

**Non-consolidated Financial Statements**  
for the First Half of the Fiscal Year Ending March 31, 2024

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)	
	FY2022 selected data (As of Mar. 31, 2023)	First half of FY2023 (As of Sep. 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	639,019	710,211
Notes and accounts receivable – trade	274,216	210,469
Merchandise and finished goods	35	23
Work in process	4,523	3,987
Prepaid expenses	3,072	4,694
Other current assets	205	421
Allowance for doubtful accounts	(100)	(100)
Total current assets	920,972	929,709
Noncurrent assets		
Property, plant and equipment	16,668	29,704
Intangible assets	12,468	11,062
Investments and other assets		
Deferred tax assets	32,492	20,299
Other investments and other assets	3,384	3,384
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	34,026	21,833
Total noncurrent assets	63,163	62,600
Total assets	984,136	992,309
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	24,414	25,787
Income taxes payable	27,117	17,792
Unearned revenue	21,145	25,139
Provision for bonuses	33,592	36,625
Provision for bonuses for directors	2,500	—
Provision for product warranties	8,819	6,488
Other current liabilities	67,359	41,156
Total current liabilities	184,948	152,989
Noncurrent liabilities		
Long-term unearned revenue	277	18
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	9,573	20,709
Total noncurrent liabilities	11,704	22,581
Total liabilities	196,653	175,570
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	151,602	180,857
Treasury shares	(117)	(117)
Total shareholders' equity	787,483	816,739
Total net assets	787,483	816,739
Total liabilities and net assets	984,136	992,309

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

(Thousands of yen)

	First half of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)	First half of FY2023 (Apr. 1, 2023 – Sep. 30, 2023)
Net sales	423,124	464,643
Cost of sales	205,470	229,340
Gross profit	217,654	235,302
Selling, general and administrative expenses	153,289	164,190
Operating profit (loss)	64,365	71,112
Non-operating income		
Interest income	2	3
Commission fee	25	27
Foreign exchange gains	245	—
Total non-operating income	273	30
Non-operating expenses		
Interest expenses	73	135
Loss on retirement of non-current assets	—	0
Total non-operating expenses	73	135
Ordinary profit (loss)	64,565	71,007
Profit (loss) before income taxes	64,565	71,007
Income taxes –current	11,290	10,705
Income taxes–deferred	(7)	12,192
Total income taxes	11,283	22,897
Net profit (loss)	53,281	48,109

**(3) Statements of Cash Flows**

(Thousands of yen)

	First half of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)	First half of FY2023 (Apr. 1, 2023 – Sep. 30, 2023)
Cash provided by (used in) operating activities		
Profit (loss) before income taxes	64,565	71,007
Depreciation and amortization	7,093	7,116
Increase (decrease) in provision for bonuses	2,364	3,033
Increase (decrease) in provision for bonuses for directors	—	(2,500)
Increase (decrease) in provision for product warranties	961	(2,331)
Interest and dividends income	(2)	(3)
Interest expenses	73	135
Foreign exchange losses (gains)	(325)	—
Loss on retirement of non-current assets	—	0
Decrease (increase) in notes and accounts receivable-trade	(45,248)	63,746
Decrease (increase) in inventories	3,055	548
Increase (decrease) in notes and accounts payable-trade	2,221	1,373
Decrease (increase) in prepaid expenses	(1,666)	(1,622)
Increase (decrease) in unearned revenue	3,691	3,735
Increase (decrease) in accrued consumption taxes	(5,724)	(16,027)
Other, net	(3,835)	(10,387)
Subtotal	27,221	117,823
Interests and dividends income received	2	3
Interest expenses paid	(73)	(135)
Income taxes (paid) refund	(17,033)	(19,396)
Net cash provided by (used in) operating activities	10,118	98,294
Cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(5,371)	(2,765)
Purchase of intangible assets	(2,490)	(3,340)
Net cash provided by (used in) investing activities	(7,862)	(6,106)
Cash provided by (used in) financing activities		
Dividends paid	—	(18,550)
Repayments of lease obligations	(2,420)	(2,445)
Net cash provided by (used in) financing activities	(2,420)	(20,995)
Effect of exchange rate changes on cash and cash equivalents	325	—
Increase (decrease) in cash and cash equivalents	160	71,191
Cash and cash equivalents at beginning of period	592,058	639,019
Cash and cash equivalents at end of period	592,219	710,211