

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and December 31, 2013

	Unit : Millions of yen	
	March 31, 2013	December 31, 2013
Assets		
Current assets		
Cash and deposits	4,616	5,493
Notes and accounts receivable-trade	7,670	8,080
Short-term investment securities	584	582
Merchandise and finished goods	2,135	2,134
Work in process	20	77
Raw materials and supplies	956	1,099
Other	556	448
Allowance for doubtful accounts	(0)	(0)
Total current assets	16,539	17,914
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,163	20,227
Accumulated depreciation and impairment loss	(13,692)	(13,950)
Buildings and structures, net	6,470	6,276
Machinery, equipment and vehicles	25,783	26,032
Accumulated depreciation and impairment loss	(22,370)	(23,089)
Machinery, equipment and vehicles, net	3,412	2,943
Land	7,646	7,646
Lease assets	59	134
Accumulated depreciation	(33)	(47)
Lease assets, net	26	87
Construction in progress	780	876
Other	2,494	2,546
Accumulated depreciation and impairment loss	(2,217)	(2,234)
Other, net	276	312
Total property, plant and equipment	18,612	18,142
Intangible assets	24	15
Investments and other assets		
Investment securities	7,575	8,091
Other	1,156	923
Allowance for doubtful accounts	(83)	(82)
Total investments and other assets	8,648	8,932
Total non-current assets	27,285	27,090
Total assets	43,825	45,004

	Unit : Millions of yen	
	March 31, 2013	December 31, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	3,309	3,756
Current portion of long-term loans payable	259	259
Accounts payable-other	968	676
Income taxes payable	134	82
Provision for bonuses	195	104
Provision for surcharge	83	—
Other	86	202
Total current liabilities	<u>5,037</u>	<u>5,082</u>
Non-current liabilities		
Long-term loans payable	759	574
Provision for retirement benefits	981	983
Provision for environmental measures	16	16
Other	775	930
Total non-current liabilities	<u>2,533</u>	<u>2,505</u>
Total liabilities	<u>7,571</u>	<u>7,587</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,686	9,229
Treasury stock	(4,716)	(4,724)
Total shareholders' equity	<u>34,660</u>	<u>35,193</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	714	999
Foreign currency translation adjustment	(173)	37
Total accumulated other comprehensive income	<u>540</u>	<u>1,037</u>
Minority interests	<u>1,053</u>	<u>1,186</u>
Total net assets	<u>36,254</u>	<u>37,417</u>
Total liabilities and net assets	<u>43,825</u>	<u>45,004</u>

## **Consolidated Statements of income and statements of comprehensive income**

### **Consolidated Statements of income**

For the first three quarters ended December 31, 2012 and 2013

	Unit : Millions of yen	
	April - December 2012	April - December 2013
Net sales	18,690	20,007
Cost of sales	15,190	16,571
Gross profit	3,499	3,436
Selling, general and administrative expenses	2,259	2,292
Operating income	1,239	1,143
Non-operating income		
Interest income	70	55
Dividends income	36	39
Amortization of negative goodwill	5	—
Other	29	46
Total non-operating income	142	141
Non-operating expenses		
Interest expenses	14	5
Equity in losses of affiliates	0	0
Other	30	12
Total non-operating expenses	44	18
Ordinary income	1,338	1,266
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	24	—
Gain on insurance adjustment	—	6
Total extraordinary income	25	6
Extraordinary loss		
Loss on disposal of non-current assets	36	12
Loss on valuation of investment securities	214	—
Loss on valuation of membership	6	0
Total extraordinary losses	257	12
Income before income taxes	1,106	1,260
Income taxes-current	107	153
Income taxes-deferred	89	50
Total income taxes	196	204
Income before minority interests	909	1,056
Minority interests in income	90	82
Net income	818	973

## Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2012 and 2013

	Unit : Millions of yen	
	April - December 2012	April - December 2013
Income before minority interests	909	1,056
Other comprehensive income		
Valuation difference on available-for-sale securities	128	285
Foreign currency translation adjustment	60	321
Share of other comprehensive income of associates accounted for using equity method	(1)	18
Total other comprehensive income	187	624
Comprehensive income	1,097	1,681
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	979	1,470
Comprehensive income attributable to minority interests	117	210