

SANYO TRADING COMPANY LIMITED

Financial Statements

Year Ended September 30, 2017

English translation from original Japanese-language documents

SANYO TRADING COMPANY LIMITED

Balance Sheets

As of September 30, 2017

	Thousands of U.S.Dollars	
ASSETS		
Current Assets		
Cash and deposits	US\$	10,621
Notes receivable - trade		18,441
Electronically recorded monetary claims		8,820
Accounts receivable - trade		91,859
Merchandise		56,042
Goods in transit		10,058
Advance payments		3,194
Prepaid expenses		620
Short-term loans receivable from subsidiaries and affiliates		3,447
Accounts receivable - other		392
Deferred tax assets - current		652
Other current assets		1,762
Allowance for doubtful accounts		(154)
Total current assets		<u>205,759</u>
Non-Current Assets		
Property, plant and equipment		
Buildings		10,711
Structures		95
Machinery and equipment		138
Furniture and fixtures		383
Land		3,020
Lease assets		94
Total property, plant and equipment		<u>14,443</u>
Intangible assets		
Leasehold right		19
Software		144
Software in progress		4,915
Telephone subscription right		64
Right of using water facilities		4
Total intangible fixed asset		<u>5,149</u>
Investments and other assets		
Investment securities		26,586
Stocks of subsidiaries and affiliates		29,955
Investments in capital		0
Investments in capital of subsidiaries and affiliates		2,557
Claims provable in bankruptcy, claims provable in rehabilitation and other		252
Long-term prepaid expenses		63
Guarantee deposits		1,335
Other investments		1,473
Allowance for doubtful accounts		(243)
Total investments and other assets		<u>61,980</u>
Total non-current assets		<u>81,573</u>
Total assets	US\$	<u>287,332</u>

Thousands of
U.S.Dollars

LIABILITIES**Current Liabilities**

Notes payable - trade	US\$	812
Accounts payable - trade		48,848
Short-term loans payable		5,920
Accounts payable - other		2,863
Accrued expenses		1,005
Lease obligations		36
Income taxes payable		6,336
Advance received		10,981
Deposits received		16,107
Other current liabilities		1
Total current liabilities		<u>92,914</u>

Non-current Liabilities

Long-term loans payable		887
Provision for retirement benefits		6,318
Lease obligations		65
Long-term deposits received		1,886
Deferred tax liabilities - non-current		2,116
Total long-term liabilities		<u>11,273</u>
Total liabilities		<u>104,187</u>

NET ASSETS**Stockholders' Equity**

Capital stock		8,929
Capital surplus		
Legal capital surplus		3,263
Other capital surplus		517
Total capital surplus		<u>3,780</u>
Retained earnings		
Legal retained earnings		1,416
Other retained earnings		
Reserve for advanced depreciation of non-current assets		108
Reserve for special depreciation		48
General reserve		88,707
Retained earnings brought forward		70,813
Total other retained earnings		<u>159,678</u>
Total retained earnings		161,094
Less treasury stock		<u>(1,657)</u>
Total stockholders' equity		172,146

Valuation and translation adjustments

Valuation difference on available-for-sale securities		<u>10,429</u>
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Subscription rights to shares

		<u>568</u>
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Total net assets		<u>183,145</u>
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Total liabilities and net assets	US\$	<u>287,332</u>
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SANYO TRADING COMPANY LIMITED

Statements of Income

For the year ended September 30, 2017

	Thousands of U.S.Dollars	
Net sales	US\$	433,651
Cost of sales		<u>357,987</u>
Gross profit		75,664
Selling, general and administrative expenses		<u>44,378</u>
Operating Income		31,286
Non-operating income		
Interest income		31
Dividends income		2,716
Foreign exchange gains		3,112
Other non-operating income		<u>489</u>
		6,350
Non-operating expenses		
Interest expenses		84
Sales discounts		71
Other non-operating expenses		<u>145</u>
		300
Ordinary income		<u>37,336</u>
Extraordinary Income		
State subsidy		<u>17</u>
		17
Extraordinary Loss		
Loss on valuation of investments in capital		<u>219</u>
		<u>219</u>
Income before income taxes		37,134
Income taxes - current		11,018
Income taxes - deferred		<u>(13)</u>
Net Income	US\$	<u><u>26,129</u></u>

SANYO TRADING COMPANY LIMITED

Statement of Changes in Net Assets

For the year ended September 30, 2017

	Thousands of U.S.Dollars										
	Stockholders' equity										
	Capital surplus				Retained earnings						
	Capital stock	Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings			Retained earnings brought forward	Total retained earnings	
Reserve for advanced depreciation of non-current assets						Reserve for special depreciation	General reserve				
Balance as of October 1, 2016	US\$	8,929	3,263	524	3,787	1,416	108	60	88,707	51,526	141,819
Changes during the current year											
Cash dividends paid										(6,853)	(6,853)
Net income for the year										26,129	26,129
Disposal of treasury stock				(7)	(7)						
Reversal of reserve for special depreciation								(12)		12	—
Provision of general reserve											—
Other											
Total changes during the current year		—	—	(7)	(7)	—	—	(12)	—	19,287	19,275
Balance as of September 30, 2017	US\$	8,929	3,263	517	3,780	1,416	108	48	88,707	70,813	161,094

	Thousands of U.S.Dollars						
	Stockholders' equity		Valuation and translation adjustments				
	Treasury stock	Total stockholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Subscription rights to shares	Total net assets	
Balance as of October 1, 2016	US\$	(1,674)	152,861	4,640	4,640	424	157,926
Changes during the current year							
Cash dividends paid			(6,853)				(6,853)
Net income for the year			26,129				26,129
Disposal of treasury stock		17	9				9
Reversal of reserve for special depreciation			—				—
Other				5,789	5,789	143	5,933
Total changes during the current year		17	19,285	5,789	5,789	143	25,218
Balance as of September 30, 2017	US\$	(1,657)	172,146	10,429	10,429	568	183,145

(Note 1) The amount shown in U.S. Dollars are converted at T.T.M. rate (US\$1.00 = Yen112.73) as of September 30, 2017.

(Note 2) This statement is English translation of financial statements certified by Ernst & Young ShinNihon in Tokyo, Japan.

