

Non-consolidated Financial Statements
for the First Three Months of the Fiscal Year Ending March 31, 2020

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

(1) Balance Sheets

(Thousands of yen)

	FY2018 selected data (As of Mar. 31, 2019)	1Q of FY2019 (As of Jun. 30, 2019)
Assets		
Current assets		
Cash and deposits	483,062	545,805
Notes and accounts receivable - trade	241,213	113,497
Merchandise and finished goods	2,862	2,462
Work in process	2,050	8,165
Raw materials	108	107
Prepaid expenses	6,812	42,203
Other current assets	4,057	1,230
Allowance for doubtful accounts	(100)	(100)
Total current assets	740,068	713,372
Noncurrent assets		
Property, plant and equipment	12,006	11,933
Intangible assets	21,499	21,069
Investments and other assets		
Investment securities	3,500	3,500
Long-term prepaid expenses	—	34,035
Deferred tax assets	25,772	37,035
Other investments and other assets	5,087	5,087
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	32,509	78,549
Total noncurrent assets	66,016	111,553
Total assets	806,085	824,925

	(Thousands of yen)	
	FY2018 selected data (As of Mar. 31, 2019)	1Q of FY2019 (As of Jun. 30, 2019)
Liabilities		
Current liabilities		
Accounts payable - trade	29,734	31,437
Income taxes payable	13,344	3,473
Unearned revenue	18,092	59,857
Provision for bonuses	38,396	18,051
Provision for product warranties	9,933	10,269
Other current liabilities	47,261	46,468
Total current liabilities	156,763	169,558
Noncurrent liabilities		
Long-term unearned revenue	272	40,187
Provision for retirement benefits	2,729	2,729
Other long-term liabilities	12,822	13,039
Total noncurrent liabilities	15,823	55,956
Total liabilities	172,586	225,515
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(2,408)	(36,496)
Treasury shares	(91)	(91)
Total shareholders' equity	633,498	599,410
Total net assets	633,498	599,410
Total liabilities and net assets	806,085	824,925

(2) Statements of Income

(Thousands of yen)

	1Q of FY2018 (Apr. 1, 2018 – Jun. 30, 2018)	1Q of FY2019 (Apr. 1, 2019 – Jun. 30, 2019)
Net sales	131,015	139,603
Cost of sales	65,493	78,070
Gross profit	65,522	61,533
Selling, general and administrative expenses	101,891	106,562
Operating profit (loss)	(36,369)	(45,029)
Non-operating income		
Interest income	0	3
Commission fee	67	11
Foreign exchange gains	62	—
Total non-operating income	129	15
Non-operating expenses		
Interest expenses	28	47
Foreign exchange losses	—	46
Total non-operating expenses	28	94
Ordinary profit (loss)	(36,268)	(45,107)
Profit (loss) before income taxes	(36,268)	(45,107)
Income taxes –current	982	984
Income taxes-deferred	(10,920)	(12,004)
Total income taxes	(9,937)	(11,019)
Net profit (loss)	(26,330)	(34,088)