

**Non-consolidated Financial Statements**  
**for the First Three 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)	1Q of FY2011 (As of Jun. 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	209,246	198,037
Notes and accounts receivable - trade	325,858	224,567
Short-term investment securities	133,005	133,019
Finished goods	38,373	35,229
Work in process	12,749	29,791
Raw materials	3,855	3,094
Other current assets	50,197	64,854
Allowance for doubtful accounts	(1,040)	(350)
Total current assets	772,244	688,244
Noncurrent assets		
Property, plant and equipment	98,780	24,614
Intangible assets	41,078	38,704
Investments and other assets		
Investment securities	113,010	113,070
Real estate for investment	-	70,587
Other investments and other assets	45,365	36,577
Allowance for doubtful accounts	(3,925)	(3,925)
Total investments and other assets	154,450	216,309
Total noncurrent assets	294,309	279,628
Total assets	1,066,554	967,873

(Thousands of yen)

	FY2010 selected data (As of Mar. 31, 2011)	1Q of FY2011 (As of Jun. 30, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	64,552	33,712
Income taxes payable	6,311	2,403
Provision for bonuses	38,359	19,837
Provision for product warranties	40,291	41,346
Other current liabilities	113,645	115,441
<b>Total current liabilities</b>	<b>263,160</b>	<b>212,740</b>
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	2,998	2,998
Long-term accounts payable-other	3,431	3,431
Long-term unearned revenue	42,633	33,202
Other long-term liabilities	8,973	7,272
<b>Total noncurrent liabilities</b>	<b>58,036</b>	<b>46,904</b>
<b>Total liabilities</b>	<b>321,197</b>	<b>259,644</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	(540,000)	(576,966)
<b>Total shareholders' equity</b>	<b>743,921</b>	<b>706,956</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	1,434	1,271
<b>Total valuation and translation adjustments</b>	<b>1,434</b>	<b>1,271</b>
<b>Total net assets</b>	<b>745,356</b>	<b>708,228</b>
<b>Total liabilities and net assets</b>	<b>1,066,554</b>	<b>967,873</b>

**(2) Statements of Income**

(Thousands of yen)

	1Q of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)	1Q of FY2011 (Apr. 1, 2011 – Jun. 30, 2011)
Net sales	245,414	254,252
Cost of sales	147,389	148,343
Gross profit	98,024	105,908
SG&A expenses	238,992	144,329
Operating loss	(140,967)	(38,420)
Non-operating income		
Interest income	7,896	932
Dividends income	120	120
Rent income	-	1,185
Other	950	1,965
Total non-operating income	8,966	4,203
Non-operating expenses		
Foreign exchange losses	657	1,111
Loss on investments in partnership	1,593	-
Rent expenses	-	726
Total non-operating expenses	2,251	1,838
Ordinary loss	(134,252)	(36,055)
Extraordinary income		
Reversal of allowance for doubtful accounts	210	-
Reversal of provision for bonuses	15,566	-
Gain on sales of subsidiaries and affiliates' stocks	850	-
Gain on sales of investment securities	6,015	-
Directors' retirement benefits long-term accounts payable gain on forgiveness of debts	4,115	-
Total extraordinary income	26,757	-
Extraordinary loss		
Loss on retirement of noncurrent assets	1,172	115
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,659	-
Total extraordinary losses	2,832	115
Net loss before income taxes	(110,327)	(36,170)
Income taxes –current	787	945
Income taxes-deferred	-	(150)
Total income taxes	787	794
Net loss	(111,114)	(36,965)