

**Non-consolidated Financial Statements**  
**for the First Three Months of the Fiscal Year Ending March 31, 2022**

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

	(Thousands of yen)	
	FY2020	1Q of FY2021
	(As of Mar. 31, 2021)	(As of Jun. 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	421,739	432,462
Notes and accounts receivable – trade	210,463	193,520
Merchandise and finished goods	750	733
Work in process	7,463	10,564
Raw materials	26	26
Prepaid expenses	23,670	37,631
Other current assets	1,681	1,084
Allowance for doubtful accounts	(100)	(100)
Total current assets	665,695	675,923
Noncurrent assets		
Property, plant and equipment	10,317	12,444
Intangible assets	18,494	16,935
Investments and other assets		
Long-term prepaid expenses	316	—
Other investments and other assets	3,463	3,463
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	1,930	1,613
Total noncurrent assets	30,742	30,992
Total assets	696,438	706,915
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	35,140	30,131
Income taxes payable	4,094	3,483
Unearned revenue	39,661	60,279
Provision for bonuses	27,955	14,916
Provision for product warranties	8,216	8,987
Other current liabilities	26,325	42,054
Total current liabilities	141,393	159,851
Noncurrent liabilities		
Long-term unearned revenue	650	148
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	11,238	12,921
Total noncurrent liabilities	13,742	14,923
Total liabilities	155,135	174,774
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(94,578)	(103,739)
Treasury shares	(117)	(117)
Total shareholders' equity	541,302	532,141
Total net assets	541,302	532,141
Total liabilities and net assets	696,438	706,915

**(2) Statements of Income**

(Thousands of yen)

	1Q of FY2020 (Apr. 1, 2020 – Jun. 30, 2020)	1Q of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)
Net sales	87,420	164,447
Cost of sales	59,773	100,062
Gross profit	27,647	64,384
Selling, general and administrative expenses	109,262	72,893
Operating profit (loss)	(81,615)	(8,508)
Non-operating income		
Interest income	0	0
Commission fee	10	11
Subsidy income	128	—
Total non-operating income	139	11
Non-operating expenses		
Interest expenses	57	55
Foreign exchange losses	15	1
Total non-operating expenses	73	56
Ordinary profit (loss)	(81,549)	(8,553)
Profit (loss) before income taxes	(81,549)	(8,553)
Income taxes –current	984	611
Income taxes–deferred	18,025	(3)
Total income taxes	19,009	607
Net profit (loss)	(100,559)	(9,161)