

# CONSOLIDATED FINANCIAL STATEMENTS

 **SOSHIN ELECTRIC CO.,LTD.**

## CONSOLIDATED BALANCE SHEETS

UNIT : 1000yen

ITEM	As of March 31, 2007	As of March 31, 2008	Difference
<b>( ASSETS )</b>			
<b>I CURRENT ASSETS</b>	<b>11,213,520</b>	<b>11,234,558</b>	<b>21,038</b>
CASH & DEPOSITS WITH BANKS	798,395	728,970	△ 69,425
NOTES & ACCOUNTS RECEIVABLE-TRADE	4,663,002	4,560,662	△ 102,340
INVENTORIES	971,667	940,484	△ 31,182
DEFERRED TAX ASSETS	255,557	224,550	△ 31,006
SHORT – TERM LOAN RECEIVABLE	4,423,046	4,528,325	105,279
OTHER CURRENT ASSETS	111,479	255,803	144,323
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 9,628	△ 4,238	5,390
<b>II FIXED ASSETS</b>	<b>6,547,817</b>	<b>7,015,472</b>	<b>467,655</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>4,599,619</b>	<b>4,806,683</b>	<b>207,063</b>
BUILDINGS & STRUCTURES	1,607,188	1,762,952	155,763
MACHINERIES, EQUIPMENTS & VEHICLES	1,896,465	1,932,579	36,113
LAND	898,842	994,556	95,714
CONSTRUCTION IN PROGRESS	134,173	33,791	△ 100,382
OTHER TANGIBLE FIXED ASSETS	62,949	82,803	19,853
<b>INTANGIBLE FIXED ASSETS</b>	<b>161,670</b>	<b>142,215</b>	<b>△ 19,455</b>
<b>INVESTMENTS &amp; OTHER ASSETS</b>	<b>1,786,527</b>	<b>2,066,574</b>	<b>280,047</b>
SECURITIES	341,650	244,522	△ 97,128
PREPAID PENSION COST	1,121,918	1,504,534	382,615
DEFERRED TAX ASSETS	19,026	20,689	1,663
OTHER INVESTMENT & ASSETS	349,041	340,128	△ 8,913
ALLOWANCE FOR DOUBTFUL ACCOUNTS	△ 45,110	△ 43,300	1,810
<b>TOTAL</b>	<b>17,761,337</b>	<b>18,250,031</b>	<b>488,693</b>

SOSHIN ELECTRIC CO., LTD.

UNIT : 1000yen

ITEM	As of March 31, 2007	As of March 31, 2008	Difference
<b>( LIABILITIES )</b>			
<b>I CURRENT LIABILITIES</b>	<b>2,959,977</b>	<b>2,829,211</b>	<b>△ 130,766</b>
NOTES & ACCOUNTS PAYABLE-TRADE	1,154,854	1,378,969	224,114
SHORT-TERM BORROWINGS	300,000	260,000	△ 40,000
INCOME TAX PAYABLE	81,382	464,778	△ 375,680
ACCRUED EXPENSES	906,157	1,001,466	95,310
RESERVE FOR BONUS FOR CORPORATE EXECUTIVES	17,080	12,200	△ 4,880
OTHER CURRENT LIABILITIES	124,822	95,191	△ 29,630
<b>II LONG-TERM LIABILITIES</b>	<b>643,803</b>	<b>755,521</b>	<b>111,718</b>
RESERVE FOR RETIREMENT BENEFITS	83,816	87,555	3,739
RESERVE FOR RETIREMENT BENEFITS FOR CORPORATE EXECUTIVES	104,183	118,536	14,353
DEFERRED TAX LIABILITIES	448,975	547,307	98,332
CONSOLIDATION GOODWILL	6,828	2,121	△ 4,706
<b>TOTAL LIABILITIES</b>	<b>3,603,781</b>	<b>3,584,732</b>	<b>△ 19,048</b>
<b>( SHAREHOLDERS' EQUITY )</b>			
<b>I COMMON 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>6,569,910</b>	<b>7,172,394</b>	<b>851,246</b>
<b>IV APPRAISAL OF SECURITIES</b>	<b>68,791</b>	<b>21,094</b>	<b>△ 41,085</b>
<b>V FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>	<b>△ 83,768</b>	<b>△ 124,312</b>	<b>26,109</b>
<b>VI TREASURY STOCK</b>	<b>△ 651</b>	<b>△ 651</b>	<b>△ 15</b>
<b>VII MINORITY INTEREST</b>	<b>8,097</b>	<b>1,597</b>	<b>8,097</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>14,157,556</b>	<b>14,665,299</b>	<b>848,072</b>
<b>TOTAL</b>	<b>17,761,337</b>	<b>18,250,031</b>	<b>249,827</b>

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENT OF INCOME

UNIT : 1000yen

ITEMS	Year Ended March 31, 2007	Year Ended March 31, 2008	Difference
<b>I NET SALES</b>	14,765,599	14,701,072	△ 64,527
<b>II COST OF SALES</b>	9,706,000	9,728,317	22,317
<b>SALES GROSS INCOME</b>	5,059,599	4,972,754	△ 86,844
<b>III SELLING, GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	3,472,005	3,636,410	164,405
<b>OPERATING INCOME</b>	1,587,594	1,336,344	△ 251,249
<b>IV NON-OPERATING INCOME</b>	90,637	141,861	51,224
<b>V NON-OPERATING EXPENSES</b>	12,381	136,392	124,011
<b>ORDINARY INCOME</b>	1,665,851	1,341,813	△ 324,037
<b>VI EXTRA-ORDINARY INCOME</b>	400	30,335	29,935
<b>VII EXTRA-ORDINARY EXPENSES</b>	16,695	40,033	23,337
<b>NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS</b>	1,649,555	1,332,115	△ 317,439
<b>VIII INCOME TAXES</b>	631,710	542,062	△ 89,647
INCOME TAXES	619,633	381,211	△ 238,422
DEFERRED INCOME TAXES	12,076	160,851	148,775
<b>IX MINORITY INTEREST IN NET INCOME</b>	△ 394	376	771
<b>NET INCOME</b>	1,018,239	789,675	△ 228,564

SOSHIN ELECTRIC CO., LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOW

UNIT : 1000yen

ITEMS	Year Ended March 31, 2007	Year Ended March 31, 2008
<b>I OPERATING ACTIVITIES:</b>		
NET INCOME BEFORE TAXES AND OTHER ADJUSTMENTS	1,649,555	1,332,115
DEPRECIATION AND AMORTIZATION EXPENSES	841,395	856,248
DECREASE (INCREASE) IN NOTES AND ACCOUNTS RECEIVABLE	△ 96,336	88,775
DECREASE (INCREASE) IN INVENTORIES	△ 309,100	26,024
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	△ 224,399	237,892
INCREASE (DECREASE) IN RESERVE FOR RETIREMENT BENEFITS	7,824	3,734
INCREASE (DECREASE) IN PREPAID PENSION COST	△ 320,645	△ 382,615
PAYMENT OF BONUS TO CORPORATE EXECUTIVES	△ 11,000	—
OTHERS	△ 614,394	△ 181,580
	<b>922,898</b>	<b>1,980,600</b>
INTEREST AND DIVIDEND INCOME	45,345	67,847
INTEREST EXPENSES	△ 3,118	△ 3,672
OTHERS	—	—
INCOME AND OTHER TAXES	△ 453,473	△ 757,301
TOTAL	<b>511,651</b>	<b>1,287,472</b>
<b>II INVESTING ACTIVITIES:</b>		
ACQUISITION OF TANGIBLE FIXED ASSETS	△ 612,502	△ 965,133
PROCEEDS FROM SALES OF TANGIBLE FIXED ASSETS	2,183	3,415
DECREASE (INCREASE) IN SHORT-TERM LOAN RECEIVABLE	388,680	△ 105,279
OTHERS	13,534	△ 149,959
TOTAL	<b>△ 208,104</b>	<b>△ 1,216,956</b>
<b>III FINANCING ACTIVITIES:</b>		
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS	△ 30,000	△ 40,000
PAYMENTS OF DIVIDENDS	△ 155,993	△ 187,191
OTHERS	△ 15	—
TOTAL	<b>△ 186,008</b>	<b>△ 227,191</b>
<b>IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>11,640</b>	<b>△ 15,264</b>
<b>V INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>129,179</b>	<b>△ 171,939</b>
<b>VI CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>539,310</b>	<b>668,490</b>
<b>VII CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>668,490</b>	<b>496,550</b>