

CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2004	As of March 31, 2005	Increase or Decrease
(ASSETS)			
I CURRENT ASSETS	11,423,082	10,940,358	△ 482,724
CASH & DEPOSITS WITH BANKS	849,103	709,758	△ 139,344
NOTES & ACCOUNTS RECEIVABLE-TRADE	4,167,850	3,560,906	△ 606,944
INVENTORIES	456,187	438,346	△ 17,840
DEFERRED TAX ASSETS	245,049	218,856	△ 26,193
SHORT – TERM LOAN RECEIVABLE	5,574,710	5,884,646	309,935
OTHER CURRENT ASSETS	143,628	136,970	△ 6,658
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 13,448	△ 9,126	4,321
II FIXED ASSETS	3,974,956	4,502,163	527,207
TANGIBLE FIXED ASSETS	3,048,658	3,281,405	232,747
BUILDINGS & STRUCTURES	1,331,352	1,553,689	222,336
MACHINERY, EQUIPMENT & VEHICLES	1,048,870	1,051,891	3,020
LAND	599,242	599,242	—
CONSTRUCTION IN PROGRESS	—	10,604	10,604
OTHER TANGIBLE FIXED ASSETS	69,193	65,977	△ 3,215
INTANGIBLE FIXED ASSETS	161,889	164,401	2,512
INVESTMENTS & OTHER ASSETS	764,408	1,056,356	291,947
INVESTMENT SECURITIES	325,264	314,537	△ 10,727
ADVANCE PAYMENT PENSION COST	224,054	527,273	303,219
DEFERRED TAX ASSETS	15,513	10,746	△ 4,767
OTHER INVESTMENT & ASSETS	243,677	250,899	7,221
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 44,100	△ 47,100	△ 3,000
TOTAL	15,398,039	15,442,522	44,482

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2004	As of March 31, 2005	Increase or Decrease
(LIABILITIES)			
I CURRENT LIABILITIES	2,930,584	2,416,255	△ 514,328
NOTES & ACCOUNTS PAYABLE-TRADE	1,363,807	1,184,294	△ 179,512
SHORT-TERM BORROWINGS	114,711	109,636	△ 5,074
INCOME TAX PAYABLE	600,362	187,121	△ 413,241
ACCRUED EXPENSES	435,907	474,378	38,470
OTHER CURRENT LIABILITIES	415,795	460,824	45,029
II LONG-TERM LIABILITIES	599,687	451,100	△ 148,586
LONG-TERM BORROWINGS	119,580	—	△ 119,580
RESERVE FOR RETIREMENT BENEFITS	7,556	876	△ 6,679
RESERVE FOR RETIREMENT BENEFITS FOR DIRECTORS & CORPORATE AUDITORS	138,101	82,077	△ 56,024
DEFERRED TAX LIABILITIES	298,950	346,868	47,918
CONSOLIDATION GOODWILL	35,499	21,278	△ 14,220
TOTAL LIABILITIES	3,530,271	2,867,355	△ 662,915
(SHAREHOLDERS' EQUITY)			
I CAPITAL STOCK	3,806,750	3,806,750	—
II ADDITIONAL PAID-IN CAPITAL	3,788,426	3,788,426	—
III CONSOLIDATED RETAINED EARNINGS	4,435,916	5,134,121	698,204
IV APPRAISAL OF SECURITIES	44,646	42,236	△ 2,410
V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	△ 207,672	△ 195,842	11,830
VI TREASURY STOCK	△ 299	△ 525	△ 225
TOTAL SHAREHOLDERS' EQUITY	11,867,767	12,575,166	707,398
TOTAL	15,398,039	15,442,522	44,482

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENTS OF INCOME

UNIT : 1000yen

ITEMS	Years Ended March 31, 2004	Years Ended March 31, 2005	Increase or Decrease
I NET SALES	13,950,900	13,144,719	△ 806,180
II COST OF SALES	8,663,929	8,634,403	△ 29,525
SALES GROSS INCOME	5,286,970	4,510,315	△ 776,655
III SELLING, GENERAL & ADMINISTRATIVE EXPENSES	3,041,892	3,059,332	17,440
OPERATING INCOME	2,245,078	1,450,982	△ 794,095
IV NON-OPERATING INCOME	116,404	78,415	△ 37,988
V NON-OPERATING EXPENSES	38,927	17,453	△ 21,473
ORDINARY INCOME	2,322,555	1,511,944	△ 810,610
VI EXTRA-ORDINARY INCOME	451,706	1,326	△ 450,379
VII EXTRA-ORDINARY EXPENSES	116,964	31,636	△ 85,327
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	2,657,297	1,481,634	△ 1,175,662
VIII INCOME TAXES	1,055,122	602,135	△ 452,987
INCOME TAXES	757,781	521,572	△ 236,208
DEFERRED INCOME TAXES	297,341	80,562	△ 216,778
IX MINORITY INTEREST IN NET INCOME	5,252	—	△ 5,252
NET INCOME	1,596,922	879,499	△ 717,422

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

UNIT : 1000yen

ITEMS	Years Ended March 31, 2004	Years Ended March 31, 2005
I OPERATING ACTIVITIES:		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	2,657,297	1,481,634
DEPRECIATION EXPENSES	536,693	510,927
INCREASE (DECREASE) IN INVENTORIES IN NOTES AND ACCOUNTS RECEIVABLE	△ 612,278	610,392
INCREASE (DECREASE) IN INVENTORIES	△ 68,028	18,699
DECREASE IN ACCOUNTS PAYABLE	93,369	△ 181,505
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	△ 344,310	△ 6,679
INCREASE (DECREASE) IN ADVANCE PAYMENT PENSION COST	△ 224,054	△ 303,219
PAYMENT OF THE OFFICER'S BONUS	△ 14,000	△ 17,500
OTHERS	95,038	7,145
	2,119,727	2,119,894
INTEREST AND DIVIDEND INCOME	36,112	31,239
INTEREST EXPENSES	△ 3,614	△ 1,629
INCOME AND OTHER TAXES	△ 307,788	△ 898,002
TOTAL	1,844,437	1,251,501
II INVESTING ACTIVITIES:		
PAYMENTS FOR ACQUISITION OF TANGIBLE FIXED ASSETS	△ 666,324	△ 754,742
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	652,344	16
INCREASE (DECREASE) IN SHORT-TERM LOAN RECEIVABLE	△ 2,141,001	△ 309,935
OTHERS	77,201	△ 58,525
TOTAL	△ 2,077,779	△ 1,123,187
III FINANCING ACTIVITIES:		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	△ 71,968	8,605
PAYMENTS OF LONG-TERM BORROWINGS	△ 43,391	△ 133,260
PAYMENTS OF DIVIDENDS	△ 155,995	△ 163,794
OTHERS	△ 200	△ 225
TOTAL	△ 271,555	△ 288,675
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	△ 30,208	3,691
V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	△ 535,105	△ 156,669
VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,138,347	603,241
VII CASH AND CASH EQUIVALENTS AT END OF PERIOD	603,241	446,572

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