

**SANYO TRADING COMPANY LIMITED**

**Financial Statements**

**Year Ended September 30, 2013**

English translation from original japanese-language documents

# SANYO TRADING COMPANY LIMITED

## Balance Sheets

As of September 30, 2013

U.S.Dollars

### ASSETS

#### Current Assets

Cash and deposits	US\$	6,308,649
Notes receivable - trade		15,969,183
Accounts receivable - trade		84,848,452
Merchandise		33,797,570
Goods in transit		7,984,240
Advance payments		3,307,336
Prepaid expenses		499,485
Short - term loans to affiliates		395,907
Accounts receivable - other		323,201
Deferred tax assets - current		795,539
Other current assets		1,312,537
Allowance for doubtful accounts		(193,437)
Total current assets		<u>155,348,667</u>

#### Fixed Assets

Tangible fixed asset		
Buildings		15,696,547
Structures		215,128
Machinery and equipment		27,881
Vehicles		0
Furniture and fixtures		310,394
Land		3,570,926
Lease assets		5,005
Total tangible fixed asset		<u>19,825,884</u>
Intangible fixed assets		
Software		510,168
Software in progress		10,996
Telephone subscription right		74,734
Lease assets		8,608
Right of using water facilities		7,630
Total intangible fixed asset		<u>612,138</u>

#### Investments

Investment securities		21,372,523
Stocks of affiliates		17,261,474
Investments in capital		260,127
Investments in capital of affiliates		1,585,449
Loans receivable from affiliates		533,503
Claims provable in bankruptcy, claims provable in rehabilitation and other		65,477
Long - term prepaid expenses		1,291
Guarantee deposits		1,492,969
Other investments		1,136,120
Allowance for doubtful accounts		(52,462)
Total investments		<u>43,656,475</u>
Total fixed assets		<u>64,094,498</u>
Total assets	US\$	<u>219,443,165</u>

**LIABILITIES****Current Liabilities**

Notes payable - trade	US\$	1,919,886
Accounts payable - trade		52,070,065
Short-term loans payable		4,786,111
Current portion of long - term loans payable		511,508
Accounts payable - other		1,997,723
Accrued expenses		796,696
Lease obligations		14,295
Accrued income taxes		5,145,278
Advance received		714,831
Deposits received		4,235,203
Other current liabilities		45,870
Total current liabilities		<u>72,237,470</u>

**Long-Term Liabilities**

Long - term loans payable		511,508
Reserve for retirement benefits		5,207,550
Long - term deposits received		2,434,174
Long - term accounts payable - other		814,874
Deferred tax liabilities - non-current		840,495
Total long - term liabilities		<u>9,808,604</u>
Total liabilities		<u>82,046,074</u>

**NET ASSETS****Stockholders' Equity**

<b>Capital stock</b>		10,297,569
<b>Capital surplus</b>		
Legal capital surplus		3,763,117
Other capital surplus		619,478
Total other retained earnings		<u>4,382,595</u>
<b>Retained earnings</b>		
Legal retained earnings		1,633,613
Other retained earnings		
Reserve for advanced depreciation of fixed assets		125,198
General reserve		81,841,432
Retained earnings brought forward		33,301,630
Total other retained earnings		<u>115,268,262</u>
Total retained earnings		<u>116,901,875</u>
<b>Less treasury stock, at cost</b>		<u>(582)</u>
Total stockholders' equity		<u>131,581,458</u>

**Valuation and translation adjustments**

<b>Net unrealized gains on other securities</b>		5,815,632
Total net assets		<u>137,397,090</u>

Total liabilities and net assets	US\$	<u>219,443,165</u>
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# SANYO TRADING COMPANY LIMITED

## Statements of Income

For the year ended September 30, 2013

	U.S.Dollars	
<b>Net sales</b>	US\$	379,593,130
<b>Cost of sales</b>		<u>323,678,000</u>
<b>Gross profit</b>		55,915,130
<b>Selling, general and administrative expenses</b>		<u>37,602,625</u>
<b>Operating Income</b>		18,312,505
<b>Non-operating income</b>		
Interest income		18,548
Dividends income		1,535,416
Foreign exchange gains		3,029,314
Other non-operating income		<u>674,906</u>
		5,258,185
<b>Non-operating expenses</b>		
Interest expenses		149,468
Sales discounts		104,011
Going public expenses		173,913
Stock issuance expenses		81,968
Loss on valuation of golf club membership		15,856
Other non - operating expenses		<u>199,426</u>
		<u>724,643</u>
<b>Ordinary income</b>		22,846,046
<b>Extraordinary Gains</b>		
Gain on sales of fixed assets		354,321
Gain on sales of investment securities		<u>191,815</u>
		546,136
<b>Extraordinary Losses</b>		
Loss on valuation of subsidiaries' stocks		<u>4,655,348</u>
		<u>4,655,348</u>
<b>Income before income taxes</b>		18,736,835
Income taxes - current		9,085,929
Income taxes - deferred		<u>(78,704)</u>
<b>Net Income</b>	<u>US\$</u>	<u>9,729,610</u>

(Note 1) The amount shown in U.S. Dollars are converted at T.T.M. rate (US\$1.00 = Yen97.75) as of September 30,2013.

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

SANYO TRADING COMPANY LIMITED

Statement of Changes in Net Assets

For the year ended September 30, 2013

	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			Total retained earnings	Treasury stock	Total stockholder s' equity
Reserve for advanced depreciation of fixed assets						General reserve	Retained earnings brought forward				
<b>Balance as of September 30, 2012</b>	US\$	6,534,452			1,633,613		66,496,163	44,202,862	112,332,639	(5,039,587)	113,827,504
<b>Changes during the current year</b>											
Issuance of new shares		3,763,117	3,763,117	3,763,117							7,526,235
Cash dividends paid								(5,160,374)	(5,160,374)		(5,160,374)
Net income for the year								9,729,610	9,729,610		9,729,610
Purchases of treasury stock										(340)	(340)
Disposal of treasury stock				619,478	619,478					5,039,345	5,658,823
Provision of reserve for advanced depreciation of fixed assets						125,198		(125,198)			
Provision of general reserve							15,345,268	(15,345,268)			
Other											
<b>Total changes during the current year</b>		3,763,117	3,763,117	619,478	4,382,595	—	125,198	15,345,268	(10,901,231)	4,569,235	5,039,004
<b>Balance as of September 30, 2013</b>	US\$	10,297,569	3,763,117	619,478	4,382,595	1,633,613	125,198	81,841,432	33,301,630	116,901,875	(582)

	U.S.Dollars			
	Valuation and translation adjustments			
	Net unrealized gains (losses) on other securities	Total valuation and translation adjustments	Total net assets	
<b>Balance as of September 30, 2012</b>	US\$	616,972	616,972	114,444,476
<b>Changes during the current year</b>				
Issuance of new shares				7,526,235
Cash dividends paid				(5,160,374)
Net income for the year				9,729,610
Purchases of treasury stock				(340)
Disposal of treasury stock				5,658,823
Provision of reserve for advanced depreciation of fixed assets				
Provision of general reserve				
Other		5,198,660	5,198,660	5,198,660
<b>Total changes during the current year</b>		5,198,660	5,198,660	22,952,614
<b>Balance as of September 30, 2013</b>	US\$	5,815,632	5,815,632	137,397,090