

CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO., LTD.**

CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of 31-Mar-19	As of 31-Mar-20	Difference
Assets			
Current assets			
Cash and deposits	1,671,792	1,201,221	(470,571)
Notes and accounts receivable - trade	2,939,595	2,703,841	(235,754)
Electronically recorded monetary claims - operating	669,528	614,531	(54,997)
Merchandise and finished goods	352,837	280,443	(72,394)
Work in process	346,218	343,665	(2,553)
Raw materials and supplies	676,869	617,640	(59,229)
Other	129,138	114,353	(14,785)
Allowance for doubtful accounts	-	(2,383)	-
Total current assets	6,785,977	5,873,311	(912,666)
Non-current assets			
Property, plant and equipment			
Buildings and structures	4,522,484	4,616,297	93,813
Accumulated depreciation and impairment loss	(3,636,649)	(3,705,156)	(68,507)
Buildings and structures, net	885,835	911,141	25,306
Machinery, equipment and vehicles	7,461,652	7,325,612	(136,040)
Accumulated depreciation and impairment loss	(6,695,402)	(6,649,070)	46,332
Machinery, equipment and vehicles, net	766,250	676,542	(89,708)
Land	853,379	853,379	0
Construction in progress	143,239	31,796	(111,443)
Other	620,715	644,027	23,312
Accumulated depreciation and impairment loss	(551,006)	(551,640)	(634)
Other, net	69,709	92,387	22,678
Total property, plant and equipment	2,718,412	2,565,245	(153,167)
Intangible assets	77,207	93,743	16,536
Investments and other assets			
Investment securities	106,708	87,057	(19,651)
Retirement benefit asset	2,991,247	2,681,892	(309,355)
Deferred tax assets	76,020	10,695	(65,325)
Other	124,738	115,302	(9,436)
Allowance for doubtful accounts	-	(4,489)	-
Total investments and other assets	3,298,713	2,890,457	(408,256)
Total non-current assets	6,094,332	5,549,445	(544,887)
Total assets	12,880,309	11,422,756	(1,457,553)
Liabilities			
Current liabilities			
Notes and accounts payable - trade	361,576	460,386	98,810
Electronically recorded obligations - operating	288,193	299,309	11,116
Accounts payable - other	440,440	205,088	(235,352)
Income taxes payable	44,520	38,563	(5,957)
Provision for bonuses	326,051	299,379	(26,672)
Provision for bonuses for directors (and other officers)	5,080	1,000	(4,080)
Other	234,556	166,703	(67,853)
Total current liabilities	1,700,416	1,470,428	(229,988)
Non-current liabilities			
Retirement benefit liability	82,504	87,037	4,533
Provision for retirement benefits for directors (and other officers)	39,084	50,808	11,724
Deferred tax liabilities	793,695	819,002	25,307
Total non-current liabilities	915,283	956,847	41,564
Total liabilities	2,615,699	2,427,275	(188,424)
Net assets			
Shareholders' equity			
Share capital	3,806,750	3,806,750	0
Capital surplus	3,788,426	3,788,426	0
Retained earnings	2,803,556	1,872,507	(931,049)
Treasury shares	(950)	(950)	0
Total shareholders' equity	10,397,782	9,466,733	(931,049)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	8,950	5,996	(2,954)
Foreign currency translation adjustment	(206,418)	(230,779)	(24,361)
Remeasurements of defined benefit plans	64,296	(246,469)	(310,765)
Total accumulated other comprehensive income	(133,172)	(471,252)	(338,080)
Total net assets	10,264,610	8,995,481	(1,269,129)
Total liabilities and net assets	12,880,309	11,422,756	(1,457,553)

CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended 31-Mar-19	Year Ended 31-Mar-20	Difference
Net sales	10,112,697	8,916,236	(1,196,461)
Cost of sales	7,449,796	6,935,307	(514,489)
Gross profit	2,662,901	1,980,929	(681,972)
Selling, general and administrative expenses	2,462,606	2,419,006	(43,600)
Operating profit (loss)	200,295	(438,077)	(638,372)
Non-operating income			
Interest income	2,156	2,302	146
Dividend income	7,381	4,692	(2,689)
Foreign exchange gains	15,633	-	-
Subsidy income	11,441	3,543	(7,898)
Other	7,421	9,557	2,136
Total non-operating income	44,032	20,094	(23,938)
Non-operating expenses			
Donation for disaster relief	-	10,000	-
Foreign exchange losses	-	4,350	-
Other	2,225	2,446	221
Total non-operating expenses	2,225	16,796	14,571
Ordinary profit (loss)	242,102	(434,779)	(676,881)
Extraordinary income			
Gain on sales of non-current assets	405	436	31
Gain on sales of investment securities	83,905	12,133	(71,772)
Total extraordinary income	84,310	12,569	(71,741)
Extraordinary losses			
Loss on retirement of non-current assets	1,133	4,092	2,959
Extra retirement payments	-	32,182	-
Legal fee	144,072	128,036	(16,036)
Impairment loss	27,633	10,971	(16,662)
Settlement package	5,435	-	-
Total extraordinary losses	178,273	175,281	(2,992)
Profit (loss) before income taxes	148,139	(597,491)	(745,630)
Income taxes - current	68,198	14,113	(54,085)
Income taxes - deferred	55,998	225,854	169,856
Total income taxes	124,196	239,967	115,771
Profit (loss)	23,943	(837,458)	(861,401)
Profit (loss) attributable to owners of parent	23,943	(837,458)	(861,401)

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

ITEMS	Year Ended 31-Mar-19	Year Ended 31-Mar-20
Cash flows from operating activities		
Profit (loss) before income taxes	148,139	(597,491)
Depreciation	385,524	395,170
Impairment loss	27,633	10,971
Increase (decrease) in allowance for doubtful accounts	-	6,872
Legal fee	144,072	128,036
Increase (decrease) in provision for bonuses	(19,149)	(26,341)
Increase (decrease) in provision for bonuses for directors (and other officers)	(2,020)	(4,080)
Interest and dividend income	(9,537)	(6,994)
Loss (gain) on sales of investment securities	(83,905)	(12,133)
Loss (gain) on sales of non-current assets	(405)	(436)
Loss on retirement of non-current assets	1,133	4,092
Decrease (increase) in trade receivables	(2,087)	284,643
Decrease (increase) in inventories	(32,370)	127,037
Increase (decrease) in trade payables	(175,507)	115,566
Decrease (increase) in retirement benefit asset	43,735	(135,804)
Increase (decrease) in retirement benefit liability	8,755	4,533
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2,383	11,724
Other, net	74,036	(94,239)
Subtotal	510,430	211,126
Interest and dividends received	9,804	6,994
Interest paid	(44)	-
Income taxes paid	(95,923)	(16,559)
Income taxes refund	13,959	-
Legal fee paid	(119,856)	(152,425)
Net cash provided by (used in) operating activities	318,370	49,136
Cash flows from investing activities		
Purchase of property, plant and equipment	(297,836)	(363,482)
Proceeds from sales of property, plant and equipment	293	436
Purchase of intangible assets	(22,857)	(76,435)
Purchase of investment securities	(3,718)	(2,453)
Proceeds from sales of investment securities	204,001	30,006
Other, net	12,846	9,435
Net cash provided by (used in) investing activities	(107,271)	(402,493)
Cash flows from financing activities		
Purchase of treasury shares	(1)	-
Dividends paid	(124,788)	(93,591)
Net cash provided by (used in) financing activities	(124,789)	(93,591)
Effect of exchange rate change on cash and cash equivalents	(4,478)	(23,623)
Net increase (decrease) in cash and cash equivalents	81,832	(470,571)
Cash and cash equivalents at beginning of period	1,589,960	1,671,792
Cash and cash equivalents at end of period	1,671,792	1,201,221

SOSHIN ELECTRIC CO., LTD.