

Polyplastics Company, Ltd.

FINANCIAL STATEMENTS

April 1, 2019—March 31, 2020

1. BALANCE SHEET
2. STATEMENT OF INCOME

Balance Sheet

March 31, 2020

Assets	Thousands of Yen
Current Assets	
1. Cash and deposits	76,928
2. Trade accounts receivable	18,632,953
3. Finished goods and merchandise	14,228,579
4. Work in process	3,520,792
5. Raw materials and supplies	4,425,595
6. Prepaid expenses	152,419
7. Accrued receivables	961,557
8. Short-term loans receivables	294,929
9. Other current assets	7,914
Total current assets	42,301,669
Fixed Assets	
1) Tangible fixed assets	
1. Buildings	2,397,761
2. Structures	339,012
3. Machinery and equipment	5,061,272
4. Vehicles	14,362
5. Tools, furniture and fixtures	474,890
6. Land	2,207,177
7. Construction in progress	539,208
Total tangible assets	11,033,686
2) Intangible fixed assets	
1. Know how	14
2. Software	407,496
3. Telephone rights	13,850
4. Goodwill	100,266
Total intangible assets	521,627
3) Investments and other assets	
1. Investment securities	626,063
2. Stocks of affiliated companies	17,634,684
3. Investment in affiliated companies	2,674,043
4. Long-term loans receivables	3,442,176
5. Long-term prepaid expenses	35,491
6. Deferred tax assets	1,462,398
7. Other investments	378,622
8. Allowance for doubtful accounts	(1,305,612)
Total investments and other assets	24,947,867
Total fixed assets	36,503,181
Total Assets	78,804,851

March 31, 2020

Liabilities and Net assets	Thousands of Yen
Current Liabilities	
1. Trade accounts payable	12,810,375
2. Short-term borrowings	25,442,176
3. Other accounts payables	2,478,851
4. Income taxes payables	82,086
5. Accrued expenses	287,426
6. Allowance for employees' bonuses	1,594,762
7. Allowance for directors' bonuses	25,700
8. Other current liabilities	67,186
Total current liabilities	42,788,564
Long-term Liabilities	
1. Long-term borrowings	10,000,000
2. Liability for employees' retirement benefits	1,104,966
3. Liability for directors' and corporate auditors' retirement benefits	55,575
4. Allowance for repairs	338,240
5. Other long-term liabilities	143,915
Total long-term liabilities	11,642,696
Total liabilities	54,431,261
Net assets	
Shareholders' equity	
1. Common Stock	3,000,000
2. Retained earnings	
1) Legal reserve	750,000
2) Others	
Unappropriated retained earnings	20,331,540
Total Others	20,331,540
Total retained earnings	21,081,540
Total Shareholders' equity	24,081,540
Valuation and Translation adjustments	
1. Unrealized gain on available-for-sale securities	292,049
Total net assets	24,373,589
Total liabilities and net assets	78,804,851

Statement of Income

YEAR ENDED March 31, 2020		Thousands of Yen
Net sales		83,349,221
Cost of sales		<u>65,809,252</u>
Gross profit		17,539,968
Selling, general and administrative expenses		<u>12,889,877</u>
Operating income		4,650,090
Non-operating income		
Interest income and dividend income	5,129,809	
Other income	<u>716,392</u>	<u>5,846,202</u>
Non-operating expenses		
Interest expense	252,804	
Exchange loss	166,614	
Other expenses	<u>563,049</u>	<u>982,468</u>
Ordinary profit		9,513,824
Extraordinary gain		
Gain on extinguishment of tie-in shares	<u>4,416,740</u>	<u>4,416,740</u>
Income before income taxes		13,930,564
Income taxes – current	617,898	
Income taxes – deferred	<u>776,128</u>	<u>1,394,027</u>
Net income for the current year		12,536,537