

# CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO., LTD.**

## CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of 31-Mar-18	As of 31-Mar-19	Difference
<b>Assets</b>			
Current assets			
Cash and deposits	1,589,960	1,671,792	81,832
Notes and accounts receivable - trade	2,883,663	2,939,595	55,932
Electronically recorded monetary claims - operating	726,277	669,528	(56,749)
Merchandise and finished goods	311,762	352,837	41,075
Work in process	316,782	346,218	29,436
Raw materials and supplies	717,946	676,869	(41,077)
Deposits	477,018	-	-
Other	212,223	129,138	(83,085)
<b>Total current assets</b>	<b>7,235,631</b>	<b>6,785,977</b>	<b>(449,654)</b>
Non-current assets			
Property, plant and equipment			
Buildings and structures	4,486,898	4,522,484	35,586
Accumulated depreciation and impairment loss	(3,615,707)	(3,636,649)	(20,942)
Buildings and structures, net	871,191	885,835	14,644
Machinery, equipment and vehicles	7,453,270	7,461,652	8,382
Accumulated depreciation and impairment loss	(6,602,772)	(6,695,402)	(92,630)
Machinery, equipment and vehicles, net	850,498	766,250	(84,248)
Land	853,379	853,379	0
Construction in progress	121,249	143,239	21,990
Other	587,412	620,715	33,303
Accumulated depreciation and impairment loss	(519,682)	(551,006)	(31,324)
Other, net	67,730	69,709	1,979
<b>Total property, plant and equipment</b>	<b>2,764,047</b>	<b>2,718,412</b>	<b>(45,635)</b>
Intangible assets	50,371	77,207	26,836
Investments and other assets			
Investment securities	306,911	106,708	(200,203)
Retirement benefit asset	3,150,336	2,991,247	(159,089)
Deferred tax assets	94,346	76,020	(18,326)
Other	137,721	124,738	(12,983)
<b>Total investments and other assets</b>	<b>3,689,314</b>	<b>3,298,713</b>	<b>(390,601)</b>
<b>Total non-current assets</b>	<b>6,503,732</b>	<b>6,094,332</b>	<b>(409,400)</b>
<b>Total assets</b>	<b>13,739,363</b>	<b>12,880,309</b>	<b>(859,054)</b>
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable - trade	487,191	361,576	(125,615)
Electronically recorded obligations - operating	341,729	288,193	(53,536)
Accounts payable - other	291,029	440,440	149,411
Income taxes payable	84,946	44,520	(40,426)
Provision for bonuses	345,206	326,051	(19,155)
Provision for bonuses for directors (and other officers)	7,100	5,080	(2,020)
Provision for loss on litigation	477,018	-	-
Other	215,529	234,556	19,027
<b>Total current liabilities</b>	<b>2,249,748</b>	<b>1,700,416</b>	<b>(549,332)</b>
Non-current liabilities			
Retirement benefit liability	73,749	82,504	8,755
Provision for retirement benefits for directors (and other officers)	36,701	39,084	2,383
Deferred tax liabilities	825,731	793,695	(32,036)
<b>Total non-current liabilities</b>	<b>936,181</b>	<b>915,283</b>	<b>(20,898)</b>
<b>Total liabilities</b>	<b>3,185,929</b>	<b>2,615,699</b>	<b>(570,230)</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	3,806,750	3,806,750	0
Capital surplus	3,788,426	3,788,426	0
Retained earnings	2,904,401	2,803,556	(100,845)
Treasury shares	(949)	(950)	(1)
<b>Total shareholders' equity</b>	<b>10,498,628</b>	<b>10,397,782</b>	<b>(100,846)</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	102,482	8,950	(93,532)
Foreign currency translation adjustment	(192,501)	(206,418)	(13,917)
Remeasurements of defined benefit plans	144,825	64,296	(80,529)
<b>Total accumulated other comprehensive income</b>	<b>54,806</b>	<b>(133,172)</b>	<b>(187,978)</b>
<b>Total net assets</b>	<b>10,553,434</b>	<b>10,264,610</b>	<b>(288,824)</b>
<b>Total liabilities and net assets</b>	<b>13,739,363</b>	<b>12,880,309</b>	<b>(859,054)</b>

## CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended 31-Mar-18	Year Ended 31-Mar-19	Difference
Net sales	10,375,530	10,112,697	(262,833)
Cost of sales	7,408,335	7,449,796	41,461
Gross profit	2,967,195	2,662,901	(304,294)
Selling, general and administrative expenses	2,459,081	2,462,606	3,525
Operating profit	508,114	200,295	(307,819)
Non-operating income			0
Interest income	6,195	2,156	(4,039)
Dividend income	8,028	7,381	(647)
Foreign exchange gains	—	15,633	-
Subsidy income	3,570	11,441	7,871
Other	15,771	7,421	(8,350)
Total non-operating income	33,564	44,032	10,468
Non-operating expenses			0
Interest expenses	451	-	-
Foreign exchange losses	16,201	-	-
Loss on disposal of inventories	6,819	-	-
Depreciation of inactive non-current assets	6,558	-	-
Other	3,632	2,225	(1,407)
Total non-operating expenses	33,661	2,225	(31,436)
Ordinary profit	508,017	242,102	(265,915)
Extraordinary income			0
Gain on sales of non-current assets	971	405	(566)
Gain on sales of investment securities	69,946	83,905	13,959
Total extraordinary income	70,917	84,310	13,393
Extraordinary losses			0
Loss on retirement of non-current assets	671	1,133	462
Loss on sales of non-current assets	60,330	-	-
Loss on sales of investment securities	49,690	-	-
Loss on valuation of investment securities	134,695	-	-
Legal fee	63,824	144,072	80,248
Impairment loss	12,688	27,633	14,945
Settlement package	10,085	5,435	(4,650)
Total extraordinary losses	331,983	178,273	(153,710)
Profit before income taxes	246,951	148,139	(98,812)
Income taxes - current	59,120	68,198	9,078
Income taxes - deferred	(167,733)	55,998	223,731
Total income taxes	(108,613)	124,196	232,809
Profit	355,564	23,943	(331,621)
Profit attributable to owners of parent	355,564	23,943	(331,621)

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

ITEMS	Year Ended 31-Mar-18	Year Ended 31-Mar-19
Cash flows from operating activities		
Profit before income taxes	246,951	148,139
Depreciation	326,436	385,524
Impairment loss	12,688	27,633
Legal fee	63,824	144,072
Increase (decrease) in provision for bonuses	39,855	(19,149)
Increase (decrease) in provision for bonuses for directors (and other officers)	7,100	(2,020)
Interest and dividend income	(14,223)	(9,537)
Interest expenses	451	-
Loss (gain) on sales of investment securities	(20,256)	(83,905)
Loss (gain) on valuation of investment securities	134,695	-
Loss (gain) on sales of non-current assets	59,359	(405)
Loss on retirement of non-current assets	671	1,133
Decrease (increase) in notes and accounts receivable - trade	(371,519)	(2,087)
Decrease (increase) in inventories	(228,284)	(32,370)
Increase (decrease) in notes and accounts payable - trade	(84,529)	(175,507)
Decrease (increase) in retirement benefit asset	3,541	43,735
Increase (decrease) in retirement benefit liability	4,678	8,755
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11,993	2,383
Other, net	(10,712)	74,036
Subtotal	182,719	510,430
Interest and dividend income received	14,401	9,804
Interest expenses paid	(456)	(44)
Income taxes paid	(56,046)	(95,923)
Income taxes refund	118,759	13,959
Legal fee paid	(116,010)	(119,856)
Payments for the deposit for litigation	(477,018)	-
Net cash provided by (used in) operating activities	(333,651)	318,370
Cash flows from investing activities		
Purchase of property, plant and equipment	(561,543)	(297,836)
Proceeds from sales of property, plant and equipment	4,374	293
Purchase of intangible assets	(4,474)	(22,857)
Purchase of investment securities	(5,099)	(3,718)
Proceeds from sales of investment securities	121,343	204,001
Net decrease (increase) in short-term loans receivable	1,863,888	-
Other, net	1,541	12,846
Net cash provided by (used in) investing activities	1,420,030	(107,271)
Cash flows from financing activities		
Purchase of treasury shares	(102,493)	-
Net increase (decrease) in short-term loans payable	-	(1)
Cash dividends paid	(62,394)	(124,788)
Net cash provided by (used in) financing activities	(164,887)	(124,789)
Effect of exchange rate change on cash and cash equivalents	(6,644)	(4,478)
Net increase (decrease) in cash and cash equivalents	914,848	81,832
Cash and cash equivalents at beginning of period	675,112	1,589,960
Cash and cash equivalents at end of period	1,589,960	1,671,792

SOSHIN ELECTRIC CO., LTD.