

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Year Ended May 31, 2015  
(Based on Japanese GAAP)**

July 8, 2015

Company name: Sanko Gosei Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 7888 URL <http://www.sankogosei.co.jp>  
 Representative: Representative Director/President Kenso Kuroda  
 Inquiries: Director/Senior Executive Officer Akira Serikawa TEL 0763-52-7105  
 Scheduled date of ordinary general meeting of shareholders: August 27, 2015  
 Scheduled date to file Securities Report: August 28, 2015  
 Scheduled date to commence dividend payments: August 28, 2015  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended May 31, 2015 (from June 1, 2014 to May 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

|                         | Net sales       |       | Operating income |       | Ordinary income |        | Net income      |        |
|-------------------------|-----------------|-------|------------------|-------|-----------------|--------|-----------------|--------|
|                         | Millions of yen | %     | Millions of yen  | %     | Millions of yen | %      | Millions of yen | %      |
| Year ended May 31, 2015 | 50,174          | 16.1  | 2,338            | 22.9  | 1,875           | 20.3   | 1,359           | 20.9   |
| Year ended May 31, 2014 | 43,231          | (1.4) | 1,902            | (7.3) | 1,559           | (45.0) | 1,125           | (41.0) |

|                         | Net income per share | Diluted net income per share | Net income/equity | Ordinary income/total assets | Operating income/net sales |
|-------------------------|----------------------|------------------------------|-------------------|------------------------------|----------------------------|
|                         | Yen                  | Yen                          | %                 | %                            | %                          |
| Year ended May 31, 2015 | 64.99                | –                            | 12.3              | 4.7                          | 4.7                        |
| Year ended May 31, 2014 | 53.77                | –                            | 11.6              | 4.7                          | 4.4                        |

(2) Consolidated financial position

|                    | Total assets    | Net assets      | Equity ratio | Net assets per share |
|--------------------|-----------------|-----------------|--------------|----------------------|
|                    | Millions of yen | Millions of yen | %            | Yen                  |
| As of May 31, 2015 | 45,407          | 13,049          | 26.6         | 576.79               |
| As of May 31, 2014 | 34,128          | 10,866          | 29.4         | 479.41               |

(3) Consolidated cash flows

|                         | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                         | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Year ended May 31, 2015 | 2,820                                | (4,713)                              | 3,334                                | 5,515                                      |
| Year ended May 31, 2014 | 2,751                                | (2,277)                              | (971)                                | 3,649                                      |

2. Cash dividends

|                                     | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|-------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
|                                     | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |                                      |   |
|                                     | Yen                        | Yen             | Yen             | Yen             | Yen   | Millions of yen              | %                                    | %   |
| Year ended May 31, 2014             | –                          | 3.00            | –               | 4.00            | 7.00  | 146                          | 13.0                                 | 1.5   |
| Year ended May 31, 2015             | –                          | 4.00            | –               | 5.00            | 9.00  | 167                          | 13.8                                 | 1.7   |
| Year ending May 31, 2016 (Forecast) | –                          | 5.00            | –               | 5.00            | 10.00 |                              | 13.9                                 |   |

3. Forecast of consolidated financial results for the year ending May 31, 2016 (from June 1, 2015 to May 31, 2016)

Percentages indicate year-on-year changes

|                                     | Net sales       |      | Operating income |      | Ordinary income |      | Profit attributable to owners of parent |      | Net income per share |
|-------------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|----------------------|
|                                     | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    | Yen                  |
| Six months ending November 30, 2015 | 29,500          | 20.2 | 1,200            | 13.9 | 1,050           | 4.3  | 750                                     | 0.6  | 35.85                |
| Full year                           | 60,000          | 19.6 | 2,500            | 6.9  | 2,100           | 11.9 | 1,500                                   | 10.3 | 71.70                |

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

|                    |                   |                    |                   |
|--------------------|-------------------|--------------------|-------------------|
| As of May 31, 2015 | 21,121,569 shares | As of May 31, 2014 | 21,121,569 shares |
|--------------------|-------------------|--------------------|-------------------|

Number of treasury shares at the end of the period

|                    |                |                    |                |
|--------------------|----------------|--------------------|----------------|
| As of May 31, 2015 | 202,146 shares | As of May 31, 2014 | 198,638 shares |
|--------------------|----------------|--------------------|----------------|

Average number of shares during the period

|                         |                   |                         |                   |
|-------------------------|-------------------|-------------------------|-------------------|
| Year ended May 31, 2015 | 20,921,309 shares | Year ended May 31, 2014 | 20,924,651 shares |
|-------------------------|-------------------|-------------------------|-------------------|

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|  | As of May 31, 2014 | As of May 31, 2015 |
|--|--------------------|--------------------|
| Assets                                 |                    |                    |
| Current assets                         |                    |                    |
| Cash and deposits                      | 3,649,699          | 5,515,246          |
| Notes and accounts receivable - trade  | 8,662,193          | 12,138,861         |
| Merchandise and finished goods         | 666,353            | 1,729,390          |
| Work in process                        | 1,930,537          | 1,562,364          |
| Raw materials and supplies             | 608,060            | 766,805            |
| Deferred tax assets                    | 75,164             | 174,456            |
| Other                                  | 1,760,212          | 1,778,949          |
| Allowance for doubtful accounts        | (7,304)            | (10,521)           |
| Total current assets                   | 17,344,918         | 23,655,554         |
| Non-current assets                     |                    |                    |
| Property, plant and equipment          |                    |                    |
| Buildings and structures               | 13,244,141         | 16,195,281         |
| Accumulated depreciation               | (8,311,771)        | (9,611,278)        |
| Buildings and structures, net          | 4,932,370          | 6,584,002          |
| Machinery, equipment and vehicles      | 14,991,574         | 22,379,272         |
| Accumulated depreciation               | (10,086,940)       | (15,408,792)       |
| Machinery, equipment and vehicles, net | 4,904,634          | 6,970,479          |
| Tools, furniture and fixtures          | 6,877,880          | 8,289,376          |
| Accumulated depreciation               | (4,987,251)        | (6,408,124)        |
| Tools, furniture and fixtures, net     | 1,890,629          | 1,881,252          |
| Land                                   | 2,884,631          | 4,272,321          |
| Construction in progress               | 216,908            | 259,867            |
| Total property, plant and equipment    | 14,829,174         | 19,967,923         |
| Intangible assets                      |                    |                    |
| Goodwill                               | –                  | 335,345            |
| Other                                  | 235,245            | 478,483            |
| Total intangible assets                | 235,245            | 813,828            |
| Investments and other assets           |                    |                    |
| Investment securities                  | 1,355,791          | 670,876            |
| Deferred tax assets                    | 226,773            | 106,254            |
| Other                                  | 195,481            | 222,777            |
| Allowance for doubtful accounts        | (58,446)           | (29,580)           |
| Total investments and other assets     | 1,719,600          | 970,328            |
| Total non-current assets               | 16,784,020         | 21,752,080         |
| Total assets                           | 34,128,938         | 45,407,634         |

(Thousands of yen)

|   | As of May 31, 2014 | As of May 31, 2015 |
|---|--------------------|--------------------|
| <b>Liabilities</b>                                    |                    |                    |
| <b>Current liabilities</b>                            |                    |                    |
| Notes and accounts payable - trade                    | 9,108,777          | 10,675,650         |
| Short-term loans payable                              | 1,455,757          | 5,919,299          |
| Current portion of long-term loans payable            | 1,736,035          | 1,778,956          |
| Current portion of bonds                              | 520,000            | 520,000            |
| Lease obligations                                     | 913,004            | 1,149,418          |
| Income taxes payable                                  | 298,285            | 425,599            |
| Provision for bonuses                                 | –                  | 97,500             |
| Provision for directors' bonuses                      | 26,840             | 31,845             |
| Other   | 1,865,032          | 2,621,935          |
| <b>Total current liabilities</b>                      | <b>15,923,732</b>  | <b>23,220,203</b>  |
| <b>Non-current liabilities</b>                        |                    |                    |
| Bonds payable   | 1,340,000          | 820,000            |
| Long-term loans payable                               | 2,878,779          | 5,095,830          |
| Lease obligations                                     | 2,205,144          | 2,171,934          |
| Deferred tax liabilities                              | 215,256            | 350,442            |
| Provision for directors' retirement benefits          | 23,400             | 67,610             |
| Net defined benefit liability                         | 607,010            | 549,023            |
| Other   | 69,149             | 83,249             |
| <b>Total non-current liabilities</b>                  | <b>7,338,740</b>   | <b>9,138,089</b>   |
| <b>Total liabilities</b>                              | <b>23,262,473</b>  | <b>32,358,293</b>  |
| <b>Net assets</b>                                     |                    |                    |
| <b>Shareholders' equity</b>                           |                    |                    |
| Capital stock   | 1,890,800          | 1,890,800          |
| Capital surplus                                       | 1,742,393          | 1,742,393          |
| Retained earnings                                     | 7,256,201          | 8,436,202          |
| Treasury shares                                       | (41,153)           | (42,541)           |
| <b>Total shareholders' equity</b>                     | <b>10,848,240</b>  | <b>12,026,854</b>  |
| <b>Accumulated other comprehensive income</b>         |                    |                    |
| Valuation difference on available-for-sale securities | 1,473              | 1,380              |
| Deferred gains or losses on hedges                    | 2                  | 19                 |
| Foreign currency translation adjustment               | (590,432)          | 161,993            |
| Remeasurements of defined benefit plans               | (228,510)          | (123,976)          |
| <b>Total accumulated other comprehensive income</b>   | <b>(817,465)</b>   | <b>39,417</b>      |
| <b>Minority interests</b>                             | <b>835,689</b>     | <b>983,069</b>     |
| <b>Total net assets</b>                               | <b>10,866,464</b>  | <b>13,049,341</b>  |
| <b>Total liabilities and net assets</b>               | <b>34,128,938</b>  | <b>45,407,634</b>  |

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

|   | Fiscal year ended<br>May 31, 2014 | Fiscal year ended<br>May 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Net sales   | 43,231,719                        | 50,174,559                        |
| Cost of sales   | 36,476,453                        | 42,414,584                        |
| Gross profit  | 6,755,266                         | 7,759,974                         |
| Selling, general and administrative expenses                  | 4,852,279                         | 5,421,165                         |
| Operating income  | 1,902,987                         | 2,338,808                         |
| Non-operating income  |                                   |                                   |
| Interest income   | 10,722                            | 9,056                             |
| Dividend income   | 274                               | 302                               |
| Share of profit of entities accounted for using equity method | 92,269                            | 101,064                           |
| Scrap income  | 27,571                            | 57,773                            |
| Insurance income  | 16,477                            | 28,458                            |
| customs for prior periods customs                             | 39,177                            | –                                 |
| Other   | 59,379                            | 53,064                            |
| Total non-operating income                                    | 245,873                           | 249,720                           |
| Non-operating expenses  |                                   |                                   |
| Interest expenses   | 362,135                           | 428,326                           |
| Foreign exchange losses                                       | 150,934                           | 122,544                           |
| Other   | 75,948                            | 161,713                           |
| Total non-operating expenses                                  | 589,018                           | 712,584                           |
| Ordinary income   | 1,559,842                         | 1,875,944                         |
| Extraordinary income  |                                   |                                   |
| Gain on sales of non-current assets                           | 3,137                             | 32,424                            |
| Gain on bargain purchase                                      | –                                 | 117,170                           |
| Subsidy income  | 19,600                            | –                                 |
| Total extraordinary income                                    | 22,737                            | 149,595                           |
| Extraordinary losses  |                                   |                                   |
| Loss on sales of non-current assets                           | 528                               | 50                                |
| Loss on retirement of non-current assets                      | 18,911                            | 15,634                            |
| Loss on valuation of investment securities                    | –                                 | 12,000                            |
| Loss on step acquisitions                                     | –                                 | 25,220                            |
| swap loss   | 8,708                             | 11,647                            |
| Loss on reduction of non-current assets                       | 19,600                            | –                                 |
| Other   | 3,000                             | –                                 |
| Total extraordinary losses                                    | 50,749                            | 64,552                            |
| Income before income taxes and minority interests             | 1,531,830                         | 1,960,987                         |
| Income taxes - current  | 462,827                           | 664,537                           |
| Income taxes - deferred                                       | (184,683)                         | 68,735                            |
| Total income taxes  | 278,143                           | 733,272                           |
| Income before minority interests                              | 1,253,686                         | 1,227,714                         |
| Minority interests in income (loss)                           | 128,518                           | (132,102)                         |
| Net income  | 1,125,168                         | 1,359,817                         |

## Consolidated statements of comprehensive income

(Thousands of yen)

|  | Fiscal year ended<br>May 31, 2014 | Fiscal year ended<br>May 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Income before minority interests   | 1,253,686                         | 1,227,714                         |
| Other comprehensive income   |                                   |                                   |
| Valuation difference on available-for-sale securities                                | (696)                             | (35)                              |
| Deferred gains or losses on hedges   | 2                                 | 17                                |
| Foreign currency translation adjustment  | (289,069)                         | 824,153                           |
| Remeasurements of defined benefit plans OCI  | –                                 | 89,678                            |
| Share of other comprehensive income of entities accounted<br>for using equity method | 39,395                            | 62,834                            |
| Total other comprehensive income   | (250,367)                         | 976,647                           |
| Comprehensive income   | 1,003,319                         | 2,204,362                         |
| Comprehensive income attributable to   |                                   |                                   |
| Comprehensive income attributable to owners of parent                                | 946,305                           | 2,216,700                         |
| Comprehensive income attributable to minority interests                              | 57,014                            | (12,338)                          |

## Consolidated statements of changes in equity

Fiscal year ended May 31, 2014

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 1,890,800            | 1,742,393       | 6,256,582         | (40,315)        | 9,849,460                  |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (125,550)         |                 | (125,550)                  |
| Net income   |                      |                 | 1,125,168         |                 | 1,125,168                  |
| Purchase of treasury shares                          |                      |                 |                   | (837)           | (837)                      |
| Change of scope of consolidation                     |                      |                 |                   |                 |                            |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | -                    | -               | 999,618           | (837)           | 998,780                    |
| Balance at end of current period                     | 1,890,800            | 1,742,393       | 7,256,201         | (41,153)        | 10,848,240                 |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Minority interests | Total net assets |
|--|---|------------------------------------|---|---|--|--------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                    |                  |
| Balance at beginning of current period               | 3,800   | -                                  | (413,892)                               | -                                       | (410,092)                                    | 902,103            | 10,341,470       |
| Changes of items during period                       |   |                                    |   |   |  |                    |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                    | (125,550)        |
| Net income   |   |                                    |   |   |  |                    | 1,125,168        |
| Purchase of treasury shares                          |   |                                    |   |   |  |                    | (837)            |
| Change of scope of consolidation                     |   |                                    |   |   |  |                    |                  |
| Net changes of items other than shareholders' equity | (2,326)   | 2                                  | (176,539)                               | (228,510)                               | (407,373)                                    | (66,413)           | (473,786)        |
| Total changes of items during period                 | (2,326)   | 2                                  | (176,539)                               | (228,510)                               | (407,373)                                    | (66,413)           | 524,993          |
| Balance at end of current period                     | 1,473   | 2                                  | (590,432)                               | (228,510)                               | (817,465)                                    | 835,689            | 10,866,464       |

Fiscal year ended May 31, 2015

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 1,890,800            | 1,742,393       | 7,256,201         | (41,153)        | 10,848,240                 |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (167,377)         |                 | (167,377)                  |
| Net income   |                      |                 | 1,359,817         |                 | 1,359,817                  |
| Purchase of treasury shares                          |                      |                 |                   | (1,387)         | (1,387)                    |
| Change of scope of consolidation                     |                      |                 | (12,437)          |                 | (12,437)                   |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 | -                          |
| Total changes of items during period                 | -                    | -               | 1,180,001         | (1,387)         | 1,178,614                  |
| Balance at end of current period                     | 1,890,800            | 1,742,393       | 8,436,202         | (42,541)        | 12,026,854                 |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Minority interests | Total net assets |
|--|---|------------------------------------|---|---|--|--------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                    |                  |
| Balance at beginning of current period               | 1,473   | 2                                  | (590,432)                               | (228,510)                               | (817,465)                                    | 835,689            | 10,866,464       |
| Changes of items during period                       |   |                                    |   |   |  |                    |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                    | (167,377)        |
| Net income   |   |                                    |   |   |  |                    | 1,359,817        |
| Purchase of treasury shares                          |   |                                    |   |   |  |                    | (1,387)          |
| Change of scope of consolidation                     |   |                                    |   |   |  |                    | (12,437)         |
| Net changes of items other than shareholders' equity | (93)  | 17                                 | 752,426                                 | 104,533                                 | 856,883                                      | 147,379            | 1,004,262        |
| Total changes of items during period                 | (93)  | 17                                 | 752,426                                 | 104,533                                 | 856,883                                      | 147,379            | 2,182,876        |
| Balance at end of current period                     | 1,380   | 19                                 | 161,993                                 | (123,976)                               | 39,417                                       | 983,069            | 13,049,341       |



## Consolidated statements of cash flows

(Thousands of yen)

|  | Fiscal year ended<br>May 31, 2014 | Fiscal year ended<br>May 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities   |                                   |                                   |
| Income before income taxes and minority interests                                | 1,531,830                         | 1,960,987                         |
| Depreciation   | 1,896,248                         | 2,377,465                         |
| Share of (profit) loss of entities accounted for using equity method             | (92,269)                          | (101,064)                         |
| Increase (decrease) in allowance for doubtful accounts                           | (4,448)                           | (27,648)                          |
| Increase in dept for retirement benefits   | 421,988                           | (115,294)                         |
| Interest and dividend income   | (10,997)                          | (9,358)                           |
| Interest expenses  | 362,135                           | 423,031                           |
| Gain on sales of property, plant and equipment                                   | (3,137)                           | (32,424)                          |
| Loss on sales of property, plant and equipment                                   | 528                               | 50                                |
| Loss on retirement of property, plant and equipment                              | 18,911                            | 15,634                            |
| Loss (gain) on valuation of investment securities                                | 3,000                             | 12,000                            |
| Foreign exchange losses (gains)  | 150,934                           | 122,544                           |
| LossGainOnSwapOpeCF  | 8,708                             | 11,647                            |
| Decrease (increase) in notes and accounts receivable - trade                     | 330,799                           | (695,414)                         |
| Decrease (increase) in inventories   | (1,041,297)                       | (215,362)                         |
| Decrease (increase) in other assets  | (613,077)                         | 755,583                           |
| Increase (decrease) in notes and accounts payable - trade                        | 2,321,835                         | (765,085)                         |
| Increase (decrease) in other liabilities   | (1,610,202)                       | 39,907                            |
| Other, net   | (114,283)                         | 34,942                            |
| Subtotal   | 3,557,207                         | 3,792,140                         |
| Interest and dividend income received  | 10,997                            | 9,358                             |
| Interest expenses paid   | (365,280)                         | (416,377)                         |
| Income taxes paid  | (451,669)                         | (564,821)                         |
| Net cash provided by (used in) operating activities                              | 2,751,254                         | 2,820,299                         |
| Cash flows from investing activities   |                                   |                                   |
| Purchase of investment securities  | (689)                             | (707)                             |
| Purchase of shares of subsidiaries and associates                                | (48,193)                          | (48,500)                          |
| Payments for transfer of business  | –                                 | (1,836,778)                       |
| Purchase of property, plant and equipment  | (2,003,087)                       | (1,954,365)                       |
| Proceeds from sales of property, plant and equipment                             | 3,682                             | 359,106                           |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | –                                 | (622,756)                         |
| Other, net   | (229,360)                         | (609,120)                         |
| Net cash provided by (used in) investing activities                              | (2,277,649)                       | (4,713,122)                       |

(Thousands of yen)

|  | Fiscal year ended<br>May 31, 2014 | Fiscal year ended<br>May 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from financing activities                                     |                                   |                                   |
| Net increase (decrease) in short-term loans payable                      | 56,995                            | 3,925,556                         |
| Proceeds from long-term loans payable                                    | 1,642,960                         | 2,871,587                         |
| Repayments of long-term loans payable                                    | (2,330,628)                       | (1,941,378)                       |
| Proceeds from issuance of bonds  | 800,000                           | –                                 |
| Redemption of bonds  | (440,000)                         | (520,000)                         |
| Proceeds from sales and leasebacks                                       | 367,334                           | 364,869                           |
| Repayments of lease obligations  | (813,312)                         | (1,149,189)                       |
| Proceeds from share issuance to minority shareholders                    | –                                 | 8,779                             |
| Cash dividends paid  | (125,550)                         | (167,377)                         |
| Cash dividends paid to minority shareholders                             | (128,426)                         | (56,979)                          |
| Purchase of treasury shares  | (837)                             | (1,387)                           |
| Net cash provided by (used in) financing activities                      | (971,464)                         | 3,334,480                         |
| Effect of exchange rate change on cash and cash equivalents              | (70,562)                          | 419,588                           |
| Net increase (decrease) in cash and cash equivalents                     | (568,421)                         | 1,861,246                         |
| Cash and cash equivalents at beginning of period                         | 4,218,121                         | 3,649,699                         |
| Increase in cash and cash equivalents from newly consolidated subsidiary | –                                 | 4,300                             |
| Cash and cash equivalents at end of period                               | 3,649,699                         | 5,515,246                         |