

SemiAnnual
DATA-FILE
2005

FINANCIAL HIGHLIGHTS
CONSOLIDATED FINANCIAL STATEMENTS
Balance Sheets
Statements of Income
Appropriation of Retained Earnings
Statements of Cash Flows
CORPORATE PROFILE



Financial Highlights

Millions of yen	Year ended May 20			Six months ended November 20	
	2003	2004	2005	2004	2005
Consolidated					
Net Sales	15,225	17,754	19,209	9,983	10,342
Operating Income	3,627	4,566	5,121	2,727	2,905
Ordinary Profit	3,683	4,652	5,194	2,729	3,078
Net Income	2,071	2,689	3,078	1,608	1,800
Shareholders' Equity	19,433	21,576	23,856	22,796	25,456
Total Assets	22,968	25,395	27,444	26,294	29,286
Net Cash Used in Operating Activities	2,107	1,766	4,210	1,900	1,954
Net Cash Used in Investment Activities	(595)	(1,006)	(2,746)	(1,712)	(727)
Net Cash Used by Financing Activities	(518)	(570)	(874)	(426)	(427)
Cash and Cash Equivalents at End of Period	6,006	6,132	6,696	5,868	7,579
Capital Investment	381	984	894	619	177
Depreciation Expense	621	630	750	349	327
Employees	375	375	380	371	379
Temporary Employees - Average	104	114	124	123	131

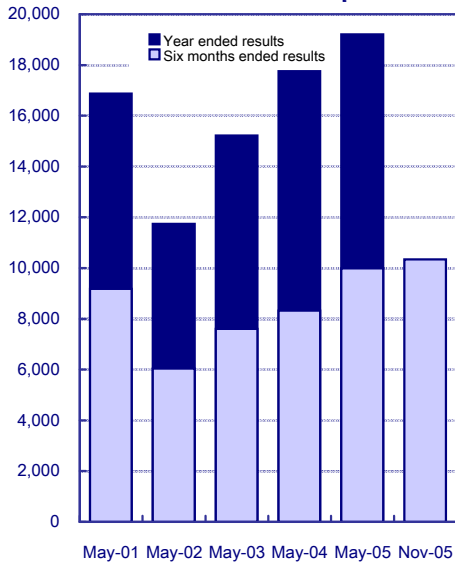
Financial Data

%	Year ended May 20			Six months ended November 20	
	2003	2004	2005	2004	2005
Consolidated					
Stability					
Shareholders' Equity Ratio	84.6	85.0	86.9	86.7	86.9
Current Ratio	511.8	534.9	609.3	607.2	619.0
Fixed Assets Ratio	47.1	45.8	47.3	47.1	44.2
Profitability					
Ordinary Profit on Sales	24.2	26.2	27.0	27.3	29.8
Net Income on Sales	13.6	15.1	16.0	16.1	17.4
Return on Equity	11.1	13.1	13.6	7.2	7.3
Investment Indicators					
Net Income per Share (Yen)	100.76	131.45	150.58	79.12	88.60
Shareholders' Equity per Share (Yen)	955.35	1,060.75	1,172.94	1,121.64	1,252.55

Millions of yen	Year ended May 20			Six months ended November 20	
	2003	2004	2005	2004	2005
Non - Consolidated					
Net Sales	14,331	16,893	18,328	9,523	9,870
Operating Income	3,271	4,207	4,786	2,534	2,682
Ordinary Profit	3,397	4,397	4,989	2,629	2,953
Net Income	1,891	2,499	2,887	1,553	1,735
Common Stock	2,055	2,055	2,055	2,055	2,055
Shareholders' Equity	19,000	21,040	23,125	22,180	24,606
Total Assets	22,435	24,740	26,583	25,589	28,311
Shareholders' Equity per Share (Yen)	934.01	1,034.39	1,136.96	1,091.33	1,210.74
Dividend per Share (Yen)	19.00	37.00	43.00	22.00	23.00
Net Income per Share (Yen)	91.94	122.10	141.17	76.45	85.38

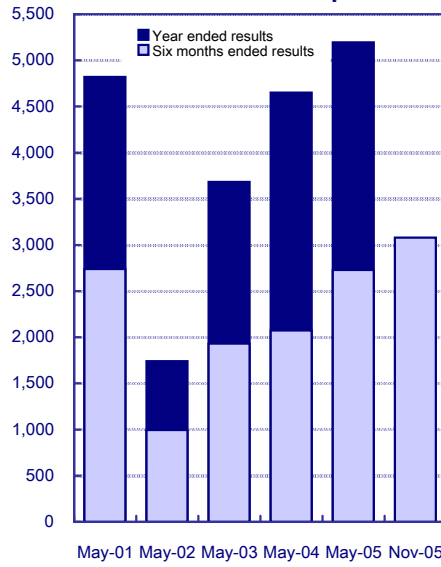
Net Sales

[Millions of Yen]



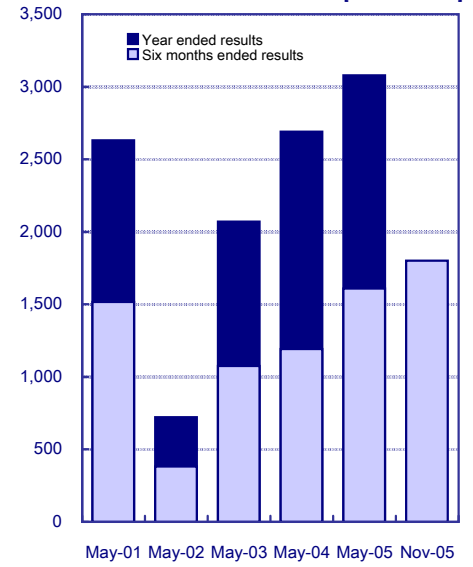
Ordinary Profit

[Millions of Yen]



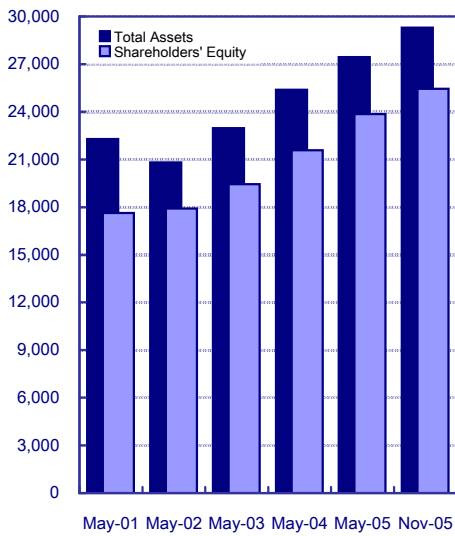
Net Income

[Millions of Yen]



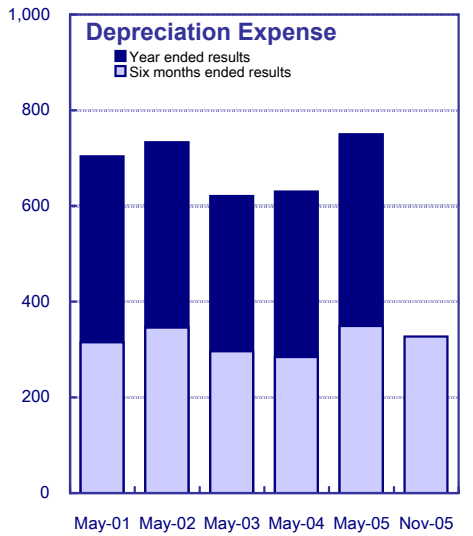
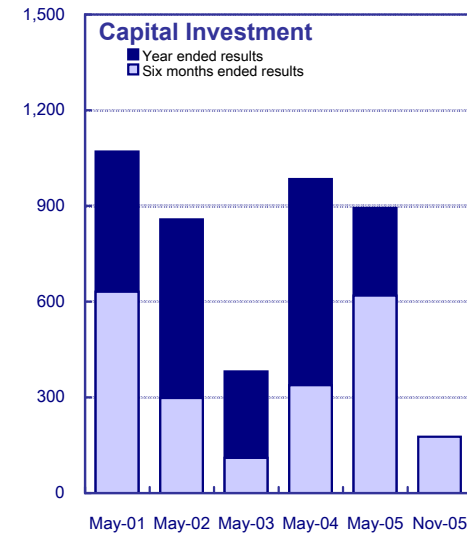
Total Assets / Shareholders' Equity

[Millions of Yen]



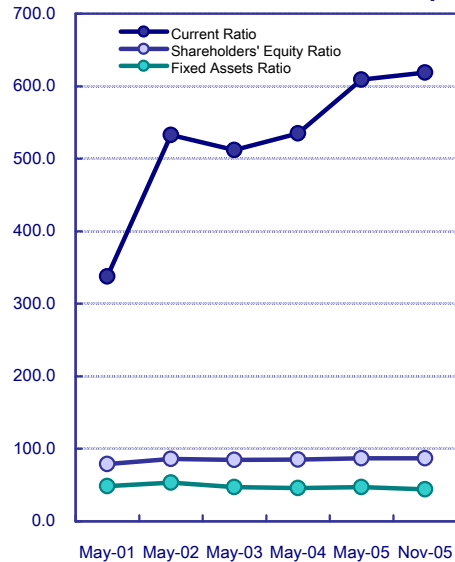
Capital Investment / Depreciation Expense

[Millions of Yen]



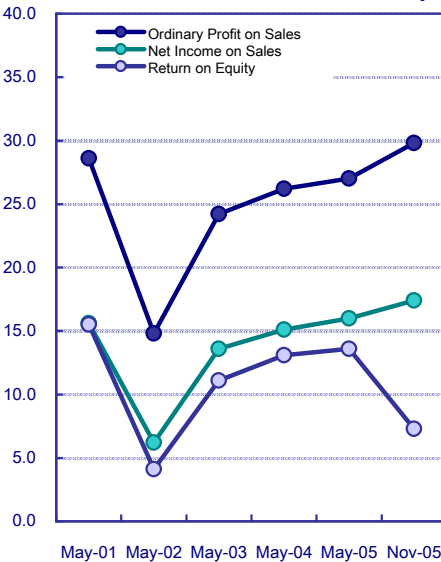
Stability

[%]



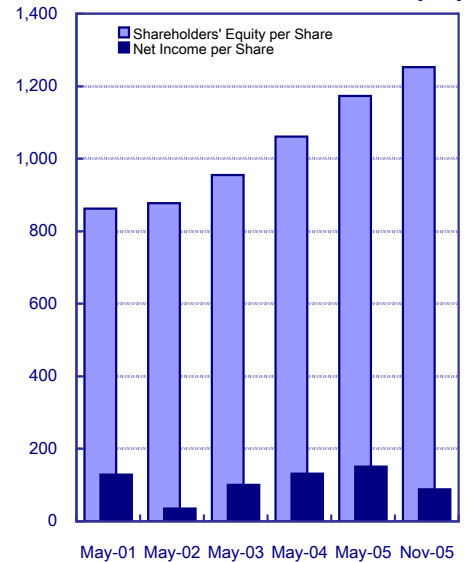
Profitability

[%]



Investment Indicators

[Yen]



Consolidated Financial Statements

Consolidated Balance Sheets

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	
	2005	2004	2005
Assets			
Current Assets			
Cash and Deposits	1,942,035	1,614,879	2,955,134
Notes and Accounts Receivable	6,608,055	7,060,776	7,050,561
Marketable Securities	5,954,533	5,253,950	6,325,074
Inventories	1,285,515	1,281,384	1,351,772
Deferred Taxes	278,969	297,801	324,359
Other Current Assets	101,040	67,343	47,526
Allowance for Doubtful Accounts	(6,782)	(9,974)	(7,476)
Total Current Assets	16,163,367	15,566,162	18,046,952
Fixed Assets			
Tangible Fixed Assets			
Buildings and Structures	2,959,980	2,947,872	2,963,929
Accumulated Depreciation	1,697,028	1,642,277	1,748,116
	1,262,951	1,305,595	1,215,812
Machinery and Transportation Vehicles	3,712,379	3,695,338	3,740,872
Accumulated Depreciation	2,301,334	2,222,273	2,428,145
	1,411,044	1,473,065	1,312,726
Appliances and Fixtures	3,724,621	3,653,786	3,825,722
Accumulated Depreciation	3,152,158	3,027,133	3,260,543
	572,462	626,653	565,179
Land	996,310	996,310	996,310
Total Tangible Fixed Assets	4,242,770	4,401,625	4,090,029
Intangible Fixed Assets	44,259	6,003	43,514
Investments and Other Assets			
Investments in Securities	6,588,597	5,838,353	6,854,816
Deferred Taxes	302,700	369,336	151,935
Other Investments and Other Assets	103,264	113,254	99,014
Total Investments and Other Assets	6,994,563	6,320,943	7,105,766
Total Fixed Assets	11,281,593	10,728,572	11,239,310
Total Assets	27,444,960	26,294,735	29,286,263
Liabilities			
Current Liabilities			
Notes and Accounts Payable-trade	755,894	731,859	885,301
Accrued Liabilities	264,026	181,063	162,531
Income Taxes Payable	1,055,679	1,099,177	1,284,586
Reserve for Bonuses	244,791	253,922	267,403
Other Current Liabilities	332,347	297,608	315,824
Total Current Liabilities	2,652,739	2,563,631	2,915,648
Long-term Liabilities			
Retirement Benefits	507,624	515,173	508,591
Reserve for Directors' Retirement Allowances	424,700	416,200	402,000
Other Long-term Liabilities	3,556	3,500	3,610
Total Long-term Liabilities	935,880	934,874	914,202
Total Liabilities	3,588,620	3,498,505	3,829,850
Shareholders' Equity			
Common Stock	2,055,000	2,055,000	2,055,000
Capital Surplus	2,288,350	2,288,350	2,288,350
Retained Earnings	20,377,026	19,354,057	21,733,221
Unrealized Loss on Other Securities	163,097	103,546	354,361
Foreign Currency Translation Adjustments	(132,345)	(110,631)	(79,335)
Less Treasury Stock, at Cost	(894,788)	(894,092)	(895,184)
Total Shareholders' Equity	23,856,339	22,796,229	25,456,412
Total Liabilities and Shareholders' Equity	27,444,960	26,294,735	29,286,263

Consolidated Statements of Income

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	
	2005	2004	2005
Net Sales	19,209,078	9,983,573	10,342,435
Cost of Goods Sold	11,615,357	5,996,106	6,167,153
Gross Profit on Sales	7,593,720	3,987,467	4,175,282
Selling, General and Administrative Expense	2,472,366	1,260,162	1,270,005
Operating Income	5,121,353	2,727,304	2,905,276
Non-Operating Income			
Interest Income	72,058	36,014	44,281
Dividend Income	6,964	4,081	6,116
Foreign Exchange Gains	-	-	99,457
Others	70,352	56,370	23,553
	149,375	96,467	173,409
Non-Operating Expense			
Foreign Exchange Losses	76,075	94,486	-
	76,075	94,486	-
Ordinary Profit	5,194,653	2,729,285	3,078,685
Extraordinary Income			
Good with Allowances for Doubtful Accounts	23,953	23,861	-
Gain on Sales of Fixed Assets	188	188	42
Gain on Sales of Investment Securities	-	-	9,899
Others	22,454	-	25,831
	46,596	24,049	35,772
Extraordinary Losses			
Loss on Sales of Fixed Assets	166	59	444
Loss on Disposal of Fixed Assets	69,076	27,517	3,291
Loss on Sales of Investment Securities	3,190	-	9,546
Loss on Disposal of Inventories	33,644	-	8,614
Others	-	-	25,831
	106,077	27,576	47,728
Net Income before Taxes and Other Adjustments	5,135,171	2,725,758	3,066,729
Corporate, Inhabitant and Enterprise Taxes	1,986,889	1,092,580	1,289,258
Adjustment for Income and Other Taxes	70,056	25,048	(23,302)
	2,056,946	1,117,629	1,265,956
Net Income	3,078,225	1,608,129	1,800,773

Consolidated Appropriation of Retained Earnings

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	
	2005	2004	2005
Capital Surplus			
Capital Surplus, Beginning of Period	2,288,350	2,288,350	2,288,350
Capital Surplus, End of Period	2,288,350	2,288,350	2,288,350
Retained Earnings			
Retained Earnings, Beginning of Period	18,190,208	18,190,208	20,377,026
Increase of Retained Earnings			
Net Income	3,078,225	1,608,129	1,800,773
Decrease of Retained Earnings			
Dividend	873,938	426,810	426,797
Directors' Bonuses	17,470	17,470	17,780
	891,408	444,280	444,577
Retained Earnings, End of Period	20,377,026	19,354,057	21,733,221

Consolidated Statements of Cash Flows

Thousands of yen	Year ended	Six months ended	
	May 20	November 20	2005
	2005	2004	2005
Net Cash Used in Operating Activities			
Net Income Before Taxes and Other Adjustments	5,135,171	2,725,758	3,066,729
Depreciation	750,986	349,995	328,308
Increase or Decrease in Retirement Benefits	(2,006)	5,542	967
Increase or Decrease in Reserve for Directors' Retirement Allowances	19,200	10,700	(22,700)
Increase in Reserve for Bonuses	6,324	15,456	22,612
Increase or Decrease in Allowance for Doubtful Accounts	(120,629)	(117,419)	409
Interest and Dividend Income	(79,023)	(40,096)	(50,397)
Foreign Exchange Gains or Losses	50,835	73,798	(95,135)
Gain on Valuation of Investment Securities	-	-	(9,899)
Loss on Valuation of Investment Securities	3,190	-	9,546
Gain on Sales of Tangible Fixed Assets	(188)	(188)	(42)
Loss on Sales of Tangible Fixed Assets	166	59	444
Loss on Disposal of Tangible Fixed Assets	69,076	27,517	3,291
Increase or Decrease in Notes and Accounts Receivable	194,330	(258,075)	(401,326)
Increase or Decrease in Inventories	112,061	115,016	(37,836)
Increase or Decrease in Accounts Payable	5,117	(18,795)	127,783
Directors' Bonuses	(17,470)	(17,470)	(17,780)
Others	92,836	96,341	57,743
Subtotal	6,219,979	2,968,140	2,982,718
Interest and Dividend Income	80,508	39,191	52,560
Income and Other Taxes	(2,089,570)	(1,106,445)	(1,080,555)
Net Cash Used in Operating Activities	4,210,917	1,900,886	1,954,723
Net Cash Used in Investment Activities			
Payments for Investment in Securities	(2,201,593)	(1,100,170)	(1,610,723)
Proceeds for Redemption of Investment in Securities	520,570	300,000	500,000
Proceeds from Sales of Investment in Securities	46,745	-	665,396
Payments for Acquisition of Tangible Fixed Assets	(1,082,299)	(911,535)	(285,920)
Proceeds from Sales of Tangible Fixed Assets	2,210	2,201	44
Payments for Intangible Fixed Assets	(38,082)	-	-
Others	5,783	(3,363)	3,957
Net Cash Used in Investment Activities	(2,746,665)	(1,712,868)	(727,246)
Net Cash Used by Financing Activities			
Payments for Treasury Stock	(1,648)	(952)	(396)
Dividends	(872,881)	(425,627)	(426,788)
Net Cash Used by Financing Activities	(874,529)	(426,579)	(427,184)
Exchange Differences of Cash and Cash Equivalents	(25,957)	(25,461)	83,500
Increase or Decrease in Cash and Cash Equivalents	563,765	(264,023)	883,793
Cash and Cash Equivalents at Beginning of Period	6,132,275	6,132,275	6,696,040
Cash and Cash Equivalents at End of Period	6,696,040	5,868,251	7,579,833

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	2005
	2005	2004	2005
Cash on Hand and in Banks	1,942,035	1,614,879	2,955,134
Time Deposit to Exceed Three Months	(300,000)	(300,000)	(300,000)
Marketable Securities			
Money Management Fund	5,054,004	4,553,371	4,924,699
Cash and Cash Equivalents	6,696,040	5,868,251	7,579,833

Corporate Profile (As of November 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, Kumagaya, Matsumoto, Mito, Sendai, Utsunomiya
Osaka, Kyoto, Kobe, Siga, Hiroshima, Kyusyu, Nagoya, Shizuoka, 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

COSEL CO.,LTD.

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

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