

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and December 31, 2014

	Unit : Millions of yen	
	March 31, 2014	December 31, 2014
Assets		
Current assets		
Cash and deposits	6,795	6,582
Notes and accounts receivable-trade	7,322	8,441
Short-term investment securities	508	1,308
Merchandise and finished goods	2,179	2,368
Work in process	55	67
Raw materials and supplies	1,015	1,029
Other	477	442
Allowance for doubtful accounts	(0)	(0)
Total current assets	18,353	20,238
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,436	21,049
Accumulated depreciation and impairment loss	(13,969)	(14,705)
Buildings and structures, net	6,466	6,343
Machinery, equipment and vehicles	26,871	28,009
Accumulated depreciation and impairment loss	(23,258)	(24,769)
Machinery, equipment and vehicles, net	3,613	3,239
Land	7,646	7,969
Lease assets	102	96
Accumulated depreciation	(25)	(36)
Lease assets, net	77	59
Construction in progress	15	191
Other	2,583	2,661
Accumulated depreciation and impairment loss	(2,254)	(2,309)
Other, net	328	351
Total property, plant and equipment	18,148	18,156
Intangible assets	19	16
Investments and other assets		
Investment securities	7,619	7,900
Other	915	1,094
Allowance for doubtful accounts	(82)	(81)
Total investments and other assets	8,452	8,913
Total non-current assets	26,620	27,086
Total assets	44,974	47,325

	Unit : Millions of yen	
	March 31, 2014	December 31, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	3,484	4,202
Current portion of long-term loans payable	259	259
Accounts payable-other	807	749
Income taxes payable	189	274
Provision for bonuses	208	134
Other	84	291
Total current liabilities	<u>5,033</u>	<u>5,912</u>
Non-current liabilities		
Long-term loans payable	499	314
Provision for environmental measures	16	22
Provision for assets removal	—	21
Net defined benefit liability	1,064	1,147
Other	866	714
Total non-current liabilities	<u>2,446</u>	<u>2,220</u>
Total liabilities	<u>7,480</u>	<u>8,132</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	9,416	10,486
Treasury stock	(4,726)	(4,730)
Total shareholders' equity	<u>35,379</u>	<u>36,445</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	863	1,373
Foreign currency translation adjustment	104	202
Remeasurements of defined benefit plans	(77)	(39)
Total accumulated other comprehensive income	<u>890</u>	<u>1,537</u>
Minority interests	1,223	1,210
Total net assets	<u>37,493</u>	<u>39,193</u>
Total liabilities and net assets	<u>44,974</u>	<u>47,325</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first three quarters ended December 31, 2013 and 2014

	Unit : Millions of yen	
	April - December 2013	April - December 2014
Net sales	20,007	20,962
Cost of sales	16,571	17,355
Gross profit	3,436	3,607
Selling, general and administrative expenses	2,292	2,446
Operating income	1,143	1,160
Non-operating income		
Interest income	55	42
Dividends income	39	41
Equity in earnings of affiliates	—	8
Foreign exchange gains	0	59
Other	46	38
Total non-operating income	141	190
Non-operating expenses		
Interest expenses	5	14
Equity in losses of affiliates	0	—
Other	12	7
Total non-operating expenses	18	22
Ordinary income	1,266	1,329
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	—	253
Gain on insurance adjustment	6	18
Total extraordinary income	6	271
Extraordinary loss		
Loss on disposal of non-current assets	12	8
Loss on valuation of membership	0	—
Total extraordinary losses	12	8
Income before income taxes	1,260	1,592
Income taxes-current	153	395
Income taxes-deferred	50	(335)
Total income taxes	204	59
Income before minority interests	1,056	1,532
Minority interests in income (loss)	82	(1)
Net income	973	1,534

Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2013 and 2014

	Unit : Millions of yen	
	April - December 2013	April - December 2014
Income before minority interests	1,056	1,532
Other comprehensive income		
Valuation difference on available-for-sale securities	285	509
Foreign currency translation adjustment	321	154
Remeasurements of defined benefit plans, net of tax	—	38
Share of other comprehensive income of associates accounted for using equity method	18	3
Total other comprehensive income	624	706
Comprehensive income	1,681	2,239
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,470	2,180
Comprehensive income attributable to minority interests	210	58