

CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2006	As of March 31, 2007	Difference
(ASSETS)			
I CURRENT ASSETS	11,219,561	11,213,520	△ 6,041
CASH & DEPOSITS WITH BANKS	792,560	798,395	5,835
NOTES & ACCOUNTS RECEIVABLE-TRADE	4,557,161	4,663,002	105,840
INVENTORIES	658,377	971,667	313,289
DEFERRED TAX ASSETS	211,186	255,557	44,370
SHORT – TERM LOAN RECEIVABLE	4,811,726	4,423,046	△ 388,680
OTHER CURRENT ASSETS	197,334	111,479	△ 85,854
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 8,786	△ 9,628	△ 842
II FIXED ASSETS	6,291,949	6,547,817	255,868
TANGIBLE FIXED ASSETS	4,645,477	4,599,619	△ 45,857
BUILDINGS & STRUCTURES	1,674,841	1,607,188	△ 67,653
MACHINERIES, EQUIPMENTS & VEHICLES	1,745,060	1,896,465	151,405
LAND	898,842	898,842	—
CONSTRUCTION IN PROGRESS	251,708	134,173	△ 117,534
OTHER TANGIBLE FIXED ASSETS	75,024	62,949	△ 12,074
INTANGIBLE FIXED ASSETS	165,983	161,670	△ 4,312
INVESTMENTS & OTHER ASSETS	1,480,488	1,786,527	306,038
SECURITIES	382,884	341,650	△ 41,233
PREPAID PENSION COST	801,272	1,121,918	320,645
DEFERRED TAX ASSETS	14,319	19,026	4,707
OTHER INVESTMENT & ASSETS	320,411	349,041	28,630
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 38,400	△ 45,110	△ 6,710
TOTAL	17,511,510	17,761,337	249,827

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2006	As of March 31, 2007	Difference
(LIABILITIES)			
I CURRENT LIABILITIES	3,592,672	2,959,977	△ 632,695
NOTES & ACCOUNTS PAYABLE-TRADE	1,372,449	1,154,854	△ 217,595
SHORT-TERM BORROWINGS	330,000	300,000	△ 30,000
INCOME TAX PAYABLE	240,086	457,063	216,976
ACCRUED EXPENSES	1,550,905	906,157	△ 644,747
RESERVE FOR BONUS FOR CORPORATE EXECUTIVES	—	17,080	17,080
OTHER CURRENT LIABILITIES	99,231	124,822	25,591
II LONG-TERM LIABILITIES	600,819	643,803	42,984
RESERVE FOR RETIREMENT BENEFITS	75,992	83,816	7,824
RESERVE FOR RETIREMENT BENEFITS FOR CORPORATE EXECUTIVES	98,409	104,183	5,774
DEFERRED TAX LIABILITIES	414,512	448,975	34,462
CONSOLIDATION GOODWILL	11,904	6,828	△ 5,076
TOTAL LIABILITIES	4,193,491	3,603,781	△ 589,710
MINORITY INTEREST	8,534	—	△ 8,534
(SHAREHOLDERS' EQUITY)			
I COMMON STOCK	3,806,750	3,806,750	—
II ADDITIONAL PAID-IN CAPITAL	3,788,426	3,788,426	—
III CONSOLIDATED RETAINED EARNINGS	5,718,663	6,569,910	851,246
IV APPRAISAL OF SECURITIES	109,877	68,791	△ 41,085
V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	△ 113,597	△ 83,768	26,109
VI TREASURY STOCK	△ 636	△ 651	△ 15
VII MINORITY INTEREST	—	8,097	8,097
TOTAL SHAREHOLDERS' EQUITY	13,309,484	14,157,556	848,072
TOTAL	17,511,510	17,761,337	249,827

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended March 31, 2006	Year Ended March 31, 2007	Difference
I NET SALES	12,919,570	14,765,599	1,846,029
II COST OF SALES	8,528,456	9,706,000	1,177,544
SALES GROSS INCOME	4,391,114	5,059,599	668,485
III SELLING, GENERAL & ADMINISTRATIVE EXPENSES	3,233,666	3,472,005	238,338
OPERATING INCOME	1,157,447	1,587,594	430,146
IV NON-OPERATING INCOME	81,285	90,637	9,352
V NON-OPERATING EXPENSES	9,913	12,381	2,467
ORDINARY INCOME	1,228,820	1,665,851	437,030
VI EXTRA-ORDINARY INCOME	274,409	400	△ 274,009
VII EXTRA-ORDINARY EXPENSES	277,650	16,695	△ 260,954
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,225,579	1,649,555	423,975
VIII INCOME TAXES	470,931	631,710	160,778
INCOME TAXES	443,242	619,633	176,390
DEFERRED INCOME TAXES	27,688	12,076	△ 15,611
IX MINORITY INTEREST IN NET INCOME	1,911	△ 394	△ 2,306
NET INCOME	752,736	1,018,239	265,503

SOSHIN ELECTRIC CO., LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

ITEMS	Year Ended March 31, 2006	Year Ended March 31, 2007
I OPERATING ACTIVITIES:		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,225,579	1,649,555
DEPRECIATION AND AMORTIZATION EXPENSES	605,052	841,395
DECREASE (INCREASE) IN NOTES AND ACCOUNTS RECEIVABLE	△ 865,720	△ 96,336
DECREASE (INCREASE) IN INVENTORIES	△ 205,797	△ 309,100
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	82,126	△ 224,399
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	△ 3,404	7,824
INCREASE (DECREASE) IN PREPAID PENSION COST	△ 273,998	△ 320,645
PAYMENT OF BONUS TO CORPORATE EXECUTIVES	△ 12,200	△ 11,000
OTHERS	607,528	△ 614,394
	1,096,877	922,898
INTEREST AND DIVIDEND INCOME	46,816	45,345
INTEREST EXPENSES	△ 1,978	△ 3,118
OTHERS	62,287	-
INCOME AND OTHER TAXES	△ 348,404	△ 453,473
TOTAL	855,598	511,651
II INVESTING ACTIVITIES:		
ACQUISITION OF TANGIBLE FIXED ASSETS	△ 1,489,550	△ 612,502
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	220	2,183
DECREASE (INCREASE) IN SHORT-TERM LOAN RECEIVABLE	1,072,920	388,680
OTHERS	△ 77,337	13,534
TOTAL	△ 493,747	△ 208,104
III FINANCING ACTIVITIES:		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	△ 129,636	△ 30,000
PAYMENTS OF LONG-TERM BORROWINGS	△ 9,100	-
PAYMENTS OF DIVIDENDS	△ 155,993	△ 155,993
OTHERS	△ 111	△ 15
TOTAL	△ 294,841	△ 186,008
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	25,728	11,640
V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	92,738	129,179
VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	446,572	539,310
VII CASH AND CASH EQUIVALENTS AT END OF PERIOD	539,310	668,490

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