

# DATA-FILE

*Semi Annual*  
*2008*

**COSEL**

## Financial Highlights

Millions of yen	Year ended May 20			Six months ended November 20	
	2006	2007	2008	2007	2008
<b>Consolidated</b>					
Net sales	21,741	23,286	22,708	11,502	10,935
Operating income	6,382	6,601	5,582	2,981	2,333
Ordinary profit	6,557	6,841	5,717	3,057	2,406
Net income	3,859	4,019	3,345	1,756	1,356
Shareholders' equity	27,076	29,829	29,796	30,858	30,320
Total assets	31,368	33,804	33,549	35,044	33,801
Net cash used in operating activities	3,879	5,056	3,599	2,229	2,603
Net cash used in investment activities	(3,589)	(2,896)	(3,250)	(2,558)	(622)
Net cash used by financing activities	(896)	(1,217)	(3,115)	(609)	(467)
Cash and cash equivalents at end of period	6,166	7,180	4,286	6,204	5,723
Capital investment	595	1,403	1,063	533	261
Depreciation expense	699	710	870	389	495
Employees	386	421	442	421	439
Temporary employees - average	128	131	132	129	132

%	Year ended May 20			Six months ended November 20	
	2006	2007	2008	2007	2008
<b>Consolidated</b>					
<b>Stability</b>					
Shareholders' equity ratio	86.3	88.2	88.8	88.1	89.7
Current ratio	525.2	557.8	513.1	506.2	614.1
Fixed assets ratio to worth	50.4	55.1	61.5	58.1	57.4
<b>Profitability</b>					
Ordinary profit on sales	30.2	29.4	25.2	26.6	22.0
Net income on sales	17.8	17.3	14.7	15.3	12.4
Return on equity	15.2	14.1	11.2	5.7	4.5
<b>Investment indicators</b>					
Net income per share (yen)	189.90	98.88	83.03	43.20	34.77
Shareholders' equity per share (yen)	1,332.27	733.88	763.89	759.19	777.33

\* The company split its shares at a ratio of 1:2 on May 21, 2006.

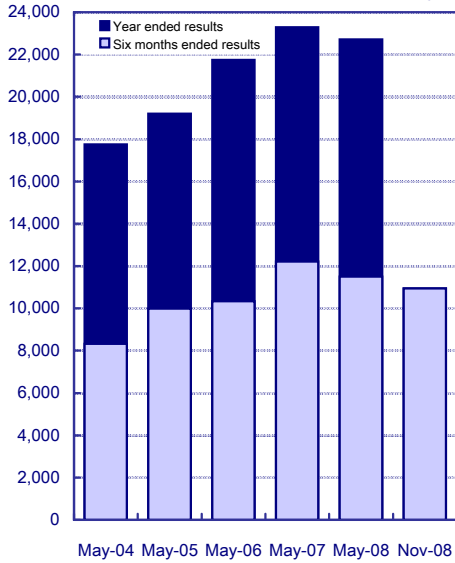
## Non-Consolidated

Millions of yen	Year ended May 20			Six months ended November 20	
	2006	2007	2008	2007	2008
<b>Non-Consolidated</b>					
Net sales	20,613	21,878	21,546	10,846	10,265
Operating income	5,917	6,009	5,152	2,766	2,131
Ordinary profit	6,223	6,484	5,507	3,017	2,306
Net income	3,665	3,862	3,278	1,785	1,343
Common stock	2,055	2,055	2,055	2,055	2,055
Shareholders' equity	26,050	28,606	28,638	29,670	29,277
Total assets	30,154	32,393	32,215	33,680	32,618
Shareholders' equity per share (yen)	1,281.81	703.77	734.21	729.96	750.58
Dividend per share (yen)	55.00	29.00	26.00	14.00	12.00
Net income per share (yen)	180.34	95.02	81.37	43.92	34.44

\* The company split its shares at a ratio of 1:2 on May 21, 2006.

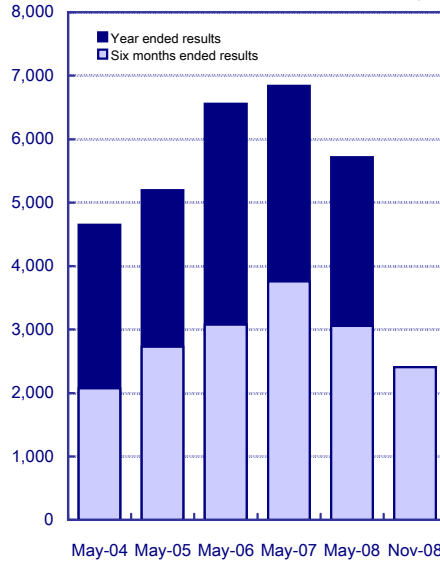
### Net sales

[ Millions of yen ]



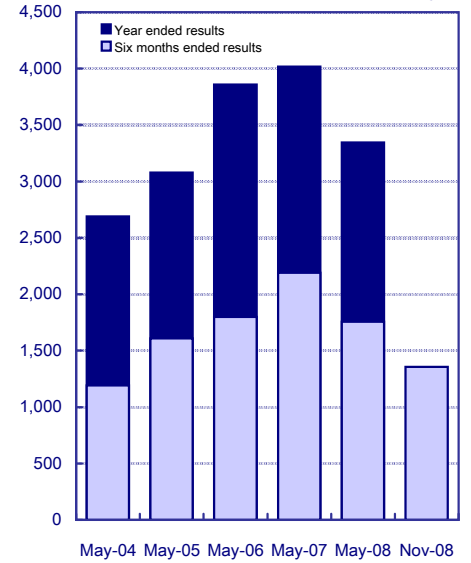
### Ordinary profit

[ Millions of yen ]



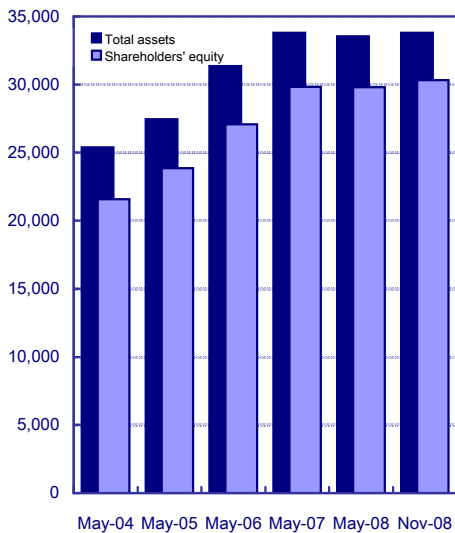
### Net income

[ Millions of yen ]



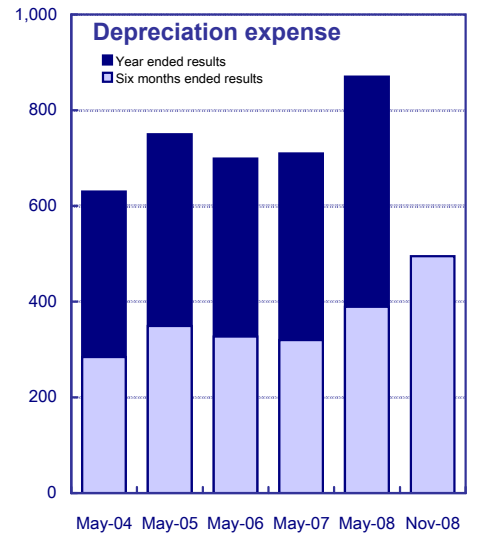
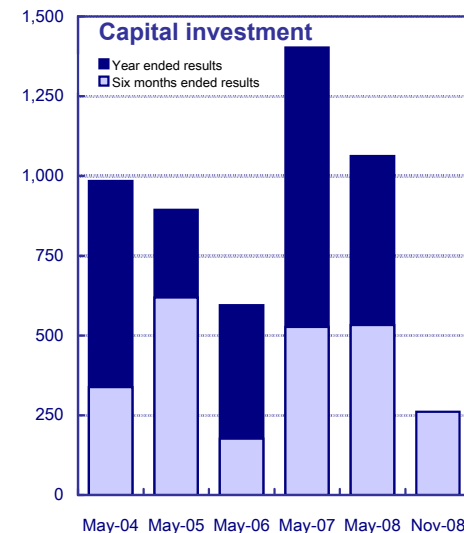
### Total assets / Shareholders' equity

[ Millions of yen ]



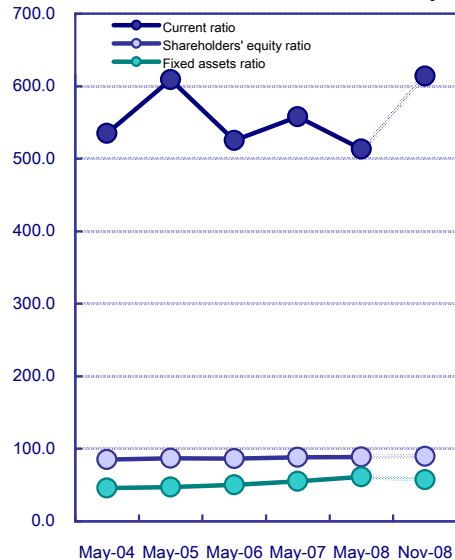
### Capital investment / Depreciation expense

[ Millions of yen ]



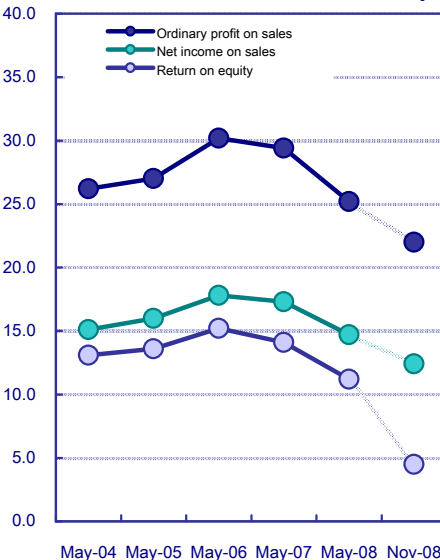
### Stability

[ % ]



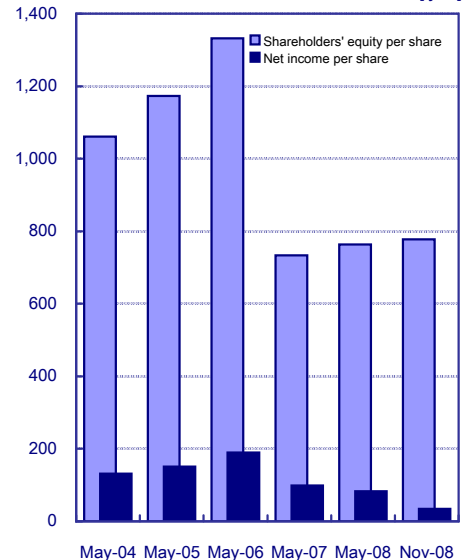
### Profitability

[ % ]



### Investment indicators

[ yen ]



\* The company split its shares at a ratio of 1:2 on May 21, 2006.

Consolidated Financial Statements

## Consolidated Balance Sheets

Thousands of yen	Year ended	Six months ended	
	May 20	2007	2008
	2008		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	2,032,414	2,655,097	1,863,144
Notes and accounts receivable	7,277,260	7,301,086	6,768,598
Marketable securities	3,754,527	5,248,900	5,960,173
Inventories	1,698,162	1,485,702	1,396,353
Deferred taxes	301,398	327,565	271,304
Other current assets	155,577	101,198	144,722
Allowance for doubtful accounts	(4,851)	(5,484)	(2,235)
<b>Total current assets</b>	<b>15,214,489</b>	<b>17,114,066</b>	<b>16,402,063</b>
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Buildings and structures	3,580,851	3,568,070	3,584,648
Accumulated depreciation	2,021,894	1,963,530	2,087,931
	1,558,956	1,604,539	1,496,716
Machinery and transportation vehicles	4,653,778	4,393,081	4,681,781
Accumulated depreciation	3,030,393	2,858,548	3,196,268
	1,623,385	1,534,533	1,485,512
Appliances and fixtures	4,399,605	4,295,305	4,552,551
Accumulated depreciation	3,825,190	3,707,623	4,017,668
	574,415	587,681	534,883
Land	1,192,963	1,190,431	1,192,963
Construction in progress	11,453	8,852	508
<b>Total tangible fixed assets</b>	<b>4,961,174</b>	<b>4,926,039</b>	<b>4,710,583</b>
<b>Intangible fixed assets</b>	<b>42,094</b>	<b>44,545</b>	<b>32,700</b>
<b>Investments and other assets</b>			
Investments in securities	12,934,886	12,574,135	12,086,145
Deferred taxes	248,202	235,772	420,576
Other investments and other assets	148,404	150,041	149,819
<b>Total investments and other assets</b>	<b>13,331,493</b>	<b>12,959,950</b>	<b>12,656,542</b>
<b>Total fixed assets</b>	<b>18,334,761</b>	<b>17,930,534</b>	<b>17,399,825</b>
<b>Total assets</b>	<b>33,549,250</b>	<b>35,044,600</b>	<b>33,801,889</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Notes and accounts payable-trade	1,053,109	1,104,469	818,767
Accrued liabilities	357,348	331,827	184,197
Income taxes payable	926,931	1,297,543	1,007,294
Reserve for bonuses	284,675	295,139	287,303
Reserve for directors' bonuses	17,660	10,000	10,000
Other current liabilities	325,736	341,890	363,394
<b>Total current liabilities</b>	<b>2,965,461</b>	<b>3,380,869</b>	<b>2,670,958</b>
<b>Long-term liabilities</b>			
Retirement benefits	361,789	389,126	373,623
Reserve for directors' retirement allowances	420,300	410,900	432,800
Other long-term liabilities	4,865	4,970	3,776
<b>Total long-term liabilities</b>	<b>786,954</b>	<b>804,996</b>	<b>810,199</b>
<b>Total liabilities</b>	<b>3,752,415</b>	<b>4,185,866</b>	<b>3,481,157</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock	2,055,000	2,055,000	2,055,000
Capital surplus	2,288,350	2,288,522	2,288,350
Retained earnings	25,471,815	27,271,158	26,360,284
Treasury stock	(7,440)	(896,988)	(7,625)
Unrealized loss on other securities	112,863	138,169	(124,080)
Foreign currency translation adjustments	(123,753)	2,873	(251,197)
<b>Total shareholders' equity</b>	<b>29,796,835</b>	<b>30,858,734</b>	<b>30,320,731</b>
<b>Total liabilities and shareholders' equity</b>	<b>33,549,250</b>	<b>35,044,600</b>	<b>33,801,889</b>

## Consolidated Statements of Income

Thousands of yen	Year ended	Six months ended	
	May 20	2007	2008
	2008		
<b>Net sales</b>	<b>22,708,726</b>	<b>11,502,944</b>	<b>10,935,625</b>
Cost of goods sold	14,108,375	7,010,675	7,148,776
<b>Gross profit on sales</b>	<b>8,600,350</b>	<b>4,492,269</b>	<b>3,786,849</b>
Selling, general and administrative expense	3,018,080	1,510,682	1,453,367
<b>Operating income</b>	<b>5,582,269</b>	<b>2,981,586</b>	<b>2,333,481</b>
<b>Non-Operating income</b>			
Interest income	193,451	97,444	93,510
Dividend income	18,791	9,235	17,015
Indemnity income	42,449	26,484	752
Others	22,989	12,280	9,539
	277,681	145,445	120,817
<b>Non-Operating expense</b>			
Foreign Exchange Losses	133,993	69,487	47,318
Others	8,871	3	494
	142,865	69,490	47,812
<b>Ordinary profit</b>	<b>5,717,086</b>	<b>3,057,541</b>	<b>2,406,486</b>
<b>Extraordinary income</b>			
Gain on sales of fixed assets	-	70	-
Gain on sales of investment securities	3,591	3,591	-
Reversal of allowance for doubtful accounts	4,393	4,034	2,453
Reversal of provision for director's bonuses	274	274	1,805
	8,258	7,971	4,258
<b>Extraordinary losses</b>			
Loss on sales of fixed assets	1,503	985	1,668
Loss on disposal of fixed assets	10,317	1,772	6,632
Loss on devaluation of investment securities	-	-	33,769
	11,821	2,757	42,070
<b>Net income before taxes and other adjustments</b>	<b>5,713,523</b>	<b>3,062,754</b>	<b>2,368,674</b>
Corporate, inhabitant and enterprise taxes	2,300,420	1,268,012	994,327
Adjustment for income and other taxes	67,979	38,418	17,803
	2,368,400	1,306,430	1,012,131
<b>Net income for the period</b>	<b>3,345,122</b>	<b>1,756,324</b>	<b>1,356,543</b>

## Consolidated Statements of Changes in Stockholders' Equity

Years ended May 20; Thousands of yen

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized loss on other securities	Foreign currency translation adjustments	Total
<b>Balance at May 20,2007</b>	<b>2,055,000</b>	<b>2,288,522</b>	<b>26,124,533</b>	<b>(896,675)</b>	<b>249,630</b>	<b>8,822</b>	<b>29,829,832</b>
Dividends from surplus	-	-	(1,178,749)	-	-	-	(1,178,749)
Net income	-	-	3,345,122	-	-	-	3,345,122
Purchase of treasury stock	-	-	-	(1,930,068)	-	-	(1,930,068)
Disposal of treasury stock	-	(7)	-	47	-	-	39
Retirement of treasury stock	-	(165)	(2,819,090)	2,819,256	-	-	-
Others	-	-	-	-	(136,766)	(132,576)	(269,342)
	-	(172)	(652,717)	889,235	(136,766)	(132,576)	(32,997)
<b>Balance at May 20,2008</b>	<b>2,055,000</b>	<b>2,288,350</b>	<b>25,471,815</b>	<b>(7,440)</b>	<b>112,863</b>	<b>(123,753)</b>	<b>29,796,835</b>

Years ended November 20; Thousands of yen

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized loss on other securities	Foreign currency translation adjustments	Total
<b>Balance at May 20,2008</b>	<b>2,055,000</b>	<b>2,288,350</b>	<b>25,471,815</b>	<b>(7,440)</b>	<b>112,863</b>	<b>(123,753)</b>	<b>29,796,835</b>
Dividends from surplus	-	-	(468,075)	-	-	-	(468,075)
Net income	-	-	1,356,543	-	-	-	1,356,543
Purchase of Treasury Stock	-	-	-	(185)	-	-	(185)
Disposal of treasury stock	-	-	-	-	-	-	-
Others	-	-	-	-	(236,943)	(127,443)	(364,387)
	-	-	888,468	(185)	(236,943)	(127,443)	523,896
<b>Balance at November 20,2008</b>	<b>2,055,000</b>	<b>2,288,350</b>	<b>26,360,284</b>	<b>(7,625)</b>	<b>(124,080)</b>	<b>(251,197)</b>	<b>30,320,731</b>

## Consolidated Statements of Cash Flows

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	2008
	2008	2007	2008
<b>Net cash used in operating activities</b>			
Net income before taxes and other adjustments	5,713,523	3,062,754	2,368,674
Depreciation	870,939	389,804	499,458
Increase or decrease in retirement benefits	(46,391)	(19,054)	11,834
Increase or decrease in reserve for directors' retirement allowances	(26,600)	(36,000)	12,500
Increase or decrease in reserve for bonuses	20,192	30,657	2,628
Increase or decrease in reserve for directors' bonuses	(2,580)	(10,240)	(7,660)
Increase or decrease in allowance for doubtful accounts	(4,497)	(4,144)	(2,453)
Interest and dividend income	(212,242)	(106,679)	(110,525)
Foreign exchange losses	128,275	61,234	62,639
Gain on sales of investment in securities	(3,591)	(3,591)	-
Gain on sales of tangible fixed assets	-	(70)	-
Loss on sales of tangible fixed assets	1,503	985	1,668
Loss on disposal of tangible fixed assets	10,317	1,772	6,632
Loss on devaluation of investment in securities	-	-	33,769
Increase or decrease in notes and accounts receivable	(55,366)	(8,690)	435,300
Increase or decrease in inventories	(382,542)	(127,801)	272,416
Increase or decrease in accounts payable	237,651	287,681	(232,804)
Others	7,114	64,915	58,116
Subtotal	6,255,706	3,583,532	3,412,193
Interest and dividend income	195,383	91,405	111,762
Income and other taxes	(2,851,597)	(1,445,581)	(920,929)
<b>Net cash used in operating activities</b>	<b>3,599,493</b>	<b>2,229,356</b>	<b>2,603,027</b>
<b>Net cash used in investment activities</b>			
Payments for deposited in time deposit	(500,000)	(500,000)	-
Proceeds from withdrawal in time deposit	500,000	-	-
Payments from investment in securities	(4,104,199)	(3,100,522)	(783,190)
Proceeds from redemption of investment in securities	800,000	500,000	600,000
Proceeds from sales of investment in securities	1,003,560	1,003,560	-
Payments for acquisition of tangible fixed assets	(960,435)	(463,630)	(436,062)
Proceeds from sales of tangible fixed assets	8,452	779	889
Others	1,937	1,292	(4,489)
<b>Net cash used in investment activities</b>	<b>(3,250,683)</b>	<b>(2,558,520)</b>	<b>(622,852)</b>
<b>Net cash used by financing activities</b>			
Payments for treasury stock	(1,938,376)	(313)	(185)
Proceeds from sales of treasury stock	39	-	-
Dividends	(1,177,218)	(608,766)	(467,068)
<b>Net cash used by financing activities</b>	<b>(3,115,555)</b>	<b>(609,079)</b>	<b>(467,253)</b>
<b>Exchange differences of cash and cash equivalents</b>	<b>(126,810)</b>	<b>(38,199)</b>	<b>(76,555)</b>
<b>Increase or decrease in cash and cash equivalents</b>	<b>(2,893,556)</b>	<b>(976,442)</b>	<b>1,436,365</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,180,545</b>	<b>7,180,545</b>	<b>4,286,989</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,286,989</b>	<b>6,204,103</b>	<b>5,723,354</b>

## Relationship Between Balance of Cash and Cash Equivalents as of Term End and Balance Sheet Items

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	2008
	2008	2007	2008
Cash on hand and in banks	2,032,414	2,655,097	1,863,144
Time deposit to exceed three months	(300,000)	(800,000)	(300,000)
Marketable securities			
Money management fund・free financial fund	2,554,575	4,349,006	4,160,209
<b>Cash and cash equivalents</b>	<b>4,286,989</b>	<b>6,204,103</b>	<b>5,723,354</b>

## Corporate Profile (As of November 20,2008)

Company Name : COSEL CO.,LTD.

Head Office : 1-6-43,Kamiakae-machi,Toyama-shi. 930-0816,Japan

Phone : 076-432-8151

Branch : Kawasaki, Atsugi, Tachikawa, Kumagaya, Matsumoto, Mito, Sendai, Utsunomiya  
Osaka, Kyoto, Kobe, Siga, Hiroshima, Kyusyu, Nagoya, Hamamatsu, Toyama

Factory : Toyama, Tateyama

Established : July 26,1969

Paid Capital : 2,055 Million Yen

## The COSEL Group (Consolidated Companies)

TRANSERVE CO.,LTD.

TAIYO DENSHI KOUGYOU CO.,LTD.

ELCO TAKAOKA CO.,LTD.

COSEL U.S.A. INC.

COSEL EUROPE GmbH

COSEL ASIA LTD.

## History

1967	Feb.	Established as Kimura Electronics Sales Inc. (Private)
1969	Jul.	Established ELCO CO.,LTD. by dissolution of Kimura Electronics Sales Inc.
1973	Jul.	Head office and factory completed at Kamiakae-machi, Toyama-shi, Japan
1979	Jan.	Introduced QC circle activities
1980	Apr.	Established TRANSERVE CO.,LTD.
	Sep.	TAIYO DENSHI KOUGYOU CO.,LTD. was made a subsidiary company
1982	May	Introduced TQC (Now changed to TQM)
1983	Apr.	Pointed as rationalized minor enterprises the model factory in Toyama
	Jun.	Introduced policy management (Long term policy, fixing annual policy)
1984	Mar.	Received commendation as the excellent minor enterprise from the government
1986	Apr.	Received minor enterprises study center prize
1988	Mar.	Toyota Production System Introduce
1989	Mar.	Tateyama factory completed
1990	Apr.	Established COSEL U.S.A. INC. (Former U.S.ELCO INC.)
1991	May	Established ELCO TAKAOKA CO.,LTD.
1992	Apr.	Changed company name to COSEL CO.,LTD. from ELCO CO.,LTD. at the same time, V.I (Visual Integration) was introduced
1993	Jun.	Acquired ISO9001
1994	Feb.	Set a representative in Europe
	Dec.	Company stock opened to the public at counter of Japan securities company association. Capital increased to 2,055 million yen
1995	May	Set a representative in Hong Kong
1996	Apr.	Introduced TPM (Total Plant Maintenance)
1997	Jul.	Established COSEL EUROPE GmbH
1998	May	Established COSEL ASIA LTD.
1999	Dec.	Acquired ISO14001
2000	May	Shares listed on the first section of the Tokyo Stock Exchange and Nagoya Stock Exchange



# **COSEL CO., LTD.**

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