

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

Company name:	Zuken Elmic, Inc.	Listing:	TSE Second(2nd) Section
Stock code:	4770	URL:	http://www.elwsc.co.jp/
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(1) Balance Sheets

(Thousands of yen)

	FY2013 selected data (As of Mar. 31, 2014)	1Q of FY2014 (As of Jun. 30, 2014)
Assets		
Current assets		
Cash and deposits	296,293	365,657
Notes and accounts receivable - trade	303,834	182,729
Short-term investment securities	63,150	63,158
Merchandise and finished goods	12,061	9,206
Work in process	5,994	9,724
Raw materials	539	576
Prepaid expenses	54,079	59,286
Other current assets	1,950	8,213
Allowance for doubtful accounts	(240)	(100)
Total current assets	737,663	698,453
Noncurrent assets		
Property, plant and equipment	12,974	12,469
Intangible assets	19,752	17,501
Investments and other assets		
Investment securities	4,631	4,631
Long-term prepaid expenses	35,638	26,920
Other investments and other assets	6,984	8,935
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	45,403	38,636
Total noncurrent assets	78,130	68,607
Total assets	815,794	767,060

(Thousands of yen)

	FY2013 selected data (As of Mar. 31, 2014)	1Q of FY2014 (As of Jun. 30, 2014)
Liabilities		
Current liabilities		
Accounts payable - trade	50,822	20,311
Income taxes payable	6,874	2,517
Unearned revenue	60,678	76,735
Provision for bonuses	-	23,226
Provision for product warranties	13,877	13,417
Other current liabilities	29,124	33,288
Total current liabilities	161,377	169,496
Noncurrent liabilities		
Long-term accounts payable-other	3,431	-
Long-term unearned revenue	49,713	37,759
Provision for retirement benefits	2,998	2,998
Other long-term liabilities	9,139	8,702
Total noncurrent liabilities	65,282	49,460
Total liabilities	226,659	218,956
Net assets		
Shareholders' equity		
Capital stock	1,202,036	1,202,036
Capital surplus	81,886	81,886
Retained earnings	(694,787)	(735,818)
Total shareholders' equity	589,134	548,103
Total net assets	589,134	548,103
Total liabilities and net assets	815,794	767,060

(2) Statements of Income

(Thousands of yen)

	1Q of FY2013 (Apr. 1, 2013 – Jun. 30, 2013)	1Q of FY2014 (Apr. 1, 2014 – Jun. 30, 2014)
Net sales	303,520	206,341
Cost of sales	180,664	103,408
Gross profit	122,856	102,932
SG&A expenses	158,322	144,031
Operating loss	(35,465)	(41,098)
Non-operating income		
Interest income	19	12
Dividends income	160	-
Commission fee	49	46
Reversal of allowance for doubtful accounts	-	140
Other	63	2
Total non-operating income	292	201
Non-operating expenses		
Interest expenses	-	18
Foreign exchange losses	283	361
Other	38	-
Total non-operating expenses	322	379
Ordinary loss	(35,496)	(41,277)
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	0	0
Total extraordinary losses	0	0
Net loss before income taxes	(24,171)	(40,247)
Income taxes –current	945	984
Income taxes-deferred	(25)	(201)
Total income taxes	919	783
Net loss	(25,091)	(41,030)