

Non-consolidated Financial Statements
for the First Half of the Fiscal Year Ending March 31, 2023

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

	FY2021 selected data (As of Mar. 31, 2022)	First half of FY2022 (As of Sep. 30, 2022)
(Thousands of yen)		
Assets		
Current assets		
Cash and deposits	592,058	592,219
Notes and accounts receivable – trade	168,554	213,803
Merchandise and finished goods	118	59
Work in process	9,551	6,554
Raw materials	26	26
Prepaid expenses	3,256	4,922
Other current assets	209	205
Allowance for doubtful accounts	(100)	(100)
Total current assets	773,674	817,690
Noncurrent assets		
Property, plant and equipment	17,552	15,165
Intangible assets	13,652	11,475
Investments and other assets		
Other investments and other assets	3,384	3,384
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	1,534	1,534
Total noncurrent assets	32,738	28,175
Total assets	806,413	845,866
Liabilities		
Current liabilities		
Accounts payable – trade	33,608	35,829
Income taxes payable	25,965	18,215
Unearned revenue	26,507	32,350
Provision for bonuses	30,815	33,179
Provision for product warranties	11,070	12,031
Other current liabilities	53,032	39,226
Total current liabilities	180,999	170,831
Noncurrent liabilities		
Long-term unearned revenue	3,052	900
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	9,691	8,182
Total noncurrent liabilities	14,598	10,936
Total liabilities	195,597	181,768
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(25,064)	28,217
Treasury shares	(117)	(117)
Total shareholders' equity	610,816	664,098
Total net assets	610,816	664,098
Total liabilities and net assets	806,413	845,866

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

(Thousands of yen)

	First half of FY2021 (Apr. 1, 2021 – Sep. 30, 2021)	First half of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)
Net sales	342,448	423,124
Cost of sales	189,329	205,470
Gross profit	153,118	217,654
Selling, general and administrative expenses	144,030	153,289
Operating profit (loss)	9,088	64,365
Non-operating income		
Interest income	2	2
Commission fee	23	25
Foreign exchange gains	17	245
Others income	2	—
Total non-operating income	45	273
Non-operating expenses		
Interest expenses	110	73
Total non-operating expenses	110	73
Ordinary profit (loss)	9,023	64,565
Profit (loss) before income taxes	9,023	64,565
Income taxes –current	3,479	11,290
Income taxes–deferred	(7)	(7)
Total income taxes	3,471	11,283
Net profit (loss)	5,552	53,281

(3) Statements of Cash Flows

(Thousands of yen)

	First half of FY2021 (Apr. 1, 2021 – Sep. 30, 2021)	First half of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)
Cash provided by (used in) operating activities		
Profit (loss) before income taxes	9,023	64,565
Depreciation and amortization	5,488	7,093
Increase (decrease) in provision for bonuses	3,741	2,364
Increase (decrease) in provision for product warranties	1,002	961
Interest and dividends income	(2)	(2)
Interest expenses	110	73
Foreign exchange losses (gains)	(17)	(325)
Decrease (increase) in notes and accounts receivable–trade	27,289	(45,248)
Decrease (increase) in inventories	(24,539)	3,055
Increase (decrease) in notes and accounts payable–trade	2,949	2,221
Decrease (increase) in prepaid expenses	(953)	(1,666)
Increase (decrease) in unearned revenue	7,272	3,691
Increase (decrease) in accrued consumption taxes	5,551	(5,724)
Other, net	3,176	(3,835)
Subtotal	40,092	27,221
Interests and dividends income received	2	2
Interest expenses paid	(110)	(73)
Extra retirement payments	(1,282)	—
Income taxes (paid) refund	1,254	(17,033)
Net cash provided by (used in) operating activities	39,956	10,118
Cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(232)	(5,371)
Purchase of intangible assets	(916)	(2,490)
Net cash provided by (used in) investing activities	(1,149)	(7,862)
Cash provided by (used in) financing activities		
Repayments of lease obligations	(2,362)	(2,420)
Net cash provided by (used in) financing activities	(2,362)	(2,420)
Effect of exchange rate changes on cash and cash equivalents	17	325
Increase (decrease) in cash and cash equivalents	36,462	160
Cash and cash equivalents at beginning of period	421,739	592,058
Cash and cash equivalents at end of period	458,201	592,219