

**Non-consolidated Financial Statements
for the Fiscal Year Ended March 31, 2023**

Company name: Zuken Elmic, Inc.

Listing: TSE Standard Market

Stock code: 4770

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

President: Joe Asakura

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(1) Balance Sheets

	(Thousands of yen)	
	FY2021 (As of Mar. 31, 2022)	FY2022 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	592,058	639,019
Notes and accounts receivable – trade	168,554	274,216
Merchandise and finished goods	118	35
Work in process	9,551	4,523
Raw materials	26	—
Prepaid expenses	3,256	3,072
Other current assets	209	205
Allowance for doubtful accounts	(100)	(100)
Total current assets	773,674	920,972
Noncurrent assets		
Property, plant and equipment	17,552	16,668
Intangible assets	13,652	12,468
Investments and other assets		
Deferred tax assets	—	32,492
Other investments and other assets	3,384	3,384
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	1,534	34,026
Total noncurrent assets	32,738	63,163
Total assets	806,413	984,136
Liabilities		
Current liabilities		
Accounts payable – trade	33,608	24,414
Income taxes payable	25,965	27,117
Unearned revenue	26,507	21,145
Provision for bonuses	30,815	33,592
Provision for bonuses for directors	—	2,500
Provision for product warranties	11,070	8,819
Other current liabilities	53,032	67,359
Total current liabilities	180,999	184,948
Noncurrent liabilities		
Long-term unearned revenue	3,052	277
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	9,691	9,573
Total noncurrent liabilities	14,598	11,704
Total liabilities	195,597	196,653
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(25,064)	151,602
Treasury shares	(117)	(117)
Total shareholders' equity	610,816	787,483
Total net assets	610,816	787,483
Total liabilities and net assets	806,413	984,136

(2) Statements of Income

(Thousands of yen)

	FY2021	FY2022
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Net sales	801,567	925,245
Cost of sales	419,229	430,502
Gross profit	382,338	494,742
Selling, general and administrative expenses	290,530	323,013
Operating profit (loss)	91,807	171,729
Non-operating income		
Interest income	4	5
Commission fee	47	50
Foreign exchange gains	39	249
Others income	2	0
Total non-operating income	93	305
Non-operating expenses		
Interest expenses	204	127
Loss on retirement of non-current assets	5,164	0
Total non-operating expenses	5,369	127
Ordinary profit (loss)	86,531	171,907
Profit (loss) before income taxes	86,531	171,907
Income taxes –current	17,033	27,912
Income taxes–deferred	(15)	(32,671)
Total income taxes	17,017	(4,759)
Net profit (loss)	69,514	176,667

(3) Statements of Cash Flows

(Thousands of yen)

	FY2021	FY2022
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash provided by (used in) operating activities		
Profit (loss) before income taxes	86,531	171,907
Depreciation and amortization	11,722	14,344
Increase (decrease) in provision for bonuses	2,859	2,777
Increase (decrease) in provision for bonuses for directors	—	2,500
Increase (decrease) in provision for product warranties	2,854	(2,251)
Interest and dividends income	(4)	(5)
Interest expenses	204	127
Foreign exchange losses (gains)	(169)	—
Loss on retirement of non-current assets	5,164	0
Decrease (increase) in notes and accounts receivable-trade	41,909	(105,661)
Decrease (increase) in inventories	(1,455)	5,136
Increase (decrease) in notes and accounts payable-trade	(1,532)	(9,193)
Decrease (increase) in prepaid expenses	20,730	183
Increase (decrease) in unearned revenue	(10,751)	(8,137)
Increase (decrease) in accrued consumption taxes	16,924	2,667
Other, net	10,868	15,808
Subtotal	185,856	90,203
Interests and dividends income received	4	5
Interest expenses paid	(204)	(127)
Extra retirement payments	(1,282)	—
Income taxes (paid) refund	1,254	(25,549)
Net cash provided by (used in) operating activities	185,628	64,532
Cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,747)	(7,710)
Purchase of intangible assets	(6,047)	(5,358)
Other, net	79	—
Net cash provided by (used in) investing activities	(10,716)	(13,068)
Cash provided by (used in) financing activities		
Repayments of lease obligations	(4,761)	(4,503)
Net cash provided by (used in) financing activities	(4,761)	(4,503)
Effect of exchange rate changes on cash and cash equivalents	169	—
Increase (decrease) in cash and cash equivalents	170,319	46,960
Cash and cash equivalents at beginning of period	421,739	592,058
Cash and cash equivalents at end of period	592,058	639,019