

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and September 30, 2013

	Unit : Millions of yen	
	March 31, 2013	September 30, 2013
Assets		
Current assets		
Cash and deposits	4,616	5,525
Notes and accounts receivable-trade	7,670	7,502
Short-term investment securities	584	382
Merchandise and finished goods	2,135	2,033
Work in process	20	86
Raw materials and supplies	956	1,061
Other	556	589
Allowance for doubtful accounts	(0)	(0)
Total current assets	16,539	17,180
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,163	20,219
Accumulated depreciation and impairment loss	(13,692)	(13,883)
Buildings and structures, net	6,470	6,336
Machinery, equipment and vehicles	25,783	26,021
Accumulated depreciation and impairment loss	(22,370)	(22,906)
Machinery, equipment and vehicles, net	3,412	3,114
Land	7,646	7,646
Lease assets	59	63
Accumulated depreciation	(33)	(40)
Lease assets, net	26	22
Construction in progress	780	867
Other	2,494	2,532
Accumulated depreciation and impairment loss	(2,217)	(2,234)
Other, net	276	298
Total property, plant and equipment	18,612	18,286
Intangible assets	24	18
Investments and other assets		
Investment securities	7,575	7,970
Other	1,156	1,131
Allowance for doubtful accounts	(83)	(82)
Total investments and other assets	8,648	9,018
Total non-current assets	27,285	27,322
Total assets	43,825	44,503

	Unit : Millions of yen	
	March 31, 2013	September 30, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	3,309	3,368
Current portion of long-term loans payable	259	259
Accounts payable-other	968	544
Income taxes payable	134	111
Provision for bonuses	195	249
Provision for surcharge	83	—
Other	86	132
Total current liabilities	<u>5,037</u>	<u>4,666</u>
Non-current liabilities		
Long-term loans payable	759	629
Provision for retirement benefits	981	976
Provision for environmental measures	16	16
Other	775	877
Total non-current liabilities	<u>2,533</u>	<u>2,500</u>
Total liabilities	<u>7,571</u>	<u>7,166</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,686	9,150
Treasury stock	(4,716)	(4,722)
Total shareholders' equity	<u>34,660</u>	<u>35,117</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	714	981
Foreign currency translation adjustment	(173)	60
Total accumulated other comprehensive income	<u>540</u>	<u>1,042</u>
Minority interests	<u>1,053</u>	<u>1,176</u>
Total net assets	<u>36,254</u>	<u>37,337</u>
Total liabilities and net assets	<u>43,825</u>	<u>44,503</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2012 and 2013

	Unit : Millions of yen	
	April - September 2012	April - September 2013
Net sales	12,487	13,381
Cost of sales	10,109	11,105
Gross profit	2,377	2,276
Selling, general and administrative expenses	1,503	1,555
Operating income	873	720
Non-operating income		
Interest income	47	38
Dividends income	35	38
Amortization of negative goodwill	5	—
Equity in earnings of affiliates	1	—
Other	18	46
Total non-operating income	107	122
Non-operating expenses		
Interest expenses	11	4
Foreign exchange losses	22	13
Equity in losses of affiliates	—	2
Other	26	5
Total non-operating expenses	60	26
Ordinary income	921	817
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	24	—
Total extraordinary income	25	—
Extraordinary loss		
Loss on disposal of non-current assets	7	6
Loss on valuation of investment securities	214	—
Loss on valuation of membership	5	—
Total extraordinary losses	227	6
Income before income taxes	719	810
Income taxes-current	90	102
Income taxes-deferred	(2)	(25)
Total income taxes	88	76
Income before minority interests	631	734
Minority interests in income	49	55
Net income	581	679

Consolidated Statements of comprehensive income

For the first half ended September 30, 2012 and 2013

	Unit : Millions of yen	
	April - September 2012	April - September 2013
Income before minority interests	631	734
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	266
Foreign currency translation adjustment	35	361
Share of other comprehensive income of associates accounted for using equity method	(0)	19
Total other comprehensive income	(55)	647
Comprehensive income	575	1,382
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	508	1,181
Comprehensive income attributable to minority interests	67	200