

**Non-consolidated Financial Statements  
for the Fiscal Year Ended March 31, 2022**

Company name: Zuken Elmic, Inc.

Listing: TSE Standard Market

Stock code: 4770

 URL: <https://www.elwsc.co.jp/>

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**(1) Balance Sheets**

	(Thousands of yen)	
	FY2020 (As of Mar. 31, 2021)	FY2021 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	421,739	592,058
Notes and accounts receivable – trade	210,463	168,554
Merchandise and finished goods	750	118
Work in process	7,463	9,551
Raw materials	26	26
Prepaid expenses	23,670	3,256
Other current assets	1,681	209
Allowance for doubtful accounts	(100)	(100)
Total current assets	665,695	773,674
Noncurrent assets		
Property, plant and equipment	10,317	17,552
Intangible assets	18,494	13,652
Investments and other assets		
Long-term prepaid expenses	316	—
Other investments and other assets	3,463	3,384
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	1,930	1,534
Total noncurrent assets	30,742	32,738
Total assets	696,438	806,413
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	35,140	33,608
Income taxes payable	4,094	25,965
Unearned revenue	39,661	26,507
Provision for bonuses	27,955	30,815
Provision for product warranties	8,216	11,070
Other current liabilities	26,325	53,032
Total current liabilities	141,393	180,999
Noncurrent liabilities		
Long-term unearned revenue	650	3,052
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	11,238	9,691
Total noncurrent liabilities	13,742	14,598
Total liabilities	155,135	195,597
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(94,578)	(25,064)
Treasury shares	(117)	(117)
Total shareholders' equity	541,302	610,816
Total net assets	541,302	610,816
Total liabilities and net assets	696,438	806,413

**(2) Statements of Income**

(Thousands of yen)

	FY2020	FY2021
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Net sales	617,113	801,567
Cost of sales	332,379	419,229
Gross profit	284,733	382,338
Selling, general and administrative expenses	347,718	290,530
Operating profit (loss)	(62,984)	91,807
Non-operating income		
Interest income	5	4
Commission fee	44	47
Subsidy income	12,982	—
Foreign exchange gains	19	39
Others income	15	2
Total non-operating income	13,067	93
Non-operating expenses		
Interest expenses	218	204
Loss on retirement of non-current assets	170	5,164
Total non-operating expenses	388	5,369
Ordinary profit (loss)	(50,305)	86,531
Extraordinary losses		
Loss on sale of investment securities	3,499	—
Extra retirement payments	7,160	—
Total extraordinary losses	10,659	—
Profit (loss) before income taxes	(60,965)	86,531
Income taxes –current	3,565	17,033
Income taxes–deferred	17,910	(15)
Total income taxes	21,475	17,017
Net profit (loss)	(82,441)	69,514

**(3) Statements of Cash Flows**

(Thousands of yen)

	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)	FY2021 (Apr. 1, 2021 – Mar. 31, 2022)
<b>Cash provided by (used in) operating activities</b>		
Profit (loss) before income taxes	(60,965)	86,531
Depreciation and amortization	17,971	11,722
Increase (decrease) in provision for bonuses	(8,585)	2,859
Increase (decrease) in provision for retirement benefits	(876)	—
Increase (decrease) in provision for product warranties	(1,543)	2,854
Interest and dividends income	(5)	(4)
Interest expenses	218	204
Foreign exchange losses (gains)	(27)	(169)
Subsidy income	(12,982)	—
Loss on retirement of non-current assets	170	5,164
Loss (gain) on sale of investment securities	3,499	—
Extra retirement payments	7,160	—
Decrease (increase) in notes and accounts receivable-trade	10,892	41,909
Decrease (increase) in inventories	(4,553)	(1,455)
Increase (decrease) in notes and accounts payable-trade	9,482	(1,532)
Decrease (increase) in prepaid expenses	19,389	20,730
Increase (decrease) in unearned revenue	(27,389)	(10,751)
Increase (decrease) in accrued consumption taxes	(7,337)	16,924
Other, net	5,643	10,868
Subtotal	<u>(49,837)</u>	<u>185,856</u>
Interests and dividends income received	5	4
Interest expenses paid	(218)	(204)
Proceeds from subsidy income	12,982	—
Extra retirement payments	(5,877)	(1,282)
Income taxes (paid) refund	(4,915)	1,254
Net cash provided by (used in) operating activities	<u>(47,861)</u>	<u>185,628</u>
<b>Cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(372)	(4,747)
Purchase of intangible assets	(6,596)	(6,047)
Other, net	(49)	79
Net cash provided by (used in) investing activities	<u>(7,017)</u>	<u>(10,716)</u>
<b>Cash provided by (used in) financing activities</b>		
Repayments of lease obligations	(4,157)	(4,761)
Net cash provided by (used in) financing activities	<u>(4,157)</u>	<u>(4,761)</u>
Effect of exchange rate changes on cash and cash equivalents	27	169
Increase (decrease) in cash and cash equivalents	<u>(59,008)</u>	<u>170,319</u>
Cash and cash equivalents at beginning of period	<u>480,748</u>	<u>421,739</u>
Cash and cash equivalents at end of period	<u>421,739</u>	<u>592,058</u>