

**Non-consolidated Financial Statements
for the Fiscal Year Ended March 31, 2024**

Company name: Zuken Elmic, Inc.

Stock code: 4770

President: Joe Asakura

Contact: Yuuichirou Takahashi, Director, Administration

Listing: TSE Standard Market

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(1) Balance Sheets

	(Thousands of yen)	
	FY2022 (As of Mar. 31, 2023)	FY2023 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	639,019	814,634
Notes and accounts receivable – trade	274,216	228,460
Merchandise and finished goods	35	397
Work in process	4,523	5,161
Prepaid expenses	3,072	5,374
Other current assets	205	476
Allowance for doubtful accounts	(100)	(100)
Total current assets	920,972	1,054,404
Noncurrent assets		
Property, plant and equipment	16,668	29,037
Intangible assets	12,468	9,709
Investments and other assets		
Deferred tax assets	32,492	36,863
Other investments and other assets	3,384	3,384
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	34,026	38,398
Total noncurrent assets	63,163	77,145
Total assets	984,136	1,131,549
Liabilities		
Current liabilities		
Accounts payable – trade	24,414	17,767
Income taxes payable	27,117	21,931
Unearned revenue	21,145	20,988
Provision for bonuses	33,592	36,567
Provision for bonuses for directors	2,500	2,500
Provision for product warranties	8,819	5,548
Other current liabilities	67,359	63,556
Total current liabilities	184,948	168,859
Noncurrent liabilities		
Long-term unearned revenue	277	1,915
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	9,573	19,489
Total noncurrent liabilities	11,704	23,258
Total liabilities	196,653	192,117
Net assets		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	151,602	303,551
Treasury shares	(117)	(117)
Total shareholders' equity	787,483	939,432
Total net assets	787,483	939,432
Total liabilities and net assets	984,136	1,131,549

(2) Statements of Income

(Thousands of yen)

	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Net sales	925,245	988,591
Cost of sales	430,502	454,026
Gross profit	494,742	534,564
Selling, general and administrative expenses	323,013	342,353
Operating profit (loss)	171,729	192,211
Non-operating income		
Interest income	5	6
Foreign exchange gains	249	—
Commission fee	50	55
Subsidy income	—	3,003
Others income	0	0
Total non-operating income	305	3,065
Non-operating expenses		
Interest expenses	127	459
Foreign exchange losses	—	121
Loss on retirement of non-current assets	0	0
Total non-operating expenses	127	580
Ordinary profit (loss)	171,907	194,695
Profit (loss) before income taxes	171,907	194,695
Income taxes –current	27,912	28,264
Income taxes–deferred	(32,671)	(4,371)
Total income taxes	(4,759)	23,893
Net profit (loss)	176,667	170,802

(3) Statements of Cash Flows

(Thousands of yen)

	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash provided by (used in) operating activities		
Profit (loss) before income taxes	171,907	194,695
Depreciation and amortization	14,344	15,357
Increase (decrease) in provision for bonuses	2,777	2,974
Increase (decrease) in provision for bonuses for directors	2,500	—
Increase (decrease) in provision for product warranties	(2,251)	(3,271)
Interest and dividends income	(5)	(6)
Interest expenses	127	459
Subsidy income	—	(3,003)
Loss on retirement of non-current assets	0	0
Decrease (increase) in notes and accounts receivable-trade	(105,661)	45,756
Decrease (increase) in inventories	5,136	(1,000)
Increase (decrease) in notes and accounts payable-trade	(9,193)	(6,647)
Decrease (increase) in prepaid expenses	183	(2,302)
Increase (decrease) in unearned revenue	(8,137)	1,481
Increase (decrease) in accrued consumption taxes	2,667	(9,876)
Other, net	15,808	6,855
Subtotal	90,203	241,474
Interests and dividends income received	5	6
Interest expenses paid	(127)	(459)
Proceeds from subsidy income	—	3,003
Income taxes (paid) refund	(25,549)	(33,352)
Net cash provided by (used in) operating activities	64,532	210,672
Cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(7,710)	(6,389)
Purchase of intangible assets	(5,358)	(4,756)
Net cash provided by (used in) investing activities	(13,068)	(11,146)
Cash provided by (used in) financing activities		
Dividends paid	—	(18,559)
Repayments of lease obligations	(4,503)	(5,351)
Net cash provided by (used in) financing activities	(4,503)	(23,911)
Effect of exchange rate changes on cash and cash equivalents	—	—
Increase (decrease) in cash and cash equivalents	46,960	175,615
Cash and cash equivalents at beginning of period	592,058	639,019
Cash and cash equivalents at end of period	639,019	814,634