

# CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

## CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2005	As of March 31, 2006	Difference
<b>( ASSETS )</b>			
<b>CURRENT ASSETS</b>	<b>10,940,358</b>	<b>11,219,561</b>	<b>278,203</b>
CASH & DEPOSITS WITH BANKS	709,758	792,560	82,802
NOTES & ACCOUNTS RECEIVABLE-TRADE	3,560,906	4,557,161	996,255
INVENTORIES	438,346	658,377	220,030
DEFERRED TAX ASSETS	218,856	211,186	7,669
SHORT - TERM LOAN RECEIVABLE	5,884,646	4,811,726	1,072,920
OTHER CURRENT ASSETS	136,970	197,334	60,364
ALLOWANCE FOR DOUBTFUL ACCOUNTS	9,126	8,786	340
<b>FIXED ASSETS</b>	<b>4,502,163</b>	<b>6,291,949</b>	<b>1,789,785</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>3,281,405</b>	<b>4,645,477</b>	<b>1,364,071</b>
BUILDINGS & STRUCTURES	1,553,689	1,674,841	121,152
MACHINERIES, EQUIPMENTS & VEHICLES	1,051,891	1,745,060	693,169
LAND	599,242	898,842	299,600
CONSTRUCTION IN PROGRESS	10,604	251,708	241,103
OTHER TANGIBLE FIXED ASSETS	65,977	75,024	9,046
<b>INTANGIBLE FIXED ASSETS</b>	<b>164,401</b>	<b>165,983</b>	<b>1,581</b>
<b>INVESTMENTS &amp; OTHER ASSETS</b>	<b>1,056,356</b>	<b>1,480,488</b>	<b>424,132</b>
SECURITIES	314,537	382,884	68,347
PREPAID PENSION COST	527,273	801,272	273,998
DEFERRED TAX ASSETS	10,746	14,319	3,573
OTHER INVESTMENT & ASSETS	250,899	320,411	69,512
ALLOWANCE FOR DOUBTFUL ACCOUNTS	47,100	38,400	8,700
<b>TOTAL</b>	<b>15,442,522</b>	<b>17,511,510</b>	<b>2,068,988</b>

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2005	As of March 31, 2006	Difference
<b>( LIABILITIES )</b>			
<b>CURRENT LIABILITIES</b>	<b>2,416,255</b>	<b>3,592,672</b>	<b>1,176,417</b>
NOTES & ACCOUNTS PAYABLE-TRADE	1,184,294	1,372,449	188,155
SHORT-TERM BORROWINGS	109,636	330,000	220,363
INCOME TAX PAYABLE	187,121	240,086	52,965
ACCRUED EXPENSES	845,944	1,550,905	704,961
OTHER CURRENT LIABILITIES	89,258	99,231	9,972
<b>LONG-TERM LIABILITIES</b>	<b>451,100</b>	<b>600,819</b>	<b>149,718</b>
RESERVE FOR RETIREMENT BENEFITS	876	75,992	75,115
RESERVE FOR RETIREMENT BENEFITS FOR CORPORATE EXECUTIVES	82,077	98,409	16,332
DEFERRED TAX LIABILITIES	346,868	414,512	67,644
CONSOLIDATION GOODWILL	21,278	11,904	9,373
<b>TOTAL LIABILITIES</b>	<b>2,867,355</b>	<b>4,193,491</b>	<b>1,326,136</b>
<b>MINORITY INTEREST</b>	<b>-</b>	<b>8,534</b>	<b>8,534</b>
<b>( SHAREHOLDERS' EQUITY )</b>			
<b>COMMON STOCK</b>	<b>3,806,750</b>	<b>3,806,750</b>	<b>-</b>
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>3,788,426</b>	<b>3,788,426</b>	<b>-</b>
<b>CONSOLIDATED RETAINED EARNINGS</b>	<b>5,134,121</b>	<b>5,718,663</b>	<b>584,542</b>
<b>APPRAISAL OF SECURITIES</b>	<b>42,236</b>	<b>109,877</b>	<b>67,641</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>	<b>195,842</b>	<b>113,597</b>	<b>82,245</b>
<b>TREASURY STOCK</b>	<b>525</b>	<b>636</b>	<b>111</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>12,575,166</b>	<b>13,309,484</b>	<b>734,318</b>
<b>TOTAL</b>	<b>15,442,522</b>	<b>17,511,510</b>	<b>2,068,988</b>

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended March 31, 2005	Year Ended March 31, 2006	Difference
<b>NET SALES</b>	13,144,719	12,919,570	225,149
<b>COST OF SALES</b>	8,634,403	8,528,456	105,947
<b>SALES GROSS INCOME</b>	4,510,315	4,391,114	119,201
<b>SELLING GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	3,059,332	3,233,666	174,333
<b>OPERATING INCOME</b>	1,450,982	1,157,447	293,535
<b>NON-OPERATING INCOME</b>	78,415	81,285	2,869
<b>NON-OPERATING EXPENSES</b>	17,453	9,913	7,540
<b>ORDINARY INCOME</b>	1,511,944	1,228,820	283,124
<b>EXTRA-ORDINARY INCOME</b>	1,326	274,409	273,083
<b>EXTRA-ORDINARY EXPENSES</b>	31,636	277,650	246,013
<b>NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS</b>	1,481,634	1,225,579	256,055
<b>INCOME TAXES</b>	602,135	470,931	131,203
INCOME TAXES	521,572	443,242	78,329
DEFERRED INCOME TAXES	80,562	27,688	52,874
<b>MINORITY INTEREST IN NET INCOME</b>	-	1,911	1,911
<b>NET INCOME</b>	879,499	752,736	126,763

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

UNIT : 1000yen

ITEMS	Year Ended March 31, 2005	Year Ended March 31, 2006
<b>OPERATING ACTIVITIES:</b>		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,481,634	1,225,579
DEPRECIATION AND AMORTIZATION EXPENSES	510,927	605,052
DECREASE (INCREASE) IN NOTES AND ACCOUNTS RECEIVABLE	610,392	865,720
DECREASE (INCREASE) IN INVENTORIES	18,699	205,797
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	181,505	82,126
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	6,679	3,404
INCREASE (DECREASE) IN PREPAID PENSION COST	303,219	273,998
PAYMENT OF BONUS TO CORPORATE EXECUTIVES	17,500	12,200
OTHERS	7,145	607,528
	<b>2,119,894</b>	<b>1,159,165</b>
INTEREST AND DIVIDEND INCOME	31,239	46,816
INTEREST EXPENSES	1,629	1,978
INCOME AND OTHER TAXES	898,002	348,404
TOTAL	<b>1,251,501</b>	<b>855,598</b>
<b>INVESTING ACTIVITIES:</b>		
ACQUISITION OF TANGIBLE FIXED ASSETS	754,742	1,489,550
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	16	220
DECREASE (INCREASE) IN SHORT-TERM LOAN RECEIVABLE	309,935	1,072,920
OTHERS	58,525	77,337
TOTAL	<b>1,123,187</b>	<b>493,747</b>
<b>FINANCING ACTIVITIES:</b>		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	8,605	129,636
PAYMENTS OF LONG-TERM BORROWINGS	133,260	9,100
PAYMENTS OF DIVIDENDS	163,794	155,993
OTHERS	225	111
TOTAL	<b>288,675</b>	<b>294,841</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>3,691</b>	<b>25,728</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>156,669</b>	<b>92,738</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>603,241</b>	<b>446,572</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>446,572</b>	<b>539,310</b>

SOSHIN ELECTRIC CO., LTD.