

Non-consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending March 31, 2016

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

(1) Balance Sheets

		(Thousands of yen)
	FY2014 selected data	3Q of FY2015
	(As of Mar. 31, 2015)	(As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	277,466	239,361
Notes and accounts receivable - trade	366,677	275,631
Short-term investment securities	63,176	63,188
Merchandise and finished goods	31,753	31,686
Work in process	1,947	21,201
Raw materials	619	2,407
Prepaid expenses	53,833	29,521
Other current assets	7,193	10,016
Allowance for doubtful accounts	(100)	(100)
Total current assets	802,568	672,915
Noncurrent assets		
Property, plant and equipment	16,124	15,598
Intangible assets	25,034	25,232
Investments and other assets		
Investment securities	4,631	3,500
Other investments and other assets	17,442	16,597
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	20,223	18,247
Total noncurrent assets	61,382	59,079
Total assets	863,951	731,994

Current liabilities Accounts payable - trade 71,390 25,922 Income taxes payable 12,499 421 Unearned revenue 65,653 35,699 Provision for bonuses 45,621 22,32 Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Long-term unearned revenue 1,065 1,566 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total iabilities 14,762 14,183 Total iabilities 267,457 158,79 Net assets 1,202,036 1,202,036 Shareholders' equity 81,886 81,886 Capital stock 1,202,036 1,202,036 Treasury shares (49) (49) Total shareholders' equity 596,			(Thousands of yen)
Liabilities Current liabilities Accounts payable - trade Accounts payable - trade Total revenue Total stock Current liabilities Shareholders' equity Capital stock Retained earnings Total shareholders' equity Total shareholders' equity Total shareholders' equity Total net assets Shareholders' equity Capital stock Retained earnings Total shareholders' equity Total net assets Shareholders' equity Capital stock Retained earnings Total net assets Shareholders' equity Capital stock Retained earnings Total net assets Shareholders' equity Total shareholders' e			
Current liabilities Accounts payable - trade 71,390 25,922 Income taxes payable 12,499 421 Unearned revenue 65,653 35,699 Provision for bonuses 45,621 22,32 Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Long-term unearned revenue 1,065 1,566 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total iabilities 14,762 14,183 Total iabilities 267,457 158,79 Net assets 1,202,036 1,202,036 Shareholders' equity 81,886 81,886 Capital stock 1,202,036 1,202,036 Treasury shares (49) (49) Total shareholders' equity 596,		(As of Mar. 31, 2015)	(As of Dec. 31, 2015)
Accounts payable - trade 71,390 25,922 Income taxes payable 12,499 424 Unearned revenue 65,653 35,691 Provision for bonuses 45,621 22,322 Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Cher or retirement benefits 2,998 2,998 Other long-term liabilities 10,659 9,622 Total noncurrent liabilities 14,762 14,183 Total liabilities 14,762 14,183 Total liabilities 1,202,036 1,202,036 Shareholders' equity 267,457 158,79 Capital stock 1,202,036 1,202,036 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,202	Liabilities		
Income taxes payable 12,499 420 Unearned revenue 65,653 35,690 Provision for bonuses 45,621 22,322 Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Long-term unearned revenue 1,065 1,562 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total liabilities 14,762 14,183 Total liabilities 267,457 158,79 Net assets Shareholders' equity 596,493 687,378) (710,669 Capital stock 1,202,036 1,202,036 1,202,036 1,202,036 Retained earnings (687,378) (710,669 (687,378) (710,669 Total shareholders' equity 596,493 573,202 573,202 573,202	Current liabilities		
Unearned revenue 65,653 35,690 Provision for bonuses 45,621 22,32 Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Long-term unearned revenue 1,065 1,560 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total liabilities 267,457 158,79 Net assets 1,202,036 1,202,036 Shareholders' equity 267,457 158,79 Capital stock 1,202,036 1,202,036 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,200 Total net assets 596,493 573,200 <td>Accounts payable - trade</td> <td>71,390</td> <td>25,922</td>	Accounts payable - trade	71,390	25,922
Provision for bonuses 45,621 22,32 Provision for product warranties 12,738 12,54 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Long-term unearned revenue 1,065 1,560 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total noncurrent liabilities 14,762 14,183 Total liabilities 267,457 158,79 Net assets 1,202,036 1,202,036 Shareholders' equity 81,886 81,886 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,200 Total net assets 596,493 573,200	Income taxes payable	12,499	420
Provision for product warranties 12,738 12,544 Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 252,694 144,600 Noncurrent liabilities 252,694 144,600 Noncurrent liabilities 2,998 2,998 Cong-term unearned revenue 1,065 1,560 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,183 Total liabilities 267,457 158,79 Net assets 2 1,202,036 1,202,036 Shareholders' equity 81,886 81,886 Capital stock 1,202,036 1,202,036 Retained earnings (687,378) (710,669 Total shareholders' equity 596,493 573,203 Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Unearned revenue	65,653	35,696
Other current liabilities 44,791 47,700 Total current liabilities 252,694 144,600 Noncurrent liabilities 1,065 1,560 Long-term unearned revenue 1,065 1,560 Provision for retirement benefits 2,998 2,998 Other long-term liabilities 10,699 9,622 Total noncurrent liabilities 14,762 14,182 Total iabilities 267,457 158,797 Net assets 267,457 158,797 Shareholders' equity 261,457 1,202,036 Capital stock 1,202,036 1,202,036 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Provision for bonuses	45,621	22,321
Total current liabilities252,694144,600Noncurrent liabilities1,0651,560Long-term unearned revenue1,0651,560Provision for retirement benefits2,9982,998Other long-term liabilities10,6999,622Total noncurrent liabilities14,76214,180Total liabilities267,457158,797Net assets267,457158,797Shareholders' equity1,202,0361,202,036Capital stock1,202,0361,202,036Retained earnings(687,378)(710,669)Total shareholders' equity596,493573,203Total net assets596,493573,203	Provision for product warranties	12,738	12,546
Noncurrent liabilitiesLong-term unearned revenue1,0651,567Provision for retirement benefits2,9982,998Other long-term liabilities10,6999,622Total noncurrent liabilities14,76214,182Total liabilities267,457158,79Net assets2158,79Shareholders' equity1,202,0361,202,036Capital stock1,202,0361,202,036Retained earnings(687,378)(710,669Total shareholders' equity596,493573,202Total net assets596,493573,202	Other current liabilities	44,791	47,700
Long-term unearned revenue1,0651,563Provision for retirement benefits2,9982,998Other long-term liabilities10,6999,623Total noncurrent liabilities14,76214,183Total liabilities267,457158,79Net assets267,457158,79Shareholders' equity267,4571,202,036Capital stock1,202,0361,202,036Retained earnings(687,378)(710,669Total shareholders' equity596,493573,203Total net assets596,493573,203	Total current liabilities	252,694	144,608
Provision for retirement benefits2,9982,998Other long-term liabilities10,6999,622Total noncurrent liabilities14,76214,182Total liabilities267,457158,79Net assets21,202,0361,202,036Shareholders' equity1,202,0361,202,0361,202,036Capital stock1,202,0361,202,0361,202,036Retained earnings(687,378)(710,669Treasury shares(49)(49Total shareholders' equity596,493573,203Total net assets596,493573,203	Noncurrent liabilities		
Other long-term liabilities10,6999,62Total noncurrent liabilities14,76214,18Total liabilities267,457158,79Net assetsShareholders' equity2Capital stock1,202,0361,202,036Capital surplus81,88681,886Retained earnings(687,378)(710,669Total shareholders' equity596,493573,203Total net assets573,203573,203	Long-term unearned revenue	1,065	1,562
Total noncurrent liabilities14,76214,183Total liabilities267,457158,793Net assets267,457158,793Shareholders' equity267,457158,793Capital stock1,202,0361,202,036Capital stock1,202,0361,202,036Capital surplus81,88681,886Retained earnings(687,378)(710,669Treasury shares(49)(49)Total shareholders' equity596,493573,203Total net assets596,493573,203	Provision for retirement benefits	2,998	2,998
Total liabilities267,457158,79Net assetsShareholders' equityCapital stock1,202,0361,202,036Capital surplus81,88681,886Retained earnings(687,378)(710,669Treasury shares(49)(49)Total shareholders' equity596,493573,203Total net assets596,493573,203	Other long-term liabilities	10,699	9,622
Net assetsShareholders' equityCapital stock1,202,036Capital surplus81,886Retained earnings(687,378)Treasury shares(49)Total shareholders' equity596,493Total net assets596,493596,493573,203	Total noncurrent liabilities	14,762	14,183
Shareholders' equity 1,202,036 1,202,036 Capital stock 1,202,036 1,202,036 Capital surplus 81,886 81,886 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Total liabilities	267,457	158,791
Capital stock 1,202,036 1,202,036 Capital surplus 81,886 81,886 Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Net assets		
Capital surplus 81,886 81,886 Retained earnings (687,378) (710,669) Treasury shares (49) (49) Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Shareholders' equity		
Retained earnings (687,378) (710,669 Treasury shares (49) (49) Total shareholders' equity 596,493 573,203 Total net assets 596,493 573,203	Capital stock	1,202,036	1,202,036
Treasury shares(49)Total shareholders' equity596,493Total net assets596,493	Capital surplus	81,886	81,886
Total shareholders' equity596,493573,203Total net assets596,493573,203	Retained earnings	(687,378)	(710,669)
Total net assets 596,493 573,203	Treasury shares	(49)	(49
	Total shareholders' equity	596,493	573,203
Total liabilities and net assets 863,951 731,994	Total net assets	596,493	573,203
	Total liabilities and net assets	863,951	731,994

(2) Statements of Income

(For the Nine-month Period)

		(Thousands of yen)
	3Q of FY2014 (Apr. 1, 2014 – Dec. 31, 2014)	3Q of FY2015 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	703,730	719,293
Cost of sales	334,753	382,595
Gross profit	368,976	336,698
SG&A expenses	428,166	374,604
Operating income (loss)	(59,190)	(37,906)
Non-operating income		
Interest income	63	46
Dividend income	182	_
Reversal of allowance for doubtful accounts	140	
Commission fee	104	86
Subsidy income	_	740
Other	21	22
Total non-operating income	511	895
Non-operating expenses		
Interest expenses	68	70
Foreign exchange losses	92	258
Commission fee	_	114
Total non-operating expenses	160	442
Ordinary income (loss)	(58,839)	(37,453)
Extraordinary income		
Gain on sales of investment securities	_	16,932
Directors' retirement benefits long-term accounts payable gain on forgiveness of debts	1,029	-
Total extraordinary income	1,029	16,932
Extraordinary loss		
Loss on retirement of noncurrent assets	6	0
Total extraordinary losses	6	0
Income (loss) before income taxes	(57,816)	(20,521)
Income taxes –current	2,918	2,953
Income taxes-deferred	(152)	(183)
Total income taxes	2,766	2,769
Net income (loss)	(60,582)	(23,290)