

# SANYO TRADING COMPANY LIMITED

## Financial Statements

Year Ended September 30, 2018

English translation from original Japanese-language documents

# SANYO TRADING COMPANY LIMITED

## Balance Sheets

As of September 30, 2018

	Thousands of U.S.Dollars
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and deposits	US\$ 9,724
Notes receivable - trade	14,252
Electronically recorded monetary claims	7,133
Accounts receivable - trade	105,130
Merchandise	65,995
Goods in transit	12,548
Advance payments	7,164
Prepaid expenses	834
Money deposited	220
Short-term loans receivable from subsidiaries and affiliates	2,193
Accounts receivable - other	289
Deferred tax assets - current	711
Other current assets	2,546
Allowance for doubtful accounts	(284)
Total current assets	228,460
<b>Non-Current Assets</b>	
Property, plant and equipment	
Buildings	11,596
Structures	80
Machinery and equipment	122
Furniture and fixtures	508
Land	2,998
Lease assets	202
Total property, plant and equipment	15,508
Intangible assets	
Goodwill	3,148
Leasehold right	19
Software	211
Software in progress	6,022
Telephone subscription right	64
Right of using water facilities	4
Total intangible fixed asset	9,469
Investments and other assets	
Investment securities	24,969
Stocks of subsidiaries and affiliates	33,855
Investments in capital	0
Investments in capital of subsidiaries and affiliates	2,386
Loans receivable from affiliates	2,079
Long-term prepaid expenses	39
Guarantee deposits	1,345
Other investments	1,624
Allowance for doubtful accounts	(1)
Total investments and other assets	66,298
Total non-current assets	91,276
Total assets	US\$ 319,737

Thousands of  
U.S.Dollars

## LIABILITIES

### Current Liabilities

Notes payable - trade	US\$	1,183
Accounts payable - trade		51,024
Short-term loans payable		13,878
Current portion of long-term loans payable		440
Accounts payable - other		3,590
Accrued expenses		1,069
Lease obligations		63
Income taxes payable		6,384
Advance received		13,178
Deposits received		17,317
Total current liabilities		<u>108,130</u>

### Non-current Liabilities

Long-term loans payable		440
Provision for retirement benefits		6,206
Lease obligations		144
Long-term deposits received		861
Deferred tax liabilities - non-current		1,671
Total long-term liabilities		<u>9,323</u>
Total liabilities		<u>117,454</u>

## NET ASSETS

### Stockholders' Equity

Capital stock		8,863
Capital surplus		
Legal capital surplus		3,238
Other capital surplus		499
Total capital surplus		<u>3,738</u>
Retained earnings		
Legal retained earnings		1,406
Other retained earnings		
Reserve for advanced depreciation of non-current assets		107
Reserve for special depreciation		35
General reserve		88,051
Retained earnings brought forward		91,791
Total other retained earnings		<u>179,986</u>
Total retained earnings		<u>181,392</u>
Less treasury stock		<u>(1,592)</u>
Total stockholders' equity		<u>192,402</u>

### Valuation and translation adjustments

Valuation difference on available-for-sale securities		<u>9,238</u>
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### Subscription rights to shares

		<u>641</u>
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Total net assets		<u>202,282</u>
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Total liabilities and net assets	US\$	<u>319,737</u>
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# SANYO TRADING COMPANY LIMITED

## Statements of Income

For the year ended September 30, 2018

	Thousands of U.S.Dollars	
<b>Net sales</b>	US\$	488,539
<b>Cost of sales</b>		406,228
<b>Gross profit</b>		82,310
<b>Selling, general and administrative expenses</b>		49,793
<b>Operating Income</b>		32,517
<b>Non-operating income</b>		
Interest income		49
Dividends income		6,500
Foreign exchange gains		2,326
Other non-operating income		522
		9,398
<b>Non-operating expenses</b>		
Interest expenses		158
Sales discounts		76
Other non-operating expenses		171
		406
<b>Ordinary income</b>		41,508
<b>Extraordinary Income</b>		
Gain on extinguishment of tie-in shares		134
Contribution for restoration		1,144
		1,279
<b>Extraordinary Loss</b>		
Loss on valuation of stocks of subsidiaries and affiliates		460
Loss on valuation of investments in capital of subsidiaries and affiliates		942
Loss on valuation of golf club membership		106
		1,508
<b>Income before income taxes</b>		41,279
Income taxes - current		12,069
Income taxes - deferred		32
<b>Net Income</b>	US\$	29,177

## SANYO TRADING COMPANY LIMITED

## Statement of Changes in Net Assets

For the year ended September 30, 2018

	Thousands of U.S.Dollars									
	Stockholders' equity									
	Capital surplus				Retained earnings					
					Other retained earnings					
	Capital stock	Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	Total retained earnings
<b>Balance as of October 1, 2017</b>	US\$ 8,863	3,238	513	3,752	1,406	107	47	88,051	70,290	159,903
<b>Changes during the current year</b>										
Cash dividends paid									(7,687)	(7,687)
Net income for the year									29,177	29,177
Purchase of treasury stock										
Disposal of treasury stock			(13)	(13)						
Reversal of reserve for special depreciation							(11)		11	—
Other										
<b>Total changes during the current year</b>	—	—	(13)	(13)	—	—	(11)	—	21,501	21,489
<b>Balance as of September 30, 2018</b>	US\$ 8,863	3,238	499	3,738	1,406	107	35	88,051	91,791	181,392

	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
<b>Balance as of October 1, 2017</b>	US\$ (1,644)	170,873	10,352	10,352	564	181,790
<b>Changes during the current year</b>						
Cash dividends paid		(7,687)				(7,687)
Net income for the year		29,177				29,177
Purchase of treasury stock	(2)	(2)				(2)
Disposal of treasury stock	55	42				42
Reversal of reserve for special depreciation		—				—
Other			(1,114)	(1,114)	77	(1,036)
<b>Total changes during the current year</b>	52	21,528	(1,114)	(1,114)	77	20,492
<b>Balance as of September 30, 2018</b>	US\$ (1,592)	192,402	9,238	9,238	641	202,282

(Note 1) The amount shown in U.S. Dollars are converted at T.T.M. rate (US\$1.00 = Yen113.57) as of September 30, 2018.

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

