

**Non-consolidated Financial Statements**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2022**

Company name: Zuken Elmic, Inc.

Listing: TSE Second(2nd) Section

Stock code: 4770

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

President: Joe Asakura

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**(1) Balance Sheets**

	(Thousands of yen)	
	FY2020 selected data (As of Mar. 31, 2021)	3Q of FY2021 (As of Dec. 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	421,739	530,455
Notes and accounts receivable – trade	210,463	194,721
Merchandise and finished goods	750	1,647
Work in process	7,463	27,915
Raw materials	26	68
Prepaid expenses	23,670	13,191
Other current assets	1,681	598
Allowance for doubtful accounts	(100)	(100)
Total current assets	665,695	768,499
Noncurrent assets		
Property, plant and equipment	10,317	14,867
Intangible assets	18,494	17,075
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	33,477
Total assets	696,438	801,977
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	35,140	42,884
Income taxes payable	4,094	15,652
Unearned revenue	39,661	44,128
Provision for bonuses	27,955	15,038
Provision for product warranties	8,216	11,230
Other current liabilities	26,325	60,060
Total current liabilities	141,393	188,993
Noncurrent liabilities		
Long-term unearned revenue	650	1,611
Provision for retirement benefits	1,853	1,853
Other long-term liabilities	11,238	10,685
Total noncurrent liabilities	13,742	14,151
Total liabilities	155,135	203,144
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,000	500,000
Capital surplus	135,998	135,998
Retained earnings	(94,578)	(37,048)
Treasury shares	(117)	(117)
Total shareholders' equity	541,302	598,832
Total net assets	541,302	598,832
Total liabilities and net assets	696,438	801,977

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

	(Thousands of yen)	
	3Q of FY2020	3Q of FY2021
	(Apr. 1, 2020 – Dec. 31, 2020)	(Apr. 1, 2021 – Dec. 31, 2021)
Net sales	406,111	578,298
Cost of sales	226,781	299,123
Gross profit	179,330	279,174
Selling, general and administrative expenses	283,689	211,386
Operating profit (loss)	(104,358)	67,788
Non-operating income		
Interest income	2	2
Commission fee	33	35
Subsidy income	11,488	—
Others income	15	2
Total non-operating income	11,539	39
Non-operating expenses		
Interest expenses	169	160
Foreign exchange losses	63	26
Loss on retirement of non-current assets	170	0
Total non-operating expenses	403	187
Ordinary profit (loss)	(93,222)	67,641
Extraordinary losses		
Extra retirement payments	6,710	—
Total extraordinary losses	6,710	—
Profit (loss) before income taxes	(99,932)	67,641
Income taxes –current	2,953	10,122
Income taxes–deferred	17,955	(11)
Total income taxes	20,908	10,110
Net profit (loss)	(120,840)	57,530