

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

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

(1) Balance Sheets

		(Thousands of yen
	FY2018 selected data	3Q of FY2019
	(As of Mar. 31, 2019)	(As of Dec. 31, 2019)
Assets		
Current assets		
Cash and deposits	483,062	502,14
Notes and accounts receivable - trade	241,213	178,81
Merchandise and finished goods	2,862	1,67
Work in process	2,050	9,90
Raw materials	108	8
Prepaid expenses	6,812	29,81
Other current assets	4,057	2,06
Allowance for doubtful accounts	(100)	(100
Total current assets	740,068	724,42
Noncurrent assets		
Property, plant and equipment	12,006	14,63
Intangible assets	21,499	25,65
Investments and other assets		
Investment securities	3,500	3,50
Long-term prepaid expenses	-	24,32
Deferred tax assets	25,772	29,15
Other investments and other assets	5,087	5,03
Allowance for doubtful accounts	(1,850)	(1,850
Total investments and other assets	32,509	60,16
Total noncurrent assets	66,016	100,46
Total assets	806,085	824,88

Current liabilities Accounts payable - trade 29,734 34,12 Income taxes payable 13,344 1,24 Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 2,729 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,623 Total noncurrent liabilities 15,823 48,58 Total noncurrent liabilities 172,586 210,15 Net assets 135,998 135,998 135,998 Shareholders' equity 135,998 135,998 135,998 Capital surplus 135,998 135,998 135,998 Retained earnings (2,408) (21,143 (24,08) (21,143 Treasury shares (91) (117 70tal shareholders' equity 63			(Thousands of yen)
Liabilities Current liabilities Accounts payable - trade 29,734 34,12 Income taxes payable 13,344 1,24 Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 2,729 2,72 Other long-term unearned revenue 2,729 2,72 Other liabilities 12,822 15,623 Total noncurrent liabilities 12,823 48,58 Total noncurrent liabilities 172,586 210,15 Net assets 500,000 500,000 Shareholders' equity 135,998 135,998 Capital stock 500,000 500,000 Capital surplus 135,998 135,998 Retained earnings (2,408) (21,143 Treasury shares (91) (117 Total shareholde			
Current liabilities Accounts payable - trade 29,734 34,12 Income taxes payable 13,344 1,24 Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 2,729 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,623 Total noncurrent liabilities 15,823 48,58 Total noncurrent liabilities 172,586 210,15 Net assets 135,998 135,998 135,998 Shareholders' equity 135,998 135,998 135,998 Capital surplus 135,998 135,998 135,998 Retained earnings (2,408) (21,143 (24,08) (21,143 Treasury shares (91) (117 70tal shareholders' equity 63		(As of Mar. 31, 2019)	(As of Dec. 31, 2019)
Accounts payable - trade 29,734 34,12 Income taxes payable 13,344 1,24 Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 2,729 2,72 Other long-term unearned revenue 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 15,823 48,58 Total liabilities 172,586 210,15 Net assets Shareholders' equity 500,000 500,000 Capital stock 500,000 500,000 500,000 Capital surplus 135,998 135,998 135,999 Retained earnings (2,408) (21,143 Treasury shares (91) (117 Total shareholders' equity 633,498 614,73 Total net assets	Liabilities		
Income taxes payable 13,344 1.24 Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 272 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 15,823 48,58 Total liabilities 172,586 210,15 Net assets Shareholders' equity 500,000 500,000 Capital stock 500,000 500,000 500,000 Capital stock 500,000 500,000 500,000 Capital stock 500,000 500,000 21,143 Treasury shares (91) (117 117 Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Current liabilities		
Unearned revenue 18,092 52,87 Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 272 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 15,823 48,58 Total liabilities 172,586 210,15 Net assets Shareholders' equity 500,000 500,000 Capital stock 500,000 500,000 21,43 Treasury shares (2,408) (21,143 Treasury shares (91) (117 Total shareholders' equity 633,498 614,73 Total net assets 613,498 614,73	Accounts payable - trade	29,734	34,124
Provision for bonuses 38,396 17,27 Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 272 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 12,823 48,58 Total liabilities 172,586 210,15 Net assets 135,998 135,99 Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total stack 633,498 614,73 Total net assets 633,498 614,73	Income taxes payable	13,344	1,242
Provision for product warranties 9,933 10,38 Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 272 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 12,823 48,58 Total liabilities 172,586 210,15 Net assets 35,998 135,998 135,998 Shareholders' equity 2,408) (21,143) Capital stock 500,000 500,000 Capital stork 500,000 500,000 Capital stork 500,000 500,000 Capital stork 500,000 633,498 614,73 Total shareholders' equity 633,498 614,73	Unearned revenue	18,092	52,877
Other current liabilities 47,261 45,66 Total current liabilities 156,763 161,56 Noncurrent liabilities 272 30,22 Provision for retirement benefits 2,729 2,72 Other long-term liabilities 12,822 15,62 Total noncurrent liabilities 12,823 48,58 Total iabilities 172,586 210,15 Net assets 172,586 210,15 Shareholders' equity 2,998 315,998 Capital stock 500,000 500,000 Capital stock 500,000 500,000 Capital surplus 135,998 135,998 Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Provision for bonuses	38,396	17,274
Total current liabilities156,763161,56Noncurrent liabilities27230,22Long-term unearned revenue27230,22Provision for retirement benefits2,7292,72Other long-term liabilities12,82215,62Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity500,000500,000Capital stock500,000500,000Capital surplus135,998135,99Retained earnings(2,408)(21,143)Total shareholders' equity633,498614,73Total net assets614,73613,498	Provision for product warranties	9,933	10,384
Noncurrent liabilitiesLong-term unearned revenue27230,22Provision for retirement benefits2,7292,72Other long-term liabilities12,82215,62Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity500,000500,000Capital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Total shareholders' equity633,498614,73Total net assets633,498614,73	Other current liabilities	47,261	45,663
Long-term unearned revenue27230,22Provision for retirement benefits2,7292,72Other long-term liabilities12,82215,62Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity2135,998Capital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Total shareholders' equity633,498614,73Total net assets633,498614,73	Total current liabilities	156,763	161,566
Provision for retirement benefits2,7292,72Other long-term liabilities12,82215,62Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity500,000500,000Capital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Total shareholders' equity633,498614,73Total net assets633,498614,73	Noncurrent liabilities		
Other long-term liabilities12,82215,62Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity500,000500,000Capital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Treasury shares(91)(117)Total shareholders' equity633,498614,73Total net assets614,73633,498614,73	Long-term unearned revenue	272	30,228
Total noncurrent liabilities15,82348,58Total liabilities172,586210,15Net assets172,586210,15Shareholders' equity2apital stock500,000Capital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Treasury shares(91)(117)Total shareholders' equity633,498614,73Total net assets633,498614,73	Provision for retirement benefits	2,729	2,729
Total liabilities172,586210,15Net assetsShareholders' equityCapital stock500,000500,000Capital surplus135,998135,998Retained earnings(2,408)(21,143)Treasury shares(91)(117)Total shareholders' equity633,498614,73Total net assets633,498614,73	Other long-term liabilities	12,822	15,625
Net assetsShareholders' equityCapital stock500,000Capital surplus135,998Retained earnings(2,408)Treasury shares(91)Total shareholders' equity633,498Total net assets614,73	Total noncurrent liabilities	15,823	48,583
Shareholders' equity Capital stock 500,000 500,000 Capital surplus 135,998 135,999 Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Total liabilities	172,586	210,150
Capital stock 500,000 500,000 Capital surplus 135,998 135,999 Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Net assets		
Capital surplus 135,998 135,998 Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Shareholders' equity		
Retained earnings (2,408) (21,143) Treasury shares (91) (117) Total shareholders' equity 633,498 614,73 Total net assets 633,498 614,73	Capital stock	500,000	500,000
Treasury shares(91)(117Total shareholders' equity633,498614,73Total net assets633,498614,73	Capital surplus	135,998	135,998
Total shareholders' equity633,498614,73Total net assets633,498614,73	Retained earnings	(2,408)	(21,143
Total net assets 633,498 614,73	Treasury shares	(91)	(117
	Total shareholders' equity	633,498	614,73
Total liabilities and net assets 806,085 824,88	Total net assets	633,498	614,73
	Total liabilities and net assets	806,085	824,88

(2) Statements of Income

(For the Nine-month Period)

		(Thousands of yen)
	3Q of FY2018	3Q of FY2019
	(Apr. 1, 2018 – Dec. 31, 2018)	(Apr. 1, 2019 – Dec. 31, 2019)
Net sales	586,015	557,648
Cost of sales	308,131	258,923
Gross profit	277,883	298,725
Selling, general and administrative expenses	298,148	318,125
Operating profit (loss)	(20,264)	(19,399)
Non-operating income		
Interest income	6	7
Commission fee	92	35
Subsidy income	_	590
Foreign exchange gains	68	_
Other	5	-
Total non-operating income	172	633
Non-operating expenses		
Interest expenses	132	172
Foreign exchange losses	_	228
Total non-operating expenses	132	401
Ordinary profit (loss)	(20,224)	(19,167)
Profit (loss) before income taxes	(20,224)	(19,167)
Income taxes –current	2,952	2,953
Income taxes-deferred	(5,960)	(3,385)
Total income taxes	(3,007)	(432)
Net profit (loss)	(17,217)	(18,735)