

# **DATA-FILE** **2005**

**FINANCIAL HIGHLIGHTS**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**Balance Sheets**

**Statements of Income**

**Appropriation of Retained Earnings**

**Statements of Cash Flows**

**COPORATE PROFILE**

**COSEL**

## Financial Highlights

Years ended May 20 ; Millions of yen	2001	2002	2003	2004	2005
<b>Consolidated</b>					
Net Sales	16,873	11,734	15,225	17,754	19,209
Operating Income	4,449	1,559	3,627	4,566	5,121
Ordinary Profit	4,819	1,740	3,683	4,652	5,194
Net Income	2,630	722	2,071	2,689	3,078
Shareholders' Equity	17,621	17,920	19,433	21,576	23,856
Total Assets	22,283	20,810	22,968	25,395	27,444
Net Cash Used in Operating Activities	3,801	2,114	2,107	1,766	4,210
Net Cash Used in Investment Activities	(1,446)	(486)	(595)	(1,006)	(2,746)
Net Cash Used by Financing Activities	(1,143)	(407)	(518)	(570)	(874)
Cash and Cash Equivalents at End of Period	3,790	5,029	6,006	6,132	6,696
Capital Investment	1,071	858	381	984	894
Depreciation Expense	704	733	621	630	750
Employees	363	367	375	375	380
Temporary Employees - Average	121	110	104	114	124

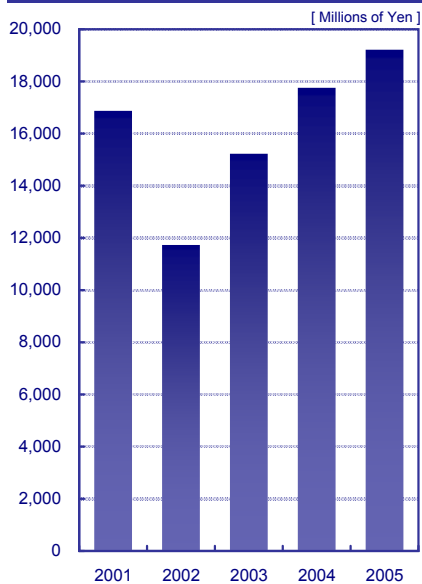
## Financial Data

Years ended May 20 ; %	2001	2002	2003	2004	2005
<b>Stability</b>					
Shareholders' Equity Ratio	79.1	86.1	84.6	85.0	86.9
Current Ratio	337.5	532.8	511.8	534.9	609.3
Fixed Assets Ratio	48.7	53.5	47.1	45.8	47.3
<b>Profitability</b>					
Ordinary Profit on Sales	28.6	14.8	24.2	26.2	27.0
Net Income on Sales	15.6	6.2	13.6	15.1	16.0
Return on Equity	15.5	4.1	11.1	13.1	13.6
<b>Investment Indicators</b>					
Net Income per Share (Yen)	128.44	35.36	100.76	131.45	150.58
Shareholders' Equity per Share (Yen)	862.76	877.40	955.35	1,060.75	1,172.94

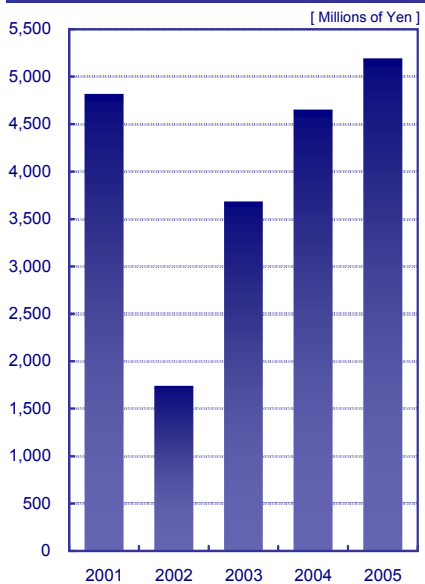
## Non - Consolidated

Years ended May 20 ; Millions of yen	2001	2002	2003	2004	2005
<b>Non - Consolidated</b>					
Net Sales	16,208	11,162	14,331	16,893	18,328
Operating Income	4,273	1,578	3,271	4,207	4,786
Ordinary Profit	4,743	1,831	3,397	4,397	4,989
Net Income	2,522	801	1,891	2,499	2,887
Common Stock	2,055	2,055	2,055	2,055	2,055
Shareholders' Equity	17,959	17,656	19,000	21,040	23,125
Total Assets	22,506	20,485	22,435	24,740	26,583
Shareholders' Equity per Share (Yen)	872.15	864.45	934.01	1,034.39	1,136.96
Dividend per Share (Yen)	24.00	14.00	19.00	37.00	43.00
Net Income per Share (Yen)	122.52	39.24	91.94	122.10	141.17

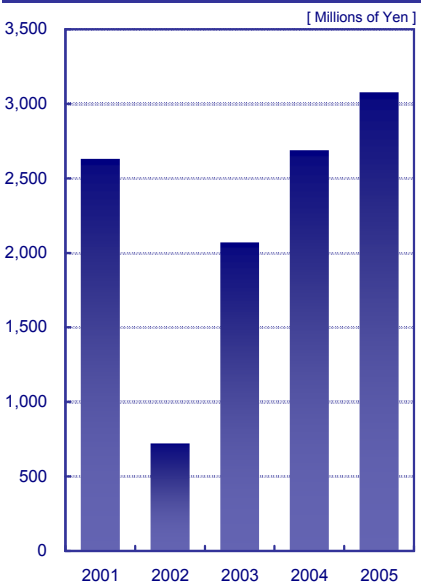
### Net Sales



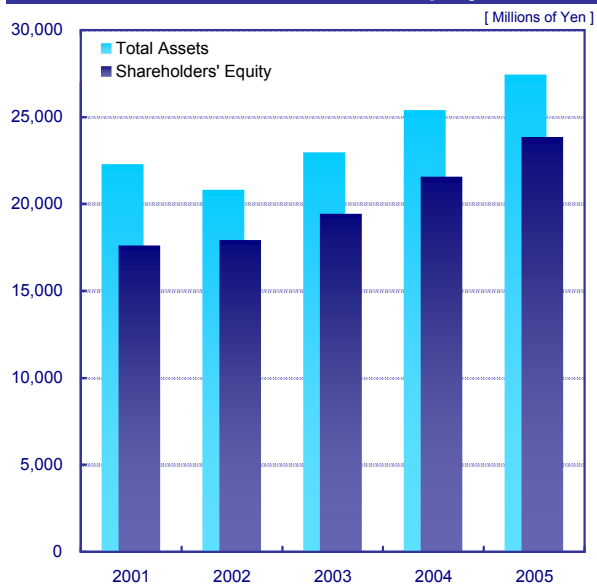
### Ordinary Profit



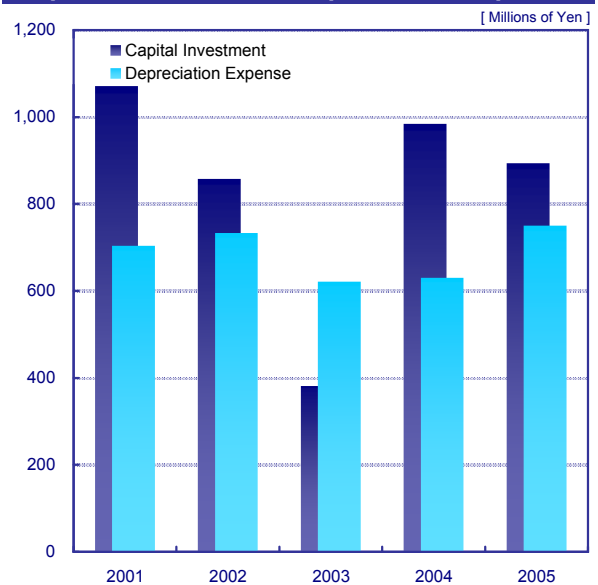
### Net Income



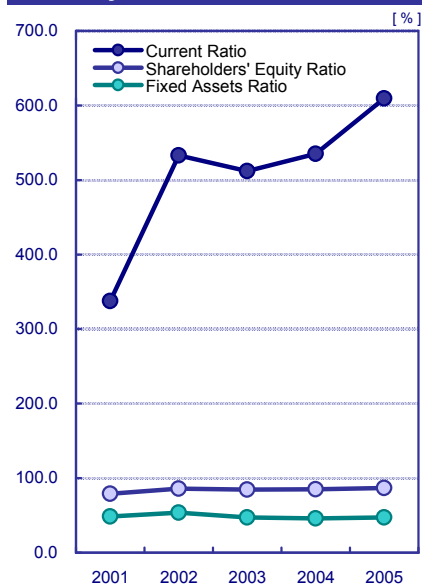
### Total Assets / Shareholders' Equity



### Capital Investment / Depreciation Expense



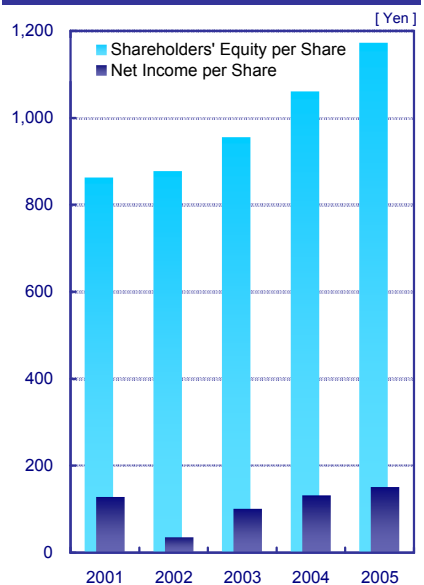
### Stability



### Profitability



### Investment Indicators



# Consolidated Balance Sheets

Years ended May 20 ; Thousands of yen

	2003	2004	2005
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Deposits	1,815,550	2,339,371	1,942,035
Notes and Accounts Receivable	5,353,891	6,815,902	6,608,055
Marketable Securities	5,089,599	4,592,968	5,954,533
Inventories	1,268,123	1,407,068	1,285,515
Deferred Taxes	274,008	298,753	278,969
Other Current Assets	66,890	75,653	101,040
Allowance for Doubtful Accounts	(59,480)	(13,715)	(6,782)
<b>Total Current Assets</b>	<b>13,808,583</b>	<b>15,516,001</b>	<b>16,163,367</b>
<b>Fixed Assets</b>			
<b>Tangible Fixed Assets</b>			
Buildings and Structures	2,927,974	3,023,973	2,959,980
Accumulated Depreciation	1,582,660	1,688,787	1,697,028
	1,345,313	1,335,185	1,262,951
Machinery and Transportation Vehicles	3,252,538	3,330,417	3,712,379
Accumulated Depreciation	2,229,110	2,114,384	2,301,334
	1,023,428	1,216,032	1,411,044
Appliances and Fixtures	3,252,119	3,573,351	3,724,621
Accumulated Depreciation	2,755,709	2,960,624	3,152,158
	496,409	612,726	572,462
Land	996,310	996,310	996,310
<b>Total Tangible Fixed Assets</b>	<b>3,861,462</b>	<b>4,160,255</b>	<b>4,242,770</b>
<b>Intangible Fixed Assets</b>	<b>14,114</b>	<b>6,111</b>	<b>44,259</b>
<b>Investments and Other Assets</b>			
Investments in Securities	4,666,307	5,188,320	6,588,597
Deferred Taxes	513,419	414,520	302,700
Other Investments and Other Assets	219,809	224,682	103,264
Allowance for Doubtful Accounts	(115,054)	(113,910)	-
<b>Total Investments and Other Assets</b>	<b>5,284,481</b>	<b>5,713,613</b>	<b>6,994,563</b>
<b>Total Fixed Assets</b>	<b>9,160,058</b>	<b>9,879,980</b>	<b>11,281,593</b>
<b>Total Assets</b>	<b>22,968,641</b>	<b>25,395,982</b>	<b>27,444,960</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Notes and Accounts Payable-trade	659,165	750,871	755,894
Accrued Liabilities	194,267	464,738	264,026
Income Taxes Payable	1,240,530	1,114,924	1,055,679
Reserve for Bonuses	237,933	238,466	244,791
Other Current Liabilities	366,262	331,869	332,347
<b>Total Current Liabilities</b>	<b>2,698,158</b>	<b>2,900,870</b>	<b>2,652,739</b>
<b>Long-term Liabilities</b>			
Retirement Benefits	448,793	509,631	507,624
Reserve for Directors' Retirement Allowances	387,700	405,500	424,700
Other Long-term Liabilities	-	3,414	3,556
<b>Total Long-term Liabilities</b>	<b>836,493</b>	<b>918,545</b>	<b>935,880</b>
<b>Total Liabilities</b>	<b>3,534,651</b>	<b>3,819,415</b>	<b>3,588,620</b>
<b>Shareholders' Equity</b>			
<b>Common Stock</b>	<b>2,055,000</b>	<b>2,055,000</b>	<b>2,055,000</b>
<b>Capital Surplus</b>	<b>2,288,350</b>	<b>2,288,350</b>	<b>2,288,350</b>
<b>Retained Earnings</b>	<b>16,086,717</b>	<b>18,190,208</b>	<b>20,377,026</b>
<b>Unrealized Loss on Other Securities</b>	<b>(55,149)</b>	<b>72,946</b>	<b>163,097</b>
<b>Foreign Currency Translation Adjustments</b>	<b>(48,675)</b>	<b>(136,799)</b>	<b>(132,345)</b>
<b>Less Treasury Stock, at Cost</b>	<b>(892,252)</b>	<b>(893,140)</b>	<b>(894,788)</b>
<b>Total Shareholders' Equity</b>	<b>19,433,989</b>	<b>21,576,566</b>	<b>23,856,339</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>22,968,641</b>	<b>25,395,982</b>	<b>27,444,960</b>

## Consolidated Statements of Income

Years ended May 20 ; Thousands of yen	2003	2004	2005
<b>Net Sales</b>	<b>15,225,965</b>	<b>17,754,133</b>	<b>19,209,078</b>
Cost of Goods Sold	9,291,011	10,688,139	11,615,357
<b>Gross Profit on Sales</b>	<b>5,934,953</b>	<b>7,065,993</b>	<b>7,593,720</b>
Selling, General and Administrative Expense	2,307,153	2,499,915	2,472,366
<b>Operating Income</b>	<b>3,627,800</b>	<b>4,566,078</b>	<b>5,121,353</b>
<b>Non-Operating Income</b>			
Interest Income	86,547	75,413	72,058
Dividend Income	3,965	4,267	6,964
Others	30,263	53,566	70,351
	120,776	133,248	149,375
<b>Non-Operating Expense</b>			
Foreign Exchange Losses	60,170	46,981	76,075
Others	5,188	-	-
	65,358	46,981	76,075
<b>Ordinary Profit</b>	<b>3,683,219</b>	<b>4,652,345</b>	<b>5,194,653</b>
<b>Extraordinary Income</b>			
Gain on Sales of Fixed Assets	130	89	188
Good with Allowances for Doubtful Accounts	28,627	42,445	23,953
Others	25,056	3,731	22,454
	53,813	46,265	46,596
<b>Extraordinary Losses</b>			
Loss on Sales of Fixed Assets	171	57	166
Loss on Disposal of Fixed Assets	25,112	57,258	69,076
Loss on Sales of Investment Securities	-	-	3,190
Loss on Disposal of Inventories	-	-	33,644
Loss on Valuation of Investment Securities	60,058	-	-
Others	16,632	-	-
	101,975	57,316	106,077
<b>Net Income before Taxes and Other Adjustments</b>	<b>3,635,057</b>	<b>4,641,294</b>	<b>5,135,171</b>
Corporate, Inhabitant and Enterprise Taxes	1,652,260	1,966,645	1,986,889
Adjustment for Income and Other Taxes	(89,064)	(14,650)	70,056
	1,563,196	1,951,995	2,056,946
<b>Net Income for the Period</b>	<b>2,071,860</b>	<b>2,689,298</b>	<b>3,078,225</b>

## Consolidated Appropriation of Retained Earnings

Years ended May 20 ; Thousands of yen	2003	2004	2005
<b>Capital Surplus</b>			
<b>Capital Surplus, Beginning of Period</b>			
Additional Paid-in Capital	2,288,350	2,288,350	2,288,350
<b>Capital Surplus, End of Period</b>	<b>2,288,350</b>	<b>2,288,350</b>	<b>2,288,350</b>
<b>Retained Earnings</b>			
<b>Retained Earnings, Beginning of Period</b>	14,310,349	16,086,717	18,190,208
<b>Increase of Retained Earnings</b>			
Net Income for the Period	2,071,860	2,689,298	3,078,225
<b>Decrease of Retained Earnings</b>			
Dividend	285,941	569,087	873,938
Directors' Bonuses	9,550	16,720	17,470
	295,491	585,807	891,408
<b>Retained Earnings, End of Period</b>	<b>16,086,717</b>	<b>18,190,208</b>	<b>20,377,026</b>

## Consolidated Statements of Cash Flows

Years ended May 20 ; Thousands of yen	2003	2004	2005
<b>Net Cash Used in Operating Activities</b>			
Net Income before Taxes and Other Adjustments	3,635,057	4,641,294	5,135,171
Depreciation	635,782	637,629	750,986
Increase or Decrease in Retirement Benefits	23,598	60,838	(2,006)
Increase in Reserve for Directors' Retirement Allowances	28,800	17,800	19,200
Increase or Decrease in Reserve for Bonuses	(5,570)	533	6,324
Decrease in Allowance for Doubtful Accounts	(28,627)	(43,533)	(120,629)
Interest and Dividend Income	(90,513)	(79,681)	(79,023)
Foreign Exchange Losses	34,660	21,444	50,835
Securities Repayment Net Profit	(860)	(1,673)	-
Loss on Sales of Investment Securities	-	-	3,190
Loss on Valuation of Investment Securities	60,058	-	-
Loss on Valuation of Investment in Subsidiaries	16,632	-	-
Gain on Sales of Tangible Fixed Assets	(130)	(89)	(188)
Loss on Sales of Tangible Fixed Assets	171	57	166
Loss on Disposal of Tangible Fixed Assets	25,112	57,258	69,076
Increase or Decrease in Notes and Accounts Receivable	(1,264,533)	(1,493,239)	194,330
Increase or Decrease in Inventories	6,508	(158,234)	112,061
Increase or Decrease in Accounts Payable	(425,080)	92,368	5,117
Directors' Bonuses	(9,550)	(16,720)	(17,470)
Others	108,682	21,398	92,836
Subtotal	2,750,200	3,757,451	6,219,979
Interest and Dividend Income	98,395	85,599	80,508
Income and Other Taxes	(740,897)	(2,077,008)	(2,089,570)
<b>Net Cash Used in Operating Activities</b>	<b>2,107,698</b>	<b>1,766,043</b>	<b>4,210,917</b>
<b>Net Cash Used in Investment Activities</b>			
Payments for Deposited in Time Deposit	(300,000)	-	-
Payments for Investment in Securities	(601,891)	(909,269)	(2,201,593)
Proceeds for Redemption of Investment in Securities	700,000	700,000	520,570
Proceeds from Sales of Investment in Securities	45	-	46,745
Payments for Acquisition of Tangible Fixed Assets	(366,097)	(788,822)	(1,082,299)
Proceeds from Sales of Tangible Fixed Assets	1,334	797	2,210
Payments for Acquisition of Intangible Fixed Assets	-	-	(38,082)
Payments for Investment in Subsidiaries	(24,202)	-	-
Others	(4,939)	(9,085)	5,783
<b>Net Cash Used in Investment Activities</b>	<b>(595,751)</b>	<b>(1,006,380)</b>	<b>(2,746,665)</b>
<b>Net Cash Used by Financing Activities</b>			
Payments for Treasury Stock	(232,920)	(887)	(1,648)
Dividends	(286,031)	(569,221)	(872,881)
<b>Net Cash Used by Financing Activities</b>	<b>(518,952)</b>	<b>(570,109)</b>	<b>(874,529)</b>
<b>Exchange Differences of Cash and Cash Equivalents</b>	<b>(16,023)</b>	<b>(64,101)</b>	<b>(25,957)</b>
<b>Increase or Decrease in Cash and Cash Equivalents</b>	<b>976,972</b>	<b>125,451</b>	<b>563,765</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>5,029,850</b>	<b>6,006,823</b>	<b>6,132,275</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>6,006,823</b>	<b>6,132,275</b>	<b>6,696,040</b>

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

Years ended May 20 ; Thousands of yen	2003	2004	2005
Cash on Hand and in Banks	1,815,550	2,339,371	1,942,035
Time Deposit to Exceed Three Months	(300,000)	(300,000)	(300,000)
Marketable Securities			
Money Management Fund	4,491,272	4,092,903	5,054,004
<b>Cash and Cash Equivalents</b>	<b>6,006,823</b>	<b>6,132,275</b>	<b>6,696,040</b>

## Corporate Profile (As of May 20,2005)

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, Matsumoto, Kumagaya, Sendai, Mito, Utsunomiya,  
Osaka, Kobe, Hiroshima, Kyusyu,  
Kyoto, Siga, Nagoya, Shizuoka, Hamamatsu, Toyama

Established : July 26,1969

Paid Capital : 2,055 Million of 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 1-6-43, Kamiakae-machi, Toyama-shi 930-0816, 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 of Yen
1995	May	Set a representative in HongKong
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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