

# DATA-FILE

# 2006

FINANCIAL HIGHLIGHTS  
CONSOLIDATED FINANCIAL STATEMENTS  
BALANCE SHEETS  
STATEMENTS OF CASH FLOWS  
STATEMENTS OF INCOME  
APPROPRIATION OF RETAINED EARNINGS  
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
CORPORATE PROFILE

# COSEL



## Financial Highlights

Years ended May 20 ; Millions of yen	2002	2003	2004	2005	2006
<b>Consolidated</b>					
Net Sales	11,734	15,225	17,754	19,209	21,741
Operating Income	1,559	3,627	4,566	5,121	6,382
Ordinary Profit	1,740	3,683	4,652	5,194	6,557
Net Income	722	2,071	2,689	3,078	3,859
Shareholders' Equity	17,920	19,433	21,576	23,856	27,076
Total Assets	20,810	22,968	25,395	27,444	31,368
Net Cash Used in Operating Activities	2,114	2,107	1,766	4,210	3,879
Net Cash Used in Investment Activities	(486)	(595)	(1,006)	(2,746)	(3,589)
Net Cash Used by Financing Activities	(407)	(518)	(570)	(874)	(896)
Cash and Cash Equivalents at End of Period	5,029	6,006	6,132	6,696	6,166
Capital Investment	858	381	984	894	595
Depreciation Expense	733	621	630	750	699
Employees	367	375	375	380	386
Temporary Employees - Average	110	104	114	124	128

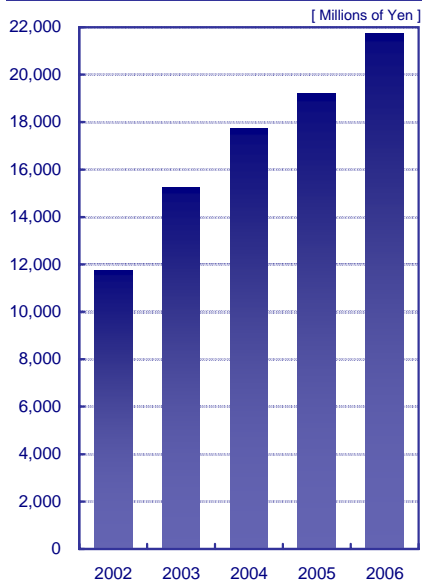
## Financial Data

Years ended May 20 ; %	2002	2003	2004	2005	2006
<b>Stability</b>					
Shareholders' Equity Ratio	86.1	84.6	85.0	86.9	86.3
Current Ratio	532.8	511.8	534.9	609.3	525.2
Fixed Assets to Net Worth	53.5	47.1	45.8	47.3	50.4
<b>Profitability</b>					
Ordinary Profit on Sales	14.8	24.2	26.2	27.0	30.2
Net Income on Sales	6.2	13.6	15.1	16.0	17.8
Return on Equity	4.1	11.1	13.1	13.6	15.2
<b>Investment Indicators</b>					
Net Income per Share (Yen)	35.36	100.76	131.45	150.58	189.90
Shareholders' Equity per Share (Yen)	877.40	955.35	1,060.75	1,172.94	1,332.27

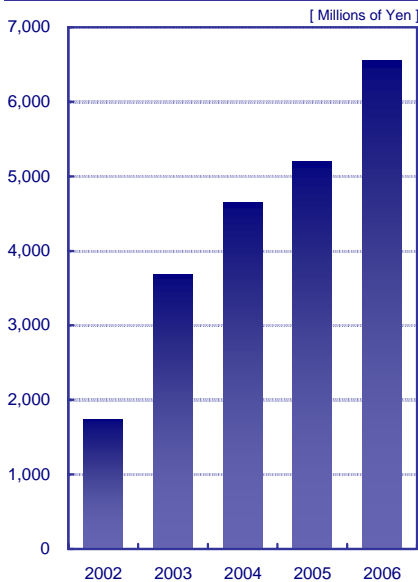
## Non - Consolidated

Years ended May 20 ; Millions of yen	2002	2003	2004	2005	2006
<b>Non - Consolidated</b>					
Net Sales	11,162	14,331	16,893	18,328	20,613
Operating Income	1,578	3,271	4,207	4,786	5,917
Ordinary Profit	1,831	3,397	4,397	4,989	6,223
Net Income	801	1,891	2,499	2,887	3,665
Common Stock	2,055	2,055	2,055	2,055	2,055
Shareholders' Equity	17,656	19,000	21,040	23,125	26,050
Total Assets	20,485	22,435	24,740	26,583	30,154
Shareholders' Equity per Share (Yen)	864.45	934.01	1,034.39	1,136.96	1,281.81
Dividend per Share (Yen)	14.00	19.00	37.00	43.00	55.00
Net Income per Share (Yen)	39.24	91.94	122.10	141.17	180.34

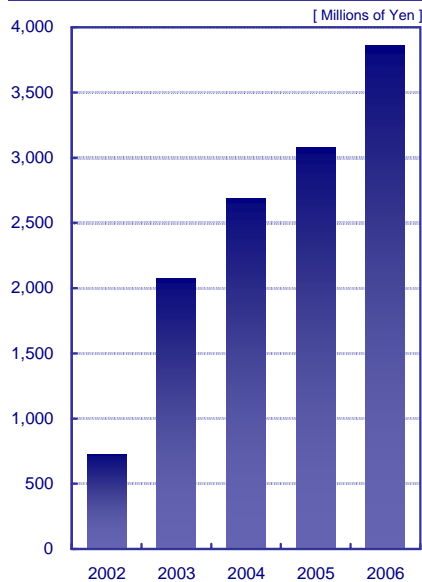
### Net Sales



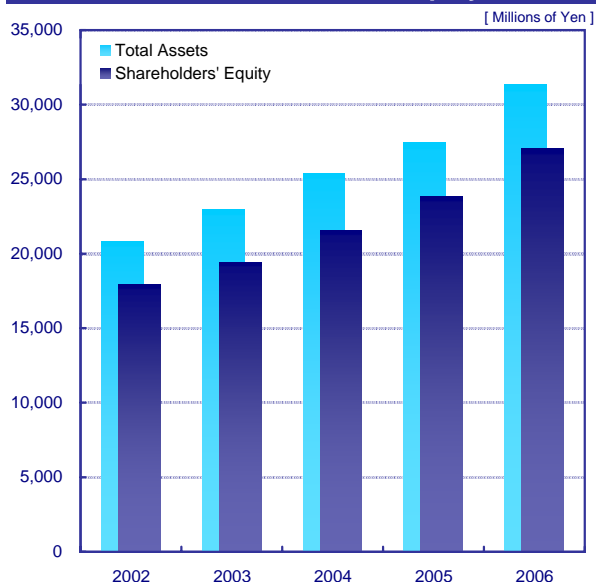
### Ordinary Profit



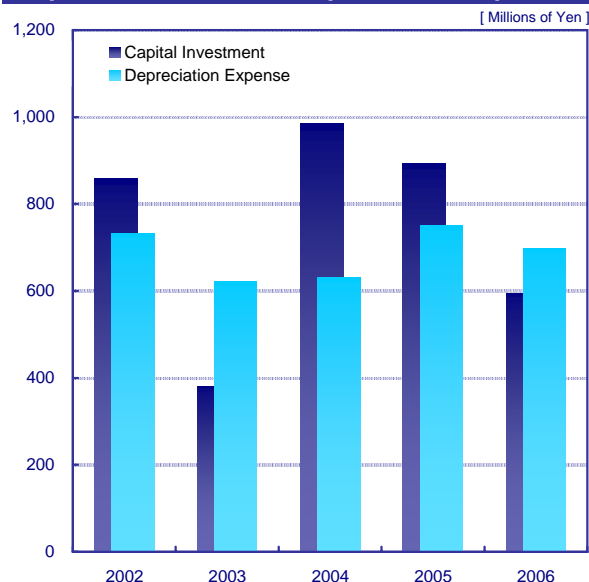
### Net Income



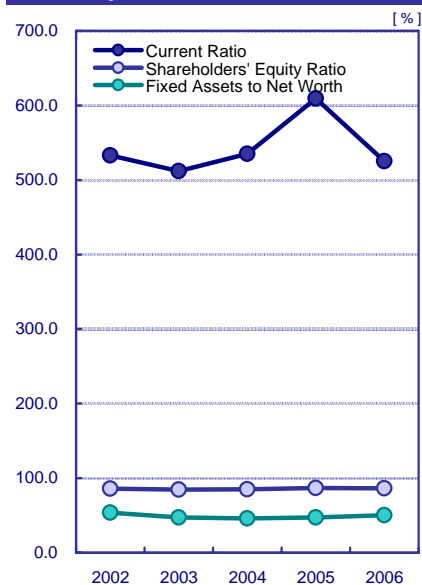
### Total Assets / Shareholders' Equity



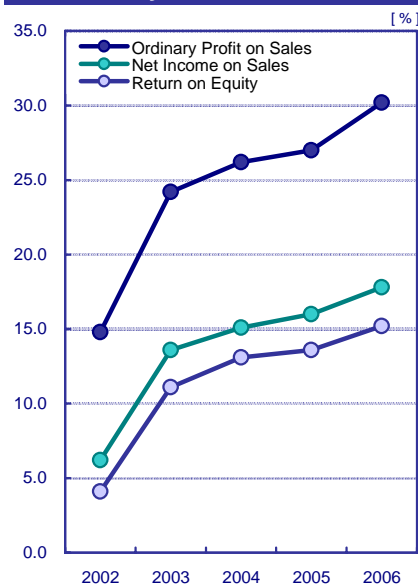
### Capital Investment / Depreciation Expense



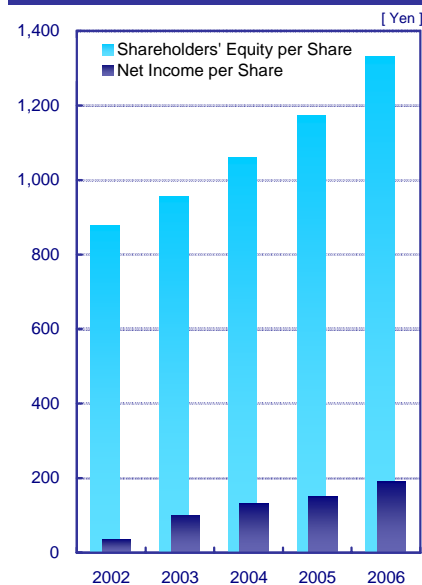
### Stability



### Profitability



### Investment Indicators



# Consolidated Balance Sheets

Years ended May 20 ; Thousands of yen

	2004	2005	2006
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Deposits	2,339,371	1,942,035	2,270,429
Notes and Accounts Receivable	6,815,902	6,608,055	7,873,072
Marketable Securities	4,592,968	5,954,533	5,695,785
Inventories	1,407,068	1,285,515	1,462,589
Deferred Taxes	298,753	278,969	342,424
Other Current Assets	75,653	101,040	87,643
Allowance for Doubtful Accounts	(13,715)	(6,782)	(10,287)
<b>Total Current Assets</b>	<b>15,516,001</b>	<b>16,163,367</b>	<b>17,721,658</b>
<b>Fixed Assets</b>			
<b>Tangible Fixed Assets</b>			
Buildings and Structures	3,023,973	2,959,980	2,971,739
Accumulated Depreciation	1,688,787	1,697,028	1,799,065
	1,335,185	1,262,951	1,172,674
Machinery and Transportation Vehicles	3,330,417	3,712,379	3,758,432
Accumulated Depreciation	2,114,384	2,301,334	2,415,888
	1,216,032	1,411,044	1,342,544
Appliances and Fixtures	3,573,351	3,724,621	3,935,882
Accumulated Depreciation	2,960,624	3,152,158	3,357,825
	612,726	572,462	578,056
Land	996,310	996,310	996,310
<b>Total Tangible Fixed Assets</b>	<b>4,160,255</b>	<b>4,242,770</b>	<b>4,089,585</b>
<b>Intangible Fixed Assets</b>	<b>6,111</b>	<b>44,259</b>	<b>43,192</b>
<b>Investments and Other Assets</b>			
Investments in Securities	5,188,320	6,588,597	9,215,600
Deferred Taxes	414,520	302,700	148,152
Other Investments and Other Assets	224,682	103,264	150,706
Allowance for Doubtful Accounts	(113,910)	-	-
<b>Total Investments and Other Assets</b>	<b>5,713,613</b>	<b>6,994,563</b>	<b>9,514,459</b>
<b>Total Fixed Assets</b>	<b>9,879,980</b>	<b>11,281,593</b>	<b>13,647,238</b>
<b>Total Assets</b>	<b>25,395,982</b>	<b>27,444,960</b>	<b>31,368,896</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Notes and Accounts Payable-trade	750,871	755,894	860,212
Accrued Liabilities	464,738	264,026	189,110
Income Taxes Payable	1,114,924	1,055,679	1,673,298
Reserve for Bonuses	238,466	244,791	280,621
Reserve for Directors' Bonuses	-	-	19,660
Other Current Liabilities	331,869	332,347	351,665
<b>Total Current Liabilities</b>	<b>2,900,870</b>	<b>2,652,739</b>	<b>3,374,568</b>
<b>Long-term Liabilities</b>			
Retirement Benefits	509,631	507,624	504,477
Reserve for Directors' Retirement Allowances	405,500	424,700	409,400
Other Long-term Liabilities	3,414	3,556	4,305
<b>Total Long-term Liabilities</b>	<b>918,545</b>	<b>935,880</b>	<b>918,182</b>
<b>Total Liabilities</b>	<b>3,819,415</b>	<b>3,588,620</b>	<b>4,292,751</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>2,288,478</b>
<b>Retained Earnings</b>	<b>18,190,208</b>	<b>20,377,026</b>	<b>23,324,639</b>
<b>Treasury Stock</b>	<b>(893,140)</b>	<b>(894,788)</b>	<b>(896,683)</b>
<b>Unrealized Loss on Other Securities</b>	<b>72,946</b>	<b>163,097</b>	<b>337,396</b>
<b>Foreign Currency Translation Adjustments</b>	<b>(136,799)</b>	<b>(132,345)</b>	<b>(32,685)</b>
<b>Total Shareholders' Equity</b>	<b>21,576,566</b>	<b>23,856,339</b>	<b>27,076,145</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>25,395,982</b>	<b>27,444,960</b>	<b>31,368,896</b>

## Consolidated Statements of Cash Flows

Years ended May 20 ; Thousands of yen	2004	2005	2006
<b>Net Cash Used in Operating Activities</b>			
Net Income before Taxes and Other Adjustments	4,641,294	5,135,171	6,518,551
Depreciation	637,629	750,986	699,639
Return of the Securities Valuation Losses	-	-	-
Increase or Decrease in Reserve for Retirement Allowances	-	-	-
Increase or Decrease in Retirement Benefits	60,838	(2,006)	(3,146)
Increase or Decrease in Reserve for Directors' Retirement Allowances	17,800	19,200	(15,300)
Increase or Decrease in Reserve for Bonuses	533	6,324	35,829
Increase in Reserve for Directors' Bonuses	-	-	19,660
Increase or Decrease in Allowance for Doubtful Accounts	(43,533)	(120,629)	3,210
Interest and Dividend Income	(79,681)	(79,023)	(105,445)
Interest Expenses	-	-	-
Foreign Exchange Gains or Losses	21,444	50,835	(41,314)
Gain on Sales of Marketable Securities	-	-	-
Loss on Sales of Marketable Securities	-	-	-
Securities Repayment Net Profit	(1,673)	-	-
Gain on Sales of Investment Securities	-	-	(32,394)
Loss on Sales of Investment Securities	-	3,190	9,546
Loss on Valuation of Investment Securities	-	-	-
Loss on Valuation of Investment in Subsidiaries	-	-	-
Gain on Sales of Tangible Fixed Assets	(89)	(188)	(43)
Loss on Sales of Tangible Fixed Assets	57	166	4,509
Loss on Disposal of Tangible Fixed Assets	57,258	69,076	45,908
Increase or Decrease in Notes and Accounts Receivable	(1,493,239)	194,330	(1,222,765)
Increase or Decrease in Inventories	(158,234)	112,061	(150,605)
Increase or Decrease in Accounts Payable	92,368	5,117	102,448
Directors' Bonuses	(16,720)	(17,470)	(17,780)
Others	21,398	92,836	38,784
Subtotal	3,757,451	6,219,979	5,889,293
Interest and Dividend Income	85,599	80,508	100,862
Interest Expenses	-	-	-
Income and Other Taxes	(2,077,008)	(2,089,570)	(2,111,105)
<b>Net Cash Used in Operating Activities</b>	<b>1,766,043</b>	<b>4,210,917</b>	<b>3,879,049</b>
<b>Net Cash Used in Investment Activities</b>			
Payments for Purchase of Marketable Securities	-	-	-
Payments for Deposited in Time Deposit	-	-	(50,000)
Proceeds for Redemption of Marketable Securities	-	-	-
Payments for Investment in Securities	(909,269)	(2,201,593)	(4,516,738)
Proceeds for Redemption of Investment in Securities	700,000	520,570	900,000
Proceeds from Sales of Investment in Securities	-	46,745	704,606
Payments for Acquisition of Tangible Fixed Assets	(788,822)	(1,082,299)	(631,057)
Proceeds from Sales of Tangible Fixed Assets	797	2,210	1,845
Payments for Acquisition of Intangible Fixed Assets	-	(38,082)	-
Payments for Investment in Subsidiaries	-	-	1,824
Proceeds from Collection of Loans	-	-	-
Proceeds from Cancellation of Insurance Policies	-	-	-
Others	(9,085)	5,783	1,824
<b>Net Cash Used in Investment Activities</b>	<b>(1,006,380)</b>	<b>(2,746,665)</b>	<b>(3,589,518)</b>
<b>Net Cash Used by Financing Activities</b>			
Payments of Short-term Borrowings	-	-	-
Payments of Long-term Borrowings	-	-	-
Payments for Treasury Stock	(887)	(1,648)	(2,108)
Proceeds from Sales of Treasury Stock	-	-	342
Dividends	(569,221)	(872,881)	(894,469)
Dividends to the Minority	-	-	-
<b>Net Cash Used by Financing Activities</b>	<b>(570,109)</b>	<b>(874,529)</b>	<b>(896,235)</b>
<b>Exchange Differences of Cash and Cash Equivalents</b>	<b>(64,101)</b>	<b>(25,957)</b>	<b>76,914</b>
<b>Increase or Decrease in Cash and Cash Equivalents</b>	<b>125,451</b>	<b>563,765</b>	<b>(529,790)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>6,006,823</b>	<b>6,132,275</b>	<b>6,696,040</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>6,132,275</b>	<b>6,696,040</b>	<b>6,166,249</b>

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

Years ended May 20 ; Thousands of yen	2004	2005	2006
Cash on Hand and in Banks	2,339,371	1,942,035	2,270,429
Time Deposit to Exceed Three Months	(300,000)	(300,000)	(300,000)
Marketable Securities			
Money Management Fund	4,092,903	5,054,004	4,195,819
<b>Cash and Cash Equivalents</b>	<b>6,132,275</b>	<b>6,696,040</b>	<b>6,166,249</b>

## Consolidated Statements of Income

Years ended May 20 ; Thousands of yen	2004	2005	2006
<b>Net Sales</b>	<b>17,754,133</b>	<b>19,209,078</b>	<b>21,741,102</b>
Cost of Goods Sold	10,688,139	11,615,357	12,768,740
<b>Gross Profit on Sales</b>	<b>7,065,993</b>	<b>7,593,720</b>	<b>8,972,361</b>
Selling, General and Administrative Expense	2,499,915	2,472,366	2,589,920
<b>Operating Income</b>	<b>4,566,078</b>	<b>5,121,353</b>	<b>6,382,441</b>
<b>Non-Operating Income</b>			
Interest Income	75,413	72,058	95,435
Dividend Income	4,267	6,964	10,010
Foreign Exchange Gains	-	-	28,637
Others	53,566	70,351	41,359
	133,248	149,375	175,442
<b>Non-Operating Expense</b>			
Interest Expense	-	-	-
Foreign Exchange Losses	46,981	76,075	-
Others	-	-	867
	46,981	76,075	867
<b>Ordinary Profit</b>	<b>4,652,345</b>	<b>5,194,653</b>	<b>6,557,017</b>
<b>Extraordinary Income</b>			
Profits from Prior Period Adjustments	-	-	-
Gain on Sales of Fixed Assets	89	188	43
Gain on Sales of Investment Securities	-	-	32,394
Good with Allowances for Doubtful Accounts	42,445	23,953	-
Good with Reserve for Retirement Allowance	-	-	-
Others	3,731	22,454	25,831
	46,265	46,596	58,269
<b>Extraordinary Losses</b>			
Loss from Prior Period Adjustments	-	-	-
Loss on Sales of Fixed Assets	57	166	4,509
Loss on Disposal of Fixed Assets	57,258	69,076	45,908
Loss on Sales of Investment Securities	-	3,190	9,546
Loss on Disposal of Inventories	-	33,644	10,938
Loss on Valuation of Investment Securities	-	-	-
Others	-	-	25,831
	57,316	106,077	96,735
<b>Net Income before Taxes and Other Adjustments</b>	<b>4,641,294</b>	<b>5,135,171</b>	<b>6,518,551</b>
Corporate, Inhabitant and Enterprise Taxes	1,966,645	1,986,889	2,685,071
Adjustment for Income and Other Taxes	(14,650)	70,056	(26,152)
	1,951,995	2,056,946	2,658,918
<b>Net Income for the Period</b>	<b>2,689,298</b>	<b>3,078,225</b>	<b>3,859,633</b>

## Consolidated Appropriation of Retained Earnings

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

# Consolidated Statements of Changes in Stockholders' Equity

Years ended May 20; Thousands of yen

	Common Stock	Capital Surplus	Retained Earnings	Tresury Stock, at Cost	Unrealized Loss on Other Securities	Foreign Currency Translation Adjustments	Total
<b>Balance at May 20,2005</b>	<b>2,055,000</b>	<b>2,288,350</b>	<b>20,377,026</b>	<b>(894,788)</b>	<b>163,097</b>	<b>(132,345)</b>	<b>23,856,339</b>
Dividends Declared	-	-	(894,240)	-	-	-	(894,240)
Directors' Bonuses	-	-	(17,740)	-	-	-	(17,740)
Net income	-	-	3,859,633	-	-	-	3,859,633
Purchase of Treasury Stock	-	-	-	(2,108)	-	-	(2,108)
Disposal of Treasury Stock	-	128	-	213	-	-	342
Others	-	-	-	-	174,298	99,660	273,959
	-	128	2,947,612	(1,895)	174,298	99,660	3,219,805
<b>Balance at May 20,2006</b>	<b>2,055,000</b>	<b>2,288,478</b>	<b>23,324,639</b>	<b>(896,683)</b>	<b>337,396</b>	<b>(32,685)</b>	<b>27,076,145</b>

## Corporate Profile

Company Name : COSEL CO.,LTD.

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

Branch : Kawasaki, Atsugi, Tachikawa, Matsumoto, Kumagaya,  
Sendai, Mito, Utsunomiya,  
Osaka, Kobe, Hiroshima, Kyushu, Kyoto, Shiga,  
Nagoya, Numazu, 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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