yen)

Account	1Q FY2006 (As of June 30, 2006)		1Q FY2007 (As of June 30, 2007)		FY2006 selected data (As of March 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
<b>Assets</b>						
I Current assets						
1. Cash and deposits	305,210		398,453		223,147	
2. Notes receivable	187,907		111,183		143,644	
3. Accounts receivable - trade	215,801		302,655		657,184	
4. Securities	742,041		744,042		743,360	
5. Inventories	116,799		157,255		107,375	
6. Other current assets	92,349		109,056		86,574	
Reserve for doubtful receivables	(100)		(100)		(100)	
Total current assets		1,660,009	72.3		1,822,548	74.0
II Fixed assets						
1. Property, plant and equipment	99,801		97,051		98,083	
2. Intangible assets	117,395		99,417		101,985	
3. Investments and other assets						
(1) Investment securities	353,058		402,368		395,388	
(2) Claim in bankruptcy	193,194		31,159		76,972	
(3) Other investments and other assets	70,005		45,076		45,409	
Reserve for doubtful receivables	(197,129)		(35,094)		(80,907)	
Total other investments and other assets						
Total fixed assets		636,326	27.7		636,931	24.5
Total assets		2,296,336	100.0		2,598,120	100.0

(Thousands of yen)

Account	1Q FY2006 (As of June 30, 2006)		1Q FY2007 (As of June 30, 2007)		FY2006 selected data (As of March 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
<b>Liabilities</b>						
I Current liabilities						
1. Accounts payable - trade	34,059		34,506		86,602	
2. Income tax payable	2,668		3,028		10,224	
3. Reserve for accrued bonuses	17,587		18,364		31,180	
4. Allowance for product warranty	-		12,162		-	
5. Other current liabilities	107,538		115,059		80,301	
Total current liabilities		161,853		183,121		208,308
						8.0
II Long-term liabilities						
1. Corporate bonds	42,000		-		-	
2. Reserve for employees' retirement benefits	33,082		33,958		34,785	
3. Reserve for directors' retirement benefits	24,225		40,412		36,365	
4. Other long-term liabilities	190		190		190	
Total long-term liabilities		99,497		74,560		71,341
						2.8
Total liabilities		261,350		257,681		279,649
						10.8
<b>Net assets</b>						
I Shareholders' equity						
1. Common stock		1,202,036		1,202,036		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		1,031,862		1,031,862
						39.7
3. Retained earnings						
(1) Legal reserve	-		509		-	
(2) Other retained earnings						
Retained earnings carried forward	(70,948)		80,823		202,679	
Total retained earnings		(70,948)		81,332		202,679
						7.8
4. Treasury stock		(99,185)		(99,185)		(99,185)
						(3.8)
Total shareholders' equity		2,063,763		2,216,044		2,337,391
						89.9
II Valuation and translation adjustments						
1. Net unrealized gain (loss) on other securities		(28,778)		(11,198)		(18,920)
						(0.7)
Total valuation and translation adjustments		(28,778)		(11,198)		(18,920)
						(0.7)
Total net assets		2,034,985		2,204,846		2,318,471
						89.2
Total liabilities and net assets		2,296,336		2,462,527		2,598,120
						100.0

**(2) Statements of Income**

(Thousands of yen)

Account	1Q FY2006 (April 1, 2006 – June 30, 2006)		1Q FY2007 (April 1, 2007 – June 30, 2007)		FY2006 selected data (April 1, 2006 – March 31, 2007)	
	Amounts	%	Amounts	%	Amounts	%
I Net sales	320,203	100.0	293,134	100.0	1,954,039	100.0
II Cost of sales	199,572	62.3	192,210	65.6	1,118,735	57.3
Gross profit	120,630	37.7	100,924	34.4	835,304	42.7
III SG&A expenses	217,041	67.8	220,533	75.2	762,442	39.0
Operating income (loss)	(96,410)	(30.1)	(119,608)	(40.8)	72,862	3.7
IV Non-operating income	5,918	1.8	6,773	2.3	24,528	1.2
V Non-operating expenses	650	0.2	-	-	2,735	0.1
Ordinary income (loss)	(91,143)	(28.5)	(112,835)	(38.5)	94,654	4.8
VI Extraordinary income	35,365	11.0	45,813	15.6	152,087	7.8
VII Extraordinary loss	8,746	2.7	742	0.2	29,588	1.5
Net income (loss) before income taxes	(64,524)	(20.2)	(67,763)	(23.1)	217,153	11.1
Income taxes -current	1,440		1,440		5,762	
Income taxes -deferred	4,984	6,424	(232)	1,207	8,712	14,474
Net income (loss)	(70,948)	(22.2)	(68,970)	(23.5)	202,679	10.4

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

1Q FY2006 (April 1, 2006 – June 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			(40,219)	(40,219)				(40,219)
Compensation for loss			(35,925)	(35,925)	35,925	35,925		-
Net loss					(70,948)	(70,948)		(70,948)
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)	(35,023)	(35,023)	(83,375)	(194,543)
Balance as of June 30, 2006	1,202,036	300,000	731,862	1,031,862	(70,948)	(70,948)	(99,185)	2,063,763

	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 loss			(70,948)
Acquisition of treasury stock			(83,375)
Changes (net) in items other than shareholders' equity	(45,009)	(45,009)	(45,009)
Total changes in the current period	(45,009)	(45,009)	(239,552)
Balance as of June 30, 2006	(28,778)	(28,778)	2,034,985

1Q FY2007 (April 1, 2007 – June 30, 2007)

(Thousands of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Addition al 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					509	(52,884)	(52,375)		(52,375)
Net loss						(68,970)	(68,970)		(68,970)
Changes (net) in items other than shareholders' equity									
Total changes in the current period	-	-	-	-	509	(121,855)	(121,346)	-	(121,346)
Balance as of June 30, 2007	1,202,036	300,000	731,862	1,031,862	509	80,823	81,332	(99,185)	2,216,044

	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)
Net loss			(68,970)
Changes (net) in items other than shareholders' equity	7,721	7,721	7,721
Total changes in the current period	7,721	7,721	(113,624)
Balance as of June 30, 2007	(11,198)	(11,198)	2,204,846

	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 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)

	1Q FY2007 (April 1, 2007 – June 30, 2007)
Account	Amount
<b>I Cash flows from operating activities</b>	
Net loss before income taxes	(67,763)
Depreciation and amortization	7,832
Amortization of goodwill	4,181
Decrease in reserve for doubtful receivables	(45,813)
Decrease in reserve for accrued bonuses	(12,815)
Increase in allowance for product warranty	12,162
Decrease in reserve for employees' retirement benefits	(827)
Increase in reserve for directors' retirement benefits	4,046
Interest and dividend income	(5,321)
Foreign exchange gain	(178)
Loss on revaluation of investment securities	742
Decrease in accounts receivable	386,990
Increase in inventories	(49,879)
Decrease in accounts payable	(52,095)
Increase in other assets	(21,212)
Increase in other liabilities	30,081
Decrease in suspense receipt of consumption taxes	(12,104)
Subtotal	178,023
Interests and dividends received	5,283
Income taxes paid	(6,760)
Net cash provided by operating activities	176,547
<b>II Cash flows from investing activities</b>	
Payments for acquisition of property, plant and equipment	(672)
Payments for acquisition of intangible assets	(7,743)
Proceeds from collection of long-term loans	383
Proceeds from collection of claim in bankruptcy	45,813
Others	(50)
Net cash provided by investing activities	37,732
<b>III Cash flows from financing activities</b>	
Cash dividends paid	(38,469)
Net cash used in financing activities	(38,469)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	178
<b>V Increase in cash and cash equivalents</b>	175,988
<b>VI Cash and cash equivalents at beginning of period</b>	966,508
<b>VII Cash and cash equivalents at end of period</b>	1,142,496

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