

# CONSOLIDATED FINANCIAL STATEMENTS

**SOSHIN** SOSHIN ELECTORIC CO.,LTD.

## CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2003	As of March 31, 2004	Increase or Decrease
<b>( ASSETS )</b>			
<b>I CURRENT ASSETS</b>	<b>9,394,725</b>	<b>11,423,082</b>	<b>2,028,357</b>
CASH & DEPOSITS WITH BANKS	969,511	849,103	△ 120,407
NOTES & ACCOUNTS RECEIVABLE-TRADE	3,580,564	4,167,850	587,285
MARKETABLE SECURITIES	441,355	—	△ 441,355
INVENTORIES	393,792	456,187	62,394
DEFERRED TAX ASSETS	209,659	245,049	35,390
SHORT – TERM LOAN RECEIVABLE	3,433,709	5,574,710	2,141,001
OTHER CURRENT ASSETS	377,714	143,628	△ 234,085
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 11,582	△ 13,448	△ 1,865
<b>II FIXED ASSETS</b>	<b>4,392,698</b>	<b>3,974,956</b>	<b>△ 417,742</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>3,409,351</b>	<b>3,048,658</b>	<b>△ 360,692</b>
BUILDINGS & STRUCTURES	1,615,717	1,331,352	△ 284,364
MACHINERY, EQUIPMENT & VEHICLES	1,186,142	1,048,870	△ 137,272
LAND	539,397	599,242	59,845
OTHER TANGIBLE FIXED ASSETS	68,093	69,193	1,099
<b>INTANGIBLE FIXED ASSETS</b>	<b>130,086</b>	<b>161,889</b>	<b>31,802</b>
<b>INVESTMENTS &amp; OTHER ASSETS</b>	<b>853,260</b>	<b>764,408</b>	<b>△ 88,852</b>
INVESTMENT SECURITIES	609,600	325,264	△ 284,336
ADVANCE PAYMENT PENSION COST	—	224,054	224,054
DEFERRED TAX ASSETS	87,528	15,513	△ 72,015
OTHER INVESTMENT & ASSETS	189,931	243,677	53,745
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 33,800	△ 44,100	△ 10,300
<b>TOTAL</b>	<b>13,787,423</b>	<b>15,398,039</b>	<b>1,610,615</b>

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2003	As of March 31, 2004	Increase or Decrease
<b>( LIABILITIES )</b>			
<b>I CURRENT LIABILITIES</b>	<b>2,512,516</b>	<b>2,930,584</b>	<b>418,068</b>
NOTES & ACCOUNTS PAYABLE-TRADE	1,289,598	1,363,807	74,209
SHORT-TERM BORROWINGS	216,391	114,711	△ 101,679
INCOME TAX PAYABLE	161,860	600,362	438,502
ACCRUED EXPENSES	323,695	435,907	112,211
OTHER CURRENT LIABILITIES	520,970	415,795	△ 105,175
<b>II LONG-TERM LIABILITIES</b>	<b>636,436</b>	<b>599,687</b>	<b>△ 36,749</b>
LONG-TERM BORROWINGS	133,260	119,580	△ 13,680
RESERVE FOR RETIREMENT BENEFITS	351,866	7,556	△ 344,310
RESERVE FOR RETIREMENT BENEFITS FOR DIRECTORS & CORPORATE AUDITORS	117,479	138,101	20,622
DEFERRED TAX LIABILITIES	6,246	298,950	292,703
CONSOLIDATION GOODWILL	27,583	35,499	7,915
<b>TOTAL LIABILITIES</b>	<b>3,148,952</b>	<b>3,530,271</b>	<b>381,318</b>
<b>( MINORITY INTERESTS )</b>			
<b>MINORITY INTEREST</b>	<b>28,817</b>	<b>—</b>	<b>△ 28,817</b>
<b>( SHAREHOLDERS' EQUITY )</b>			
<b>I CAPITAL STOCK</b>	<b>3,806,750</b>	<b>3,806,750</b>	<b>—</b>
<b>II ADDITIONAL PAID-IN CAPITAL</b>	<b>3,788,426</b>	<b>3,788,426</b>	<b>—</b>
<b>III CONSOLIDATED RETAINED EARNINGS</b>	<b>3,068,119</b>	<b>4,435,916</b>	<b>1,367,797</b>
<b>IV APPRAISAL OF SECURITIES</b>	<b>△ 3,095</b>	<b>44,646</b>	<b>47,742</b>
<b>V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>	<b>△ 50,247</b>	<b>△ 207,672</b>	<b>△ 157,425</b>
<b>VI TREASURY STOCK</b>	<b>△ 299</b>	<b>△ 299</b>	<b>—</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10,609,653</b>	<b>11,867,767</b>	<b>1,258,114</b>
<b>TOTAL</b>	<b>13,787,423</b>	<b>15,398,039</b>	<b>1,610,615</b>

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF INCOME

UNIT : 1000yen

ITEMS	Years Ended March 31, 2003	Years Ended March 31, 2004	Increase or Decrease
<b>I NET SALES</b>	12,248,214	13,950,900	1,702,685
<b>II COST OF SALES</b>	8,317,089	8,663,929	346,839
<b>SALES GROSS INCOME</b>	3,931,124	5,286,970	1,355,845
<b>III SELLING, GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	2,611,065	3,041,892	430,827
<b>OPERATING INCOME</b>	1,320,059	2,245,078	925,018
<b>IV NON-OPERATING INCOME</b>	92,053	116,404	24,350
<b>V NON-OPERATING EXPENSES</b>	22,338	38,927	16,588
<b>ORDINARY INCOME</b>	1,389,774	2,322,555	932,780
<b>VI EXTRA-ORDINARY INCOME</b>	94,636	451,706	357,069
<b>VII EXTRA-ORDINARY EXPENSES</b>	211,590	116,964	△ 94,626
<b>NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS</b>	1,272,820	2,657,297	1,384,476
<b>VIII INCOME TAXES</b>	553,819	1,055,122	501,302
CURRENT	299,976	757,781	457,804
DEFERRED	253,843	297,341	43,497
<b>IX MINORITY INTEREST IN NET INCOME</b>	3,043	5,252	2,208
<b>NET INCOME</b>	715,956	1,596,922	880,965

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

UNIT : 1000yen

ITEMS	Years Ended March 31, 2003	Years Ended March 31, 2004
<b>I OPERATING ACTIVITIES:</b>		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,272,820	2,657,297
DEPRECIATION EXPENSES	540,845	536,693
INCREASE (DECREASE) IN INVENTORIES IN NOTES AND ACCOUNTS RECEIVABLE	856,327	△ 612,278
INCREASE (DECREASE) IN INVENTORIES	△ 21,094	△ 68,028
DECREASE IN ACCOUNTS PAYABLE	177,205	93,369
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	△ 334,247	△ 344,310
INCREASE (DECREASE) IN ADVANCE PAYMENT PENSION COST	—	△ 224,054
PAYMENT OF THE OFFICER'S BONUS	—	△ 14,000
OTHERS	△ 541,939	95,038
	<b>1,949,918</b>	<b>2,119,727</b>
INTEREST AND DIVIDEND INCOME	16,129	36,112
INTEREST EXPENSES	△ 5,209	△ 3,614
INCOME AND OTHER TAXES	△ 283,007	△ 307,788
TOTAL	<b>1,677,830</b>	<b>1,844,437</b>
<b>II INVESTING ACTIVITIES:</b>		
PAYMENTS FOR ACQUISITION OF TANGIBLE FIXED ASSETS	△ 375,546	△ 666,324
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	15,473	652,344
INCREASE (DECREASE) IN SHORT-TERM LOAN RECEIVABLE	△ 3,433,709	△ 2,141,001
OTHERS	186,751	77,201
TOTAL	<b>△ 3,607,030</b>	<b>△ 2,077,779</b>
<b>III FINANCING ACTIVITIES:</b>		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	173,000	△ 71,968
PAYMENTS OF LONG-TERM BORROWINGS	△ 131,724	△ 43,391
PAYMENTS OF DIVIDENDS	△ 109,198	△ 155,995
OTHERS	△ 378	△ 200
TOTAL	<b>△ 68,300</b>	<b>△ 271,555</b>
<b>IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>△ 32,129</b>	<b>△ 30,208</b>
<b>V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>△ 2,029,630</b>	<b>△ 535,105</b>
<b>VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3,167,978</b>	<b>1,138,347</b>
<b>VII CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,138,347</b>	<b>603,241</b>

SOSHIN ELECTRIC CO., LTD.