

Non-consolidated Financial Statements
for the First Nine 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

	FY2019 selected data (As of Mar. 31, 2020)	(Thousands of yen) 3Q of FY2020 (As of Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	480,748	420,786
Notes and accounts receivable – trade	221,356	162,769
Merchandise and finished goods	1,628	795
Work in process	2,032	2,948
Raw materials	26	26
Prepaid expenses	23,800	31,102
Other current assets	9,847	1,288
Allowance for doubtful accounts	(100)	(100)
Total current assets	739,339	619,616
Noncurrent assets		
Property, plant and equipment	13,344	11,410
Intangible assets	25,474	18,981
Investments and other assets		
Investment securities	3,500	3,500
Long-term prepaid expenses	19,577	5,065
Deferred tax assets	17,714	—
Other investments and other assets	5,033	5,083
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	43,975	11,799
Total noncurrent assets	82,794	42,191
Total assets	822,134	661,807
Liabilities		
Current liabilities		
Accounts payable – trade	25,658	18,270
Income taxes payable	8,388	—
Unearned revenue	42,023	52,879
Provision for bonuses	36,540	14,685
Provision for product warranties	9,759	8,298
Other current liabilities	32,927	42,609
Total current liabilities	155,299	136,743
Noncurrent liabilities		
Long-term unearned revenue	25,677	6,476
Provision for retirement benefits	2,729	2,729
Other long-term liabilities	14,684	12,955
Total noncurrent liabilities	43,091	22,161
Total liabilities	198,390	158,905
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(12,137)	(132,978)
Treasury shares	(117)	(117)
Total shareholders' equity	623,743	502,902
Total net assets	623,743	502,902
Total liabilities and net assets	822,134	661,807

(2) Statements of Income
(For the Nine-month Period)

	(Thousands of yen)	
	3Q of FY2019	3Q of FY2020
	(Apr. 1, 2019 – Dec. 31, 2019)	(Apr. 1, 2020 – Dec. 31, 2020)
Net sales	557,648	406,111
Cost of sales	258,923	226,781
Gross profit	298,725	179,330
Selling, general and administrative expenses	318,125	283,689
Operating profit (loss)	(19,399)	(104,358)
Non-operating income		
Interest income	7	2
Commission fee	35	33
Subsidy income	590	11,488
Foreign exchange gains	—	15
Total non-operating income	633	11,539
Non-operating expenses		
Interest expenses	172	169
Foreign exchange losses	228	63
Loss on retirement of non-current assets	—	170
Total non-operating expenses	401	403
Ordinary profit (loss)	(19,167)	(93,222)
Extraordinary losses		
Extra retirement payments	—	6,710
Total extraordinary losses	—	6,710
Profit (loss) before income taxes	(19,167)	(99,932)
Income taxes –current	2,953	2,953
Income taxes–deferred	(3,385)	17,955
Total income taxes	(432)	20,908
Net profit (loss)	(18,735)	(120,840)