

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

 **SOSHIN ELECTORIC CO.,LTD.**

CONSOLIDATED INTERIM BALANCE SHEETS

UNIT : 1000yen

ITEM	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
(ASSETS)			
I CURRENT ASSETS	9,808,210	11,049,627	11,423,082
CASH & CASH EQUIVALENTS	646,167	773,672	849,103
NOTES & ACCOUNTS RECEIVABLE	3,742,625	4,128,901	4,167,850
SECURITIES	137,130	—	—
INVENTORIES	395,463	435,526	456,187
DEFERRED TAX ASSETS	197,992	214,817	245,049
SHORT-TERM LOAN RECEIVABLE	4,563,633	5,351,758	5,574,710
OTHER CURRENT ASSETS	136,251	160,647	143,628
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△11,052	△15,696	△13,448
II FIXED ASSETS	4,333,741	4,409,469	3,974,956
TANGIBLE FIXED ASSETS	3,368,684	3,233,801	3,048,658
BUILDINGS & STRUCTURES	1,565,474	1,551,461	1,331,352
MACHINERY, EQUIPMENT & VEHICLES	1,135,155	1,001,667	1,048,870
LAND	539,397	599,242	599,242
CONSTRUCTION IN PROGRESS	59,922	9,230	—
OTHER TANGIBLE FIXED ASSETS	68,734	72,199	69,193
INTANGIBLE FIXED ASSETS	147,211	147,805	161,889
INVESTMENTS & OTHER ASSETS	817,844	1,027,862	764,408
INVESTMENT IN SECURITIES	600,115	280,091	325,264
PREPAID PENSION COST	—	542,785	224,054
DEFERRED TAX ASSETS	8,667	10,708	15,513
OTHER INVESTMENT & ASSETS	245,162	238,577	243,677
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△36,100	△44,300	△44,100
TOTAL	14,141,952	15,459,097	15,398,039

 **SOSHIN ELECTRIC CO., LTD.**

UNIT : 1000yen

ITEM	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
(LIABILITIES)			
I CURRENT LIABILITIES	2,636,467	2,549,143	2,930,584
ACCOUNTS PAYABLE	1,254,513	1,231,837	1,363,807
SHORT-TERM BORROWINGS	156,226	200,817	114,711
ACCRUED EXPENSES	377,925	439,427	435,907
INCOME TAX PAYABLE	262,456	244,337	600,362
OTHER CURRENT LIABILITIES	585,345	432,724	415,795
II LONG-TERM LIABILITIES	402,352	519,250	599,687
LONG-TERM BORROWINGS	126,420	—	119,580
RESERVE FOR RETIREMENT BENEFITS	84,878	2,594	7,556
RESERVE FOR RETIREMENT BENEFITS FOR DIRECTORS & CORPORATE AUDITORS	129,836	74,786	138,101
DEFERRED TAX LIABILITIES	38,898	413,480	298,950
CONSOLIDATION GOODWILL	22,318	28,388	35,499
TOTAL LIABILITIES	3,038,819	3,068,394	3,530,271
(MINORITY INTERESTS)			
MINORITY INTEREST	31,158	—	—
(SHAREHOLDERS' EQUITY)			
I CAPITAL STOCK	3,806,750	3,806,750	3,806,750
II CAPITAL SURPLUS	3,788,426	3,788,426	3,788,426
III LEGAL RESERVE	3,532,118	4,945,628	4,435,916
IV APPRAISAL OF SECURITIES	42,217	25,398	44,646
V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	△97,239	△174,974	△207,672
VI TREASURY STOCK	△299	△525	△299
TOTAL SHAREHOLDERS' EQUITY	11,071,974	12,390,703	11,867,767
TOTAL	14,141,952	15,459,097	15,398,039


SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED INTERIM STATEMENTS OF INCOME

UNIT : 1000yen

ITEMS	Years Middle Ended September 30, 2003	Years Middle Ended September 30, 2004	Years Ended March 31, 2004
I NET SALES	6,677,661	7,012,230	13,950,900
II COST OF SALES	4,262,039	4,504,884	8,663,929
GROSS INCOME	2,415,622	2,507,345	5,286,970
III SELLING, GENERAL & ADMINISTRATIVE EXPENSES	1,471,506	1,495,258	3,041,892
OPERATING INCOME	944,116	1,012,087	2,245,078
IV NON-OPERATING INCOME	39,592	38,442	116,404
V NON-OPERATING EXPENSES	45,477	15,825	38,927
ORDINARY INCOME	938,230	1,034,704	2,322,555
VI EXTRA-ORDINARY INCOME	—	—	451,706
VII EXTRA-ORDINARY EXPENSES	6,237	12,496	116,964
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	931,992	1,022,208	2,657,297
VIII INCOME TAXES EXPENSE	366,524	409,198	1,055,122
CURRENT	274,973	246,739	757,781
DEFERRED	91,550	162,459	297,341
IX MINORITY INTEREST IN NET INCOME	1,671	—	5,252
NET INCOME	563,797	613,009	1,596,922

 **SOSHIN ELECTRIC CO., LTD.**

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

UNIT : 1000yen

ITEMS	Years Middle Ended September 30, 2003	Years Middle Ended September 30, 2004	Years Ended March 31, 2004
I OPERATING ACTIVITIES:			
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	931,992	1,022,208	2,657,297
DEPRECIATION EXPENSES	257,941	242,500	536,693
INCREASE (DECREASE) IN NOTES AND ACCOUNTS RECEIVABLE	△173,870	48,937	△612,278
INCREASE (DECREASE) IN INVENTORIES	△5,025	23,094	△68,028
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	△24,621	△138,701	93,369
DECREASE IN RESERVE FOR RETIREMENT BENEFITS	△266,987	△4,961	△344,310
INCREASE IN PREPAID PENSION COST	—	△318,730	△224,054
OTHERS	456,991	△222,366	81,037
	1,176,419	651,979	2,119,727
INTEREST AND DIVIDEND INCOME	21,266	14,811	36,112
INTEREST EXPENSES	△1,905	△1,391	△3,614
INCOME TAXES	△170,932	△586,623	△307,788
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,024,847	78,776	1,844,437
II INVESTING ACTIVITIES:			
PAYMENTS FOR ACQUISITION OF TANGIBLE FIXED ASSETS	△326,758	△286,142	△666,324
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	1,142	—	652,344
INCREASE (DECREASE) IN SHORT-TERM LOANS RECEIVABLE	△1,129,923	222,952	△2,141,001
OTHERS	101,034	5,069	77,202
NET CASH USED IN INVESTING ACTIVITIES	△1,354,504	△58,119	△2,077,779
III FINANCING ACTIVITIES:			
INCREASE (DECREASE) IN SHORT-TERM LOANS PAYABLE	△39,482	△26,634	△71,968
PAYMENTS OF LONG-TERM LOANS PAYABLE	△27,522	△6,840	△43,391
PAYMENTS OF DIVIDENDS	△85,797	△85,797	△155,995
OTHERS	△200	△225	△200
NET CASH USED IN FINANCING ACTIVITIES	△153,002	△119,497	△271,555
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	△20,560	9,092	△30,208
V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	△503,219	△89,747	△535,105
VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,138,347	603,241	1,138,347
VII CASH AND CASH EQUIVALENTS AT END OF PERIOD	635,128	513,494	603,241



SOSHIN ELECTRIC CO., LTD.