

**Non-consolidated Financial Statements**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2015**

Company name:	Zuken Elmic, Inc.	Listing:	TSE Second(2nd) Section
Stock code:	4770	URL:	<a href="http://www.elwsc.co.jp/">http://www.elwsc.co.jp/</a>
President:	Joe Asakura	Telephone:	+81-(0)-45-624-8111
Contact:	Shinichi Eguchi, Director, Administration		

**(1) Balance Sheets**

	FY2013 selected data (As of Mar. 31, 2014)	3Q of FY2014 (As of Dec. 31, 2014)
(Thousands of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	296,293	315,643
Notes and accounts receivable - trade	303,834	212,103
Short-term investment securities	63,150	63,172
Merchandise and finished goods	12,061	13,315
Work in process	5,994	14,236
Raw materials	539	799
Prepaid expenses	54,079	55,697
Other current assets	1,950	7,535
Allowance for doubtful accounts	(240)	(100)
Total current assets	737,663	682,404
Noncurrent assets		
Property, plant and equipment	12,974	14,138
Intangible assets	19,752	19,343
Investments and other assets		
Investment securities	4,631	4,631
Long-term prepaid expenses	35,638	9,292
Other investments and other assets	6,984	5,761
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	45,403	17,835
Total noncurrent assets	78,130	51,318
Total assets	815,794	733,722

(Thousands of yen)

	FY2013 selected data (As of Mar. 31, 2014)	3Q of FY2014 (As of Dec. 31, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	50,822	18,188
Income taxes payable	6,874	4,503
Unearned revenue	60,678	68,441
Provision for bonuses	—	23,208
Provision for product warranties	13,877	12,222
Other current liabilities	29,124	51,582
<b>Total current liabilities</b>	<b>161,377</b>	<b>178,146</b>
<b>Noncurrent liabilities</b>		
Long-term accounts payable-other	3,431	—
Long-term unearned revenue	49,713	12,819
Provision for retirement benefits	2,998	2,998
Other long-term liabilities	9,139	11,205
<b>Total noncurrent liabilities</b>	<b>65,282</b>	<b>27,023</b>
<b>Total liabilities</b>	<b>226,659</b>	<b>205,169</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,202,036	1,202,036
Capital surplus	81,886	81,886
Retained earnings	(694,787)	(755,369)
<b>Total shareholders' equity</b>	<b>589,134</b>	<b>528,552</b>
<b>Total net assets</b>	<b>589,134</b>	<b>528,552</b>
<b>Total liabilities and net assets</b>	<b>815,794</b>	<b>733,722</b>

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

(Thousands of yen)

	3Q of FY2013 (Apr. 1, 2013 – Dec. 31, 2013)	3Q of FY2014 (Apr. 1, 2014 – Dec. 31, 2014)
Net sales	891,515	703,730
Cost of sales	532,079	334,753
Gross profit	359,436	368,976
SG&A expenses	459,740	428,166
Operating income (loss)	(100,304)	(59,190)
Non-operating income		
Interest income	97	63
Dividends income	160	182
Reversal of allowance for doubtful accounts	—	140
Commission fee	148	104
Other	166	21
Total non-operating income	573	511
Non-operating expenses		
Interest expenses	42	68
Foreign exchange losses	730	92
Other	38	—
Total non-operating expenses	811	160
Ordinary income (loss)	(100,542)	(58,839)
Extraordinary income		
Gain on sales of investment securities	1,655	—
Pay back of directors' retirement benefits	9,670	—
Directors' retirement benefits long-term accounts payable gain on forgiveness of debts	—	1,029
Total extraordinary income	11,325	1,029
Extraordinary loss		
Loss on retirement of noncurrent assets	29	6
Total extraordinary losses	29	6
Income (loss) before income taxes	(89,247)	(57,816)
Income taxes –current	2,835	2,918
Income taxes-deferred	(75)	(152)
Total income taxes	2,759	2,766
Net income (loss)	(92,006)	(60,582)