

(TRANSLATION)

*Polyplastics Company, Ltd.*

**FINANCIAL STATEMENTS**

April 1, 2018—March 31, 2019

---

1. BALANCE SHEET
2. STATEMENT OF INCOME

Balance Sheet

March 31, 2019

Assets	Thousands of Yen
<b>Current Assets</b>	
1. Cash and deposits .....	66,447
2. Trade notes receivable .....	42,517
3. Trade accounts receivable .....	16,343,824
4. Finished goods and merchandise .....	8,052,615
5. Work in process .....	3,258,779
6. Raw materials and supplies .....	4,137,344
7. Prepaid expenses .....	189,510
8. Accrued receivables .....	10,399,282
9. Short-term loans receivables .....	17,220
10. Other current assets .....	208
<b>Total current assets .....</b>	<b>42,507,749</b>
<b>Fixed Assets</b>	
1) Tangible fixed assets	
1. Buildings .....	1,980,242
2. Structures .....	285,555
3. Machinery and equipment .....	4,600,073
4. Vehicles .....	17,253
5. Tools, furniture and fixtures .....	389,649
6. Land .....	2,190,575
7. Construction in progress .....	677,178
<b>Total tangible assets .....</b>	<b>10,140,528</b>
2) Intangible fixed assets	
1. Know how .....	266
2. Software .....	389,554
3. Telephone rights .....	13,850
4. Goodwill .....	200,533
<b>Total intangible assets .....</b>	<b>604,205</b>
3) Investments and other assets	
1. Investment securities .....	904,200
2. Stocks of affiliated companies .....	18,834,684
3. Investment in affiliated companies .....	2,674,043
4. Long-term loans receivables .....	3,205,977
5. Long-term prepaid expenses .....	105,820
6. Deferred tax assets .....	2,130,308
7. Other investments .....	383,824
8. Allowance for doubtful accounts .....	(1,942,651)
<b>Total investments and other assets .....</b>	<b>26,296,207</b>
<b>Total fixed assets .....</b>	<b>37,040,942</b>
<b>Total Assets .....</b>	<b>79,548,691</b>

March 31, 2019

Liabilities and Net assets	Thousands of Yen
<b>Current Liabilities</b>	
1. Trade accounts payable .....	13,093,522
2. Short-term borrowings .....	26,055,103
3. Current portion of long term borrowings .....	5,000,000
4. Other accounts payables .....	3,402,348
6. Accrued expenses .....	335,762
7. Allowance for employees' bonuses .....	1,599,507
8. Allowance for directors' bonuses .....	28,600
9. Allowance for repairs .....	945,920
9. Other current liabilities .....	156,186
Total current liabilities .....	50,616,950
<b>Long-term Liabilities</b>	
1. Long-term borrowings .....	5,000,000
2. Liability for employees' retirement benefits .....	2,121,526
3. Liability for directors' and corporate auditors' retirement benefits .....	49,300
5. Other long-term liabilities .....	214,890
Total long-term liabilities .....	7,385,716
Total liabilities .....	58,002,667
<b>Net assets</b>	
<b>Shareholders' equity</b>	
1. Common Stock .....	3,000,000
2. Retained earnings	
1) Legal reserve .....	750,000
2) Others	
Unappropriated retained earnings .....	17,311,003
Total Others .....	17,311,003
Total retained earnings .....	18,061,003
Total Shareholders' equity .....	21,061,003
<b>Valuation and Translation adjustments</b>	
1. Unrealized gain on available-for-sale securities .....	485,020
Total net assets .....	21,546,024
Total liabilities and net assets .....	79,548,691

(TRANSLATION)

Statement of Income

YEAR ENDED March 31, 2019		Thousands of Yen
Net sales		66,610,892
Cost of sales		<u>53,511,743</u>
Gross profit		13,099,149
Selling, general and administrative expenses		<u>9,726,800</u>
Operating income		3,372,348
Non-operating income		
Interest income and dividend income	7,000,708	
Other income	<u>340,159</u>	<u>7,340,868</u>
Non-operating expenses		
Interest expense	243,196	
Exchange loss	172,198	
Other expenses	<u>499,369</u>	<u>914,765</u>
Ordinary profit		9,798,451
Income before income taxes		9,798,451
Income taxes – current	1,093,729	
Income taxes – deferred	<u>△ 136,767</u>	<u>956,962</u>
Net income for the current year		8,841,489