

CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

| ITEM | As of March 31, 2011 | As of March 31, 2012 | Difference |
|---------------------------------------|-------------------------|-------------------------|-----------------|
| (ASSETS) | | | |
| I CURRENT ASSETS | 9,107,300 | 9,185,028 | 77,728 |
| CASH & DEPOSITS WITH BANKS | 602,520 | 656,880 | 54,360 |
| NOTES & ACCOUNTS RECEIVABLE-TRADE | 3,725,408 | 3,804,470 | 79,062 |
| INVENTORIES | 862,478 | 874,216 | 11,738 |
| DEFERRED TAX ASSETS | 38,940 | 37,725 | △1,215 |
| SHORT – TERM LOAN RECEIVABLE | 3,499,884 | 3,626,163 | 126,279 |
| OTHER CURRENT ASSETS | 378,657 | 186,134 | △192,523 |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS | △587 | △560 | 27 |
| II FIXED ASSETS | 5,855,375 | 5,515,976 | 339,399 |
| TANGIBLE FIXED ASSETS | 3,364,810 | 3,078,426 | △286,384 |
| BUILDINGS & STRUCTURES | 1,377,696 | 1,305,087 | △72,609 |
| MACHINERIES, EQUIPMENTS & VEHICLES | 718,773 | 704,745 | △14,028 |
| LAND | 1,005,722 | 994,622 | △11,100 |
| CONSTRUCTION IN PROGRESS | 215,288 | 40,557 | △174,731 |
| OTHER TANGIBLE FIXED ASSETS | 47,331 | 33,415 | △13,916 |
| INTANGIBLE FIXED ASSETS | 56,771 | 39,381 | △17,390 |
| INVESTMENTS & OTHER ASSETS | 2,433,794 | 2,398,169 | △35,625 |
| SECURITIES | 206,144 | 198,651 | △7,493 |
| PREPAID PENSION COST | 2,036,648 | 2,045,741 | 9,093 |
| DEFERRED TAX ASSETS | 20,265 | 31,320 | 11,055 |
| OTHER INVESTMENT & ASSETS | 179,887 | 131,857 | △48,030 |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS | △9,150 | △9,400 | △250 |
| TOTAL | 14,962,675 | 14,701,004 | △261,671 |

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

| ITEM | As of March 31, 2011 | As of March 31, 2012 | Difference |
|--|-------------------------|-------------------------|-----------------|
| (LIABILITIES) | | | |
| I CURRENT LIABILITIES | 2,251,957 | 2,085,718 | △166,239 |
| NOTES & ACCOUNTS PAYABLE-TRADE | 1,076,716 | 987,001 | △89,715 |
| SHORT-TERM BORROWINGS | 180,000 | 160,000 | △20,000 |
| INCOME TAX PAYABLE | 121,571 | 97,170 | △24,401 |
| ACCRUED EXPENSES | 331,323 | 231,765 | △99,558 |
| RESERVE FOR BONUS | 379,718 | 372,975 | △6,743 |
| RESERVE FOR BONUS FOR CORPORATE EXECUTIVES | 13,600 | 6,900 | △6,700 |
| OTHER CURRENT LIABILITIES | 149,029 | 229,907 | 80,878 |
| II LONG-TERM LIABILITIES | 987,948 | 892,330 | △95,618 |
| RESERVE FOR RETIREMENT BENEFITS | 77,988 | 82,192 | 4,204 |
| RESERVE FOR RETIREMENT BENEFITS FOR CORPORATE EXECUTIVES | 39,991 | 56,048 | 16,057 |
| DEFERRED TAX LIABILITIES | 867,506 | 751,627 | △115,879 |
| ASSET RETIREMENT OBLIGATION | 2,463 | 2,463 | 0 |
| TOTAL LIABILITIES | 3,239,905 | 2,978,048 | △261,857 |
| (SHAREHOLDERS' EQUITY) | | | |
| I COMMON STOCK | 3,806,750 | 3,806,750 | 0 |
| II ADDITIONAL PAID-IN CAPITAL | 3,788,426 | 3,788,426 | 0 |
| III CONSOLIDATED RETAINED EARNINGS | 4,383,162 | 4,378,959 | △4,203 |
| IV APPRAISAL OF SECURITIES | 13,278 | 13,166 | △112 |
| V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS | △268,005 | △263,477 | 4,528 |
| VI TREASURY STOCK | △841 | △868 | △27 |
| TOTAL SHAREHOLDERS' EQUITY | 11,722,770 | 11,722,956 | 186 |
| TOTAL | 14,962,675 | 14,701,004 | △261,671 |

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

| ITEMS | Year Ended March 31, 2011 | Year Ended March 31, 2012 | Difference |
|---|------------------------------|------------------------------|------------|
| I NET SALES | 11,734,077 | 11,157,671 | △576,406 |
| II COST OF SALES | 8,384,869 | 8,425,817 | 40,948 |
| SALES GROSS INCOME | 3,349,208 | 2,731,854 | △617,354 |
| III SELLING, GENERAL & ADMINISTRATIVE EXPENSES | 2,855,063 | 2,586,260 | △268,803 |
| OPERATING INCOME | 494,145 | 145,594 | △348,551 |
| IV NON-OPERATING INCOME | 126,469 | 105,843 | △20,626 |
| V NON-OPERATING EXPENSES | 74,595 | 18,830 | △55,765 |
| ORDINARY INCOME | 546,019 | 232,607 | △313,412 |
| VI EXTRA-ORDINARY INCOME | 2,203 | 414 | △1,789 |
| VII EXTRA-ORDINARY LOSS | 36,040 | 75,886 | △39,846 |
| NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS | 512,182 | 157,135 | △355,047 |
| VIII INCOME TAXES | 98,269 | 20,158 | △78,111 |
| INCOME TAXES | 110,337 | 143,747 | 33,410 |
| DEFERRED INCOME TAXES | △12,068 | △123,589 | △111,521 |
| IX NET INCOME BEFORE MINORITY INTEREST | 413,913 | 136,977 | △276,936 |
| NET INCOME | 413,913 | 136,977 | △276,936 |

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

| ITEMS | Year Ended March 31, 2011 | Year Ended March 31, 2012 |
|--|------------------------------|------------------------------|
| I OPERATING ACTIVITIES: | | |
| NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS | 512,182 | 157,135 |
| DEPRECIATION AND AMORTIZATION EXPENSES | 524,442 | 556,337 |
| DECREASE (INCREASE) IN NOTES AND ACCOUNTS RECEIVABLE | △185,716 | △71,237 |
| DECREASE (INCREASE) IN INVENTORIES | △146,112 | △10,465 |
| INCREASE (DECREASE) IN ACCOUNTS PAYABLE | △84,686 | △92,557 |
| INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS | 6,597 | 4,204 |
| INCREASE (DECREASE) IN PREPAID PENSION COST | △118,740 | △9,093 |
| PAYMENT OF PENSION TO CORPORATE EXECUTIVES | △13,100 | 16,057 |
| OTHERS | △48,444 | 81,766 |
| | 632,139 | 632,147 |
| INTEREST AND DIVIDEND INCOME | 29,628 | 32,399 |
| INTEREST EXPENSES | △1,671 | △1,448 |
| OTHERS | — | — |
| INCOME AND OTHER TAXES | △148,255 | △22,662 |
| TOTAL | 511,841 | 640,436 |
| II INVESTING ACTIVITIES: | | |
| ACQUISITION OF TANGIBLE FIXED ASSETS | △537,771 | △328,710 |
| PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS | 6,712 | 7,504 |
| DECREASE (INCREASE) IN SHORT-TERM LOAN RECEIVABLE | 43,386 | △126,279 |
| OTHERS | 93,230 | △108,254 |
| TOTAL | △394,443 | △555,739 |
| III FINANCING ACTIVITIES: | | |
| INCREASE (DECREASE) IN SHORT-TERM BORROWINGS | △20,000 | △20,000 |
| PAYMENTS OF DIVIDENDS | △109,192 | △124,790 |
| OTHERS | △95 | △27 |
| TOTAL | △129,287 | △144,817 |
| IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | △6,993 | △6,384 |
| V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | △18,882 | △66,504 |
| VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 534,006 | 522,297 |
| VII INCLUDED FROM CONSOLIDATION BEGINNING OF YEAR | 7,173 | 28,180 |
| VIII CASH AND CASH EQUIVALENTS AT END OF PERIOD | 522,297 | 483,973 |