

**Non-consolidated Financial Statements**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2012**

Company name:	Zuken Elmic, 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:	Shinichi Eguchi, Director, Administration		

**(1) Balance Sheets**

(Thousands of yen)

	FY2010 selected data (As of Mar. 31, 2011)	3Q of FY2011 (As of Dec. 31, 2011)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	209,246	170,258
Notes and accounts receivable - trade	325,858	310,989
Short-term investment securities	133,005	161,755
Merchandise and finished goods	38,373	13,062
Work in process	12,749	64,769
Raw materials	3,855	3,694
Other current assets	50,197	67,346
Allowance for doubtful accounts	(1,040)	(100)
<b>Total current assets</b>	<b>772,244</b>	<b>791,777</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	98,780	20,984
Intangible assets	41,078	32,865
<b>Investments and other assets</b>		
Investment securities	113,010	12,670
Real estate for investment	-	69,692
Other investments and other assets	45,365	17,883
Allowance for doubtful accounts	(3,925)	(4,250)
<b>Total investments and other assets</b>	<b>154,450</b>	<b>95,996</b>
<b>Total noncurrent assets</b>	<b>294,309</b>	<b>149,846</b>
<b>Total assets</b>	<b>1,066,554</b>	<b>941,623</b>

(Thousands of yen)

	FY2010 selected data (As of Mar. 31, 2011)	3Q of FY2011 (As of Dec. 31, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	64,552	41,461
Income taxes payable	6,311	5,273
Provision for bonuses	38,359	25,275
Provision for product warranties	40,291	48,915
Other current liabilities	113,645	134,119
<b>Total current liabilities</b>	<b>263,160</b>	<b>255,044</b>
<b>Noncurrent liabilities</b>		
Long-term accounts payable-other	3,431	3,431
Long-term unearned revenue	42,633	11,031
Provision for retirement benefits	2,998	2,998
Other long-term liabilities	8,973	7,228
<b>Total noncurrent liabilities</b>	<b>58,036</b>	<b>24,689</b>
<b>Total liabilities</b>	<b>321,197</b>	<b>279,733</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,202,036	1,202,036
Capital surplus	81,886	81,886
Retained earnings	(540,000)	(621,798)
<b>Total shareholders' equity</b>	<b>743,921</b>	<b>662,123</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	1,434	(234)
<b>Total valuation and translation adjustments</b>	<b>1,434</b>	<b>(234)</b>
<b>Total net assets</b>	<b>745,356</b>	<b>661,889</b>
<b>Total liabilities and net assets</b>	<b>1,066,554</b>	<b>941,623</b>

**(2) Statements of Income**  
**(For the Nine-month Period)**

(Thousands of yen)

	3Q of FY2010 (Apr. 1, 2010 – Dec. 31, 2010)	3Q of FY2011 (Apr. 1, 2011 – Dec. 31, 2011)
Net sales	672,829	931,007
Cost of sales	444,618	569,593
Gross profit	228,211	361,414
SG&A expenses	638,892	448,260
Operating loss	(410,681)	(86,846)
Non-operating income		
Interest income	17,692	2,810
Dividend income	240	260
Subsidy income	14,931	7,196
Rent income	-	3,365
Other	1,937	1,651
Total non-operating income	34,801	15,284
Non-operating expenses		
Loss on investments in partnership	3,551	3,232
Foreign exchange losses	1,621	1,925
Rent expenses	-	2,223
Total non-operating expenses	5,173	7,381
Ordinary loss	(381,053)	(78,943)
Extraordinary income		
Reversal of allowance for doubtful accounts	4,791	-
Reversal of provision for bonuses	15,566	-
Gain on sales of subsidiaries and affiliates' stocks	850	-
Gain on sales of investment securities	7,061	-
Directors' retirement benefits long-term accounts payable gain on forgiveness of debts	4,115	-
Total extraordinary income	32,385	-
Extraordinary loss		
Loss on retirement of noncurrent assets	1,278	217
Loss on valuation of investment securities	321	-
Loss on sales of noncurrent assets	723	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,659	-
Total extraordinary losses	3,983	217
Net loss before income taxes	(352,650)	(79,160)
Income taxes –current	2,677	2,835
Income taxes-deferred	-	(197)
Total income taxes	2,677	2,637
Net loss	(355,328)	(81,798)