

Non-consolidated Financial Statements
for the First Three Months of the Fiscal Year Ending March 31, 2021

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

(Thousands of yen)

	FY2019 selected data (As of Mar. 31, 2020)	1Q of FY2020 (As of Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	480,748	495,562
Notes and accounts receivable - trade	221,356	91,214
Merchandise and finished goods	1,628	1,497
Work in process	2,032	3,971
Raw materials	26	26
Prepaid expenses	23,800	44,520
Other current assets	9,847	2,639
Allowance for doubtful accounts	(100)	(100)
Total current assets	739,339	639,333
Noncurrent assets		
Property, plant and equipment	13,344	12,773
Intangible assets	25,474	25,256
Investments and other assets		
Investment securities	3,500	3,500
Long-term prepaid expenses	19,577	14,775
Deferred tax assets	17,714	—
Other investments and other assets	5,033	5,168
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	43,975	21,593
Total noncurrent assets	82,794	59,624
Total assets	822,134	698,957

	(Thousands of yen)	
	FY2019 selected data (As of Mar. 31, 2020)	1Q of FY2020 (As of Jun. 30, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	25,658	10,797
Income taxes payable	8,388	3,160
Unearned revenue	42,023	62,404
Provision for bonuses	36,540	17,540
Provision for product warranties	9,759	9,830
Other current liabilities	32,927	36,020
Total current liabilities	155,299	139,753
Noncurrent liabilities		
Long-term unearned revenue	25,677	19,082
Provision for retirement benefits	2,729	2,729
Other long-term liabilities	14,684	14,208
Total noncurrent liabilities	43,091	36,020
Total liabilities	198,390	175,773
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(12,137)	(112,697)
Treasury shares	(117)	(117)
Total shareholders' equity	623,743	523,183
Total net assets	623,743	523,183
Total liabilities and net assets	822,134	698,957

(2) Statements of Income

(Thousands of yen)

	1Q of FY2019 (Apr. 1, 2019 – Jun. 30, 2019)	1Q of FY2020 (Apr. 1, 2020 – Jun. 30, 2020)
Net sales	139,603	87,420
Cost of sales	78,070	59,773
Gross profit	61,533	27,647
Selling, general and administrative expenses	106,562	109,262
Operating profit (loss)	(45,029)	(81,615)
Non-operating income		
Interest income	3	0
Commission fee	11	10
Subsidy income	—	128
Total non-operating income	15	139
Non-operating expenses		
Interest expenses	47	57
Foreign exchange losses	46	15
Total non-operating expenses	94	73
Ordinary profit (loss)	(45,107)	(81,549)
Profit (loss) before income taxes	(45,107)	(81,549)
Income taxes –current	984	984
Income taxes-deferred	(12,004)	18,025
Total income taxes	(11,019)	19,009
Net profit (loss)	(34,088)	(100,559)