

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and June 30, 2014

	Unit : Millions of yen	
	March 31, 2014	June 30, 2014
Assets		
Current assets		
Cash and deposits	6,795	6,250
Notes and accounts receivable-trade	7,322	7,811
Short-term investment securities	508	708
Merchandise and finished goods	2,179	2,323
Work in process	55	89
Raw materials and supplies	1,015	935
Other	477	395
Allowance for doubtful accounts	(0)	(0)
Total current assets	18,353	18,514
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,436	21,026
Accumulated depreciation and impairment loss	(13,969)	(14,555)
Buildings and structures, net	6,466	6,470
Machinery, equipment and vehicles	26,871	27,829
Accumulated depreciation and impairment loss	(23,258)	(24,321)
Machinery, equipment and vehicles, net	3,613	3,508
Land	7,646	7,969
Lease assets	102	99
Accumulated depreciation	(25)	(29)
Lease assets, net	77	70
Construction in progress	15	32
Other	2,583	2,631
Accumulated depreciation and impairment loss	(2,254)	(2,289)
Other, net	328	342
Total property, plant and equipment	18,148	18,392
Intangible assets	19	18
Investments and other assets		
Investment securities	7,619	7,905
Other	915	924
Allowance for doubtful accounts	(82)	(81)
Total investments and other assets	8,452	8,748
Total non-current assets	26,620	27,158
Total assets	44,974	45,673

	Unit : Millions of yen	
	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	3,484	3,893
Current portion of long-term loans payable	259	259
Accounts payable-other	807	803
Income taxes payable	189	54
Provision for bonuses	208	139
Other	84	285
Total current liabilities	<u>5,033</u>	<u>5,435</u>
Non-current liabilities		
Long-term loans payable	499	444
Provision for environmental measures	16	24
Provision for assets removal	—	58
Net defined benefit liability	1,064	1,183
Other	866	545
Total non-current liabilities	<u>2,446</u>	<u>2,256</u>
Total liabilities	<u>7,480</u>	<u>7,691</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	9,416	9,859
Treasury stock	(4,726)	(4,727)
Total shareholders' equity	<u>35,379</u>	<u>35,821</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	863	1,005
Foreign currency translation adjustment	104	71
Remeasurements of defined benefit plans	(77)	(46)
Total accumulated other comprehensive income	<u>890</u>	<u>1,029</u>
Minority interests	1,223	1,129
Total net assets	<u>37,493</u>	<u>37,981</u>
Total liabilities and net assets	<u>44,974</u>	<u>45,673</u>

## Consolidated Statements of income and statements of comprehensive income

### **Consolidated Statements of income**

For the first quarter ended June 30, 2013 and 2014

	Unit : Millions of yen	
	April - June 2013	April - June 2014
Net sales	6,764	7,054
Cost of sales	5,521	5,890
Gross profit	1,243	1,164
Selling, general and administrative expenses	773	798
Operating income	469	365
Non-operating income		
Interest income	20	18
Dividends income	5	6
Equity in earnings of affiliates	—	0
Other	16	16
Total non-operating income	42	41
Non-operating expenses		
Interest expenses	2	8
Foreign exchange losses	10	5
Equity in losses of affiliates	3	—
Other	2	1
Total non-operating expenses	19	14
Ordinary income	493	392
Extraordinary income		
Gain on sales of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary loss		
Loss on disposal of non-current assets	2	1
Total extraordinary losses	2	1
Income before income taxes	490	391
Income taxes-current	20	44
Income taxes-deferred	66	(340)
Total income taxes	87	(295)
Income before minority interests	403	687
Minority interests in income (loss)	36	(4)
Net income	366	691

## Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2013 and 2014

	Unit : Millions of yen	
	April - June 2013	April - June 2014
Income before minority interests	403	687
Other comprehensive income		
Valuation difference on available-for-sale securities	109	141
Foreign currency translation adjustment	416	(45)
Remeasurements of defined benefit plans, net of tax	—	31
Share of other comprehensive income of associates accounted for using equity method	12	(5)
Total other comprehensive income	538	121
Comprehensive income	941	808
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	738	830
Comprehensive income attributable to minority interests	202	(21)