

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and September 30, 2015

	Unit : Millions of yen	
	March 31, 2015	September 30, 2015
Assets		
Current assets		
Cash and deposits	7,524	8,520
Notes and accounts receivable-trade	7,842	6,961
Short-term investment securities	1,808	1,509
Merchandise and finished goods	2,333	2,069
Work in process	44	159
Raw materials and supplies	889	1,052
Other	479	455
Allowance for doubtful accounts	(0)	(0)
Total current assets	20,922	20,728
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,228	21,241
Accumulated depreciation and impairment loss	(14,856)	(15,022)
Buildings and structures, net	6,371	6,218
Machinery, equipment and vehicles	28,650	28,842
Accumulated depreciation and impairment loss	(25,474)	(25,841)
Machinery, equipment and vehicles, net	3,176	3,000
Land	7,969	7,969
Lease assets	96	102
Accumulated depreciation and impairment loss	(49)	(58)
Lease assets, net	46	43
Construction in progress	24	16
Other	2,710	2,753
Accumulated depreciation and impairment loss	(2,364)	(2,392)
Other, net	346	361
Total property, plant and equipment	17,935	17,609
Intangible assets	15	18
Investments and other assets		
Investment securities	8,125	7,724
Other	1,100	1,176
Allowance for doubtful accounts	(81)	(80)
Total investments and other assets	9,144	8,820
Total non-current assets	27,096	26,448
Total assets	48,018	47,177

	Unit : Millions of yen	
	March 31, 2015	September 30, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	4,070	3,539
Current portion of long-term loans payable	259	259
Accounts payable-other	1,244	827
Income taxes payable	441	213
Provision for bonuses	288	348
Other	98	217
Total current liabilities	<u>6,404</u>	<u>5,407</u>
Non-current liabilities		
Long-term loans payable	239	109
Provision for environmental measures	22	26
Provision for assets removal	21	22
Net defined benefit liability	1,197	1,190
Other	738	613
Total non-current liabilities	<u>2,219</u>	<u>1,962</u>
Total liabilities	<u>8,623</u>	<u>7,370</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	10,173	10,895
Treasury stock	(4,733)	(4,735)
Total shareholders' equity	<u>36,129</u>	<u>36,850</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,652	1,379
Foreign currency translation adjustment	375	319
Remeasurements of defined benefit plans	(60)	(51)
Total accumulated other comprehensive income	<u>1,967</u>	<u>1,646</u>
Non-controlling interests	<u>1,296</u>	<u>1,310</u>
Total net assets	<u>39,394</u>	<u>39,806</u>
Total liabilities and net assets	<u>48,018</u>	<u>47,177</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2014 and 2015

	Unit : Millions of yen	
	April - September 2014	April - September 2015
Net sales	13,970	13,429
Cost of sales	11,666	10,506
Gross profit	2,304	2,922
Selling, general and administrative expenses	1,639	1,680
Operating income	665	1,241
Non-operating income		
Interest income	33	28
Dividends income	37	50
Equity in earnings of affiliates	6	2
Foreign exchange gains	23	—
Other	28	21
Total non-operating income	129	103
Non-operating expenses		
Interest expenses	13	7
Foreign exchange losses	—	49
Other	3	19
Total non-operating expenses	16	77
Ordinary income	778	1,267
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance adjustment	16	0
Gain on redemption of memberships rights	—	10
Total extraordinary income	16	10
Extraordinary loss		
Loss on disposal of non-current assets	5	13
Provision for environmental measures	—	3
Provision for assets removal	—	2
Total extraordinary losses	5	20
Income before income taxes	788	1,258
Income taxes-current	251	199
Income taxes-deferred	(442)	54
Total income taxes	(191)	254
Profit	980	1,003
Profit (loss) attributable to non-controlling interests	(8)	65
Profit attributable to owners of parent	988	937

Consolidated Statements of comprehensive income

For the first half ended September 30, 2014 and 2015

	Unit : Millions of yen	
	April - September 2014	April - September 2015
Profit	980	1,003
Other comprehensive income		
Valuation difference on available-for-sale securities	266	(273)
Foreign currency translation adjustment	(93)	(70)
Remeasurements of defined benefit plans, net of tax	35	8
Share of other comprehensive income of associates accounted for using equity method	(7)	(13)
Total other comprehensive income	200	(348)
Comprehensive income	1,180	655
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,227	616
Comprehensive income attributable to non-controlling interests	(46)	38