

# CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

## CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2008	As of March 31, 2009	Difference
<b>( ASSETS )</b>			
<b>I CURRENT ASSETS</b>	<b>11,234,558</b>	<b>8,801,613</b>	<b>△2,432,945</b>
CASH & DEPOSITS WITH BANKS	728,970	555,312	△173,658
NOTES & ACCOUNTS RECEIVABLE-TRADE	4,560,662	2,891,465	△ 1,669,197
INVENTORIES	940,484	676,958	△ 263,526
DEFERRED TAX ASSETS	224,550	12,492	△212,058
SHORT – TERM LOAN RECEIVABLE	4,528,325	4,307,444	△220,881
OTHER CURRENT ASSETS	255,803	361,099	105,296
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 4,238	△ 3,157	1,081
<b>II FIXED ASSETS</b>	<b>7,015,472</b>	<b>6,153,757</b>	<b>△861,715</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>4,806,683</b>	<b>3,818,377</b>	<b>△988,306</b>
BUILDINGS & STRUCTURES	1,762,952	1,478,433	△284,509
MACHINERIES, EQUIPMENTS & VEHICLES	1,932,579	945,247	△987,332
LAND	994,556	994,557	1
CONSTRUCTION IN PROGRESS	33,791	360,635	326,844
OTHER TANGIBLE FIXED ASSETS	82,803	39,495	△43,308
<b>INTANGIBLE FIXED ASSETS</b>	<b>142,215</b>	<b>127,787</b>	<b>△14,428</b>
<b>INVESTMENTS &amp; OTHER ASSETS</b>	<b>2,066,574</b>	<b>2,207,593</b>	<b>141,019</b>
SECURITIES	244,522	158,096	△86,426
PREPAID PENSION COST	1,504,534	1,875,435	370,901
DEFERRED TAX ASSETS	20,689	93	△20,596
OTHER INVESTMENT & ASSETS	340,128	217,169	△122,959
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 43,300	△ 43,200	100
<b>TOTAL</b>	<b>18,250,031</b>	<b>14,995,370</b>	<b>3,294,661</b>

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2008	As of March 31, 2009	Difference
<b>( LIABILITIES )</b>			
<b>I CURRENT LIABILITIES</b>	<b>2,829,211</b>	<b>1,928,352</b>	<b>△ 900,859</b>
NOTES & ACCOUNTS PAYABLE-TRADE	1,378,969	773,868	△605,101
SHORT-TERM BORROWINGS	260,000	200,000	△60,000
INCOME TAX PAYABLE	81,382	4,146	△77,236
ACCRUED EXPENSES	1,001,466	909,636	△91,830
RESERVE FOR BONUS FOR CORPORATE EXECUTIVES	12,200	—	△12,200
OTHER CURRENT LIABILITIES	95,191	40,702	△54,489
<b>II LONG-TERM LIABILITIES</b>	<b>755,521</b>	<b>935,318</b>	<b>179,797</b>
RESERVE FOR RETIREMENT BENEFITS	87,555	80,957	△6,598
RESERVE FOR RETIREMENT BENEFITS FOR CORPORATE EXECUTIVES	118,536	40,387	△78,149
DEFERRED TAX LIABILITIES	547,307	463,660	266,667
CONSOLIDATION GOODWILL	2,121	—	△2,121
<b>TOTAL LIABILITIES</b>	<b>3,584,732</b>	<b>2,863,670</b>	<b>△721,062</b>
<b>( SHAREHOLDERS' EQUITY )</b>			
<b>I COMMON STOCK</b>	<b>3,806,750</b>	<b>3,806,750</b>	<b>0</b>
<b>II ADDITIONAL PAID-IN CAPITAL</b>	<b>3,788,426</b>	<b>3,788,426</b>	<b>0</b>
<b>III CONSOLIDATED RETAINED EARNINGS</b>	<b>7,172,394</b>	<b>4,762,218</b>	<b>△2,410,176</b>
<b>IV APPRAISAL OF SECURITIES</b>	<b>21,094</b>	<b>△23,652</b>	<b>△44,746</b>
<b>V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>	<b>△ 124,312</b>	<b>△ 243,058</b>	<b>△118,746</b>
<b>VI TREASURY STOCK</b>	<b>△ 651</b>	<b>△ 764</b>	<b>△113</b>
<b>VII MINORITY INTEREST</b>	<b>1,597</b>	<b>1,780</b>	<b>183</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>14,665,299</b>	<b>12,091,700</b>	<b>△2,573,599</b>
<b>TOTAL</b>	<b>18,250,031</b>	<b>14,955,370</b>	<b>△3,294,661</b>

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended March 31, 2008	Year Ended March 31, 2009	Difference
<b>I NET SALES</b>	<b>14,701,072</b>	<b>11,272,410</b>	<b>Δ3,428,662</b>
<b>II COST OF SALES</b>	<b>9,728,317</b>	<b>8,557,673</b>	<b>Δ1,170,644</b>
<b>SALES GROSS INCOME</b>	<b>4,972,754</b>	<b>2,714,737</b>	<b>Δ2,258,017</b>
<b>III SELLING, GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>3,636,410</b>	<b>3,402,599</b>	<b>Δ233,811</b>
<b>OPERATING INCOME</b>	<b>1,336,344</b>	<b>Δ687,862</b>	<b>Δ2,024,206</b>
<b>IV NON-OPERATING INCOME</b>	<b>141,861</b>	<b>165,185</b>	<b>23,324</b>
<b>V NON-OPERATING EXPENSES</b>	<b>136,392</b>	<b>47,070</b>	<b>Δ89,322</b>
<b>ORDINARY INCOME</b>	<b>1,341,813</b>	<b>Δ569,747</b>	<b>Δ1,911,560</b>
<b>VI EXTRA-ORDINARY INCOME</b>	<b>30,335</b>	<b>7,762</b>	<b>Δ22,573</b>
<b>VII EXTRA-ORDINARY EXPENSES</b>	<b>40,033</b>	<b>1,116,333</b>	<b>1,076,300</b>
<b>NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS</b>	<b>1,332,115</b>	<b>Δ1,678,318</b>	<b>Δ3,010,433</b>
<b>VIII INCOME TAXES</b>	<b>542,062</b>	<b>544,468</b>	<b>2,406</b>
<b>INCOME TAXES</b>	<b>381,211</b>	<b>24,437</b>	<b>Δ356,774</b>
<b>DEFERRED INCOME TAXES</b>	<b>160,851</b>	<b>520,031</b>	<b>359,180</b>
<b>IX MINORITY INTEREST IN NET INCOME</b>	<b>376</b>	<b>199</b>	<b>Δ177</b>
<b>NET INCOME</b>	<b>789,675</b>	<b>Δ2,222,985</b>	<b>Δ3,012,660</b>

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

ITEMS	Year Ended March 31, 2008	Year Ended March 31, 2009
<b>I OPERATING ACTIVITIES:</b>		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,332,115	△1,678,318
DEPRECIATION AND AMORTIZATION EXPENSES	856,248	803,788
DECREASE (INCREASE) IN NOTES AND ACCOUNTS RECEIVABLE	88,775	1,636,575
DECREASE (INCREASE) IN INVENTORIES	26,024	249,858
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	237,892	△576,376
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	3,739	△6,598
INCREASE (DECREASE) IN PREPAID PENSION COST	△ 382,615	△ 370,901
PAYMENT OF PENSTION TO CORPORATE EXECUTIVES	—	△78,149
OTHERS	△ 181,580	768,610
	<b>1,980,600</b>	<b>748,489</b>
INTEREST AND DIVIDEND INCOME	67,847	60,886
INTEREST EXPENSES	△ 3,672	△ 3,052
OTHERS	—	—
INCOME AND OTHER TAXES	△ 757,301	△ 208,610
TOTAL	<b>1,287,472</b>	<b>597,713</b>
<b>II INVESTING ACTIVITIES:</b>		
ACQUISITION OF TANGIBLE FIXED ASSETS	△ 965,133	△ 748,879
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	3,415	—
DECREASE (INCREASE) IN SHORT-TERM LOAN RECEIVABLE	△ 105,279	220,880
OTHERS	△ 149,959	31,612
TOTAL	<b>△ 1,216,956</b>	<b>△ 496,387</b>
<b>III FINANCING ACTIVITIES:</b>		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	△ 40,000	△ 60,000
PAYMENTS OF DIVIDENDS	△ 187,191	△ 187,191
OTHERS	—	—
TOTAL	<b>△ 227,191</b>	<b>△ 247,304</b>
<b>IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>△ 15,264</b>	<b>△ 37,489</b>
<b>V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>△ 171,939</b>	<b>△ 183,467</b>
<b>VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>668,490</b>	<b>496,550</b>
<b>VII CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>496,550</b>	<b>313,083</b>