

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and December 31, 2015

	Unit : Millions of yen	
	March 31, 2015	December 31, 2015
Assets		
Current assets		
Cash and deposits	7,524	10,812
Notes and accounts receivable-trade	7,842	7,205
Short-term investment securities	1,808	1,909
Merchandise and finished goods	2,333	2,248
Work in process	44	111
Raw materials and supplies	889	934
Other	479	502
Allowance for doubtful accounts	(0)	(0)
Total current assets	20,922	23,724
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,228	21,226
Accumulated depreciation and impairment loss	(14,856)	(15,128)
Buildings and structures, net	6,371	6,097
Machinery, equipment and vehicles	28,650	28,625
Accumulated depreciation and impairment loss	(25,474)	(25,835)
Machinery, equipment and vehicles, net	3,176	2,790
Land	7,969	7,969
Lease assets	96	102
Accumulated depreciation and impairment loss	(49)	(62)
Lease assets, net	46	39
Construction in progress	24	65
Other	2,710	2,748
Accumulated depreciation and impairment loss	(2,364)	(2,399)
Other, net	346	349
Total property, plant and equipment	17,935	17,313
Intangible assets	15	17
Investments and other assets		
Investment securities	8,125	8,332
Other	1,100	1,166
Allowance for doubtful accounts	(81)	(80)
Total investments and other assets	9,144	9,418
Total non-current assets	27,096	26,748
Total assets	48,018	50,473

	Unit : Millions of yen	
	March 31, 2015	December 31, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	4,070	3,468
Current portion of long-term loans payable	259	859
Accounts payable-other	1,244	1,330
Income taxes payable	441	9
Provision for bonuses	288	137
Other	98	276
Total current liabilities	<u>6,404</u>	<u>6,083</u>
Non-current liabilities		
Long-term loans payable	239	2,454
Provision for environmental measures	22	18
Provision for assets removal	21	22
Net defined benefit liability	1,197	1,205
Other	738	758
Total non-current liabilities	<u>2,219</u>	<u>4,459</u>
Total liabilities	<u>8,623</u>	<u>10,542</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	10,173	11,034
Treasury stock	(4,733)	(4,738)
Total shareholders' equity	<u>36,129</u>	<u>36,986</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,652	1,716
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	375	90
Remeasurements of defined benefit plans	(60)	(47)
Total accumulated other comprehensive income	<u>1,967</u>	<u>1,758</u>
Non-controlling interests	<u>1,296</u>	<u>1,185</u>
Total net assets	<u>39,394</u>	<u>39,930</u>
Total liabilities and net assets	<u>48,018</u>	<u>50,473</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first three quarters ended December 31, 2014 and 2015

	Unit : Millions of yen	
	April - December 2014	April - December 2015
Net sales	20,962	19,485
Cost of sales	17,355	15,361
Gross profit	3,607	4,124
Selling, general and administrative expenses	2,446	2,459
Operating income	1,160	1,665
Non-operating income		
Interest income	42	40
Dividends income	41	51
Equity in earnings of affiliates	8	6
Foreign exchange gains	59	—
Other	38	50
Total non-operating income	190	149
Non-operating expenses		
Interest expenses	14	11
Foreign exchange losses	—	55
Other	7	22
Total non-operating expenses	22	90
Ordinary income	1,329	1,724
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	253	68
Gain on insurance adjustment	18	0
Gain on redemption of memberships rights	—	10
Total extraordinary income	271	78
Extraordinary loss		
Loss on disposal of non-current assets	8	17
Provision for environmental measures	—	9
Provision for assets removal	—	2
Total extraordinary losses	8	28
Income before income taxes	1,592	1,773
Income taxes-current	395	253
Income taxes-deferred	(335)	156
Total income taxes	59	409
Profit	1,532	1,363
Profit (loss) attributable to non-controlling interests	(1)	71
Profit attributable to owners of parent	1,534	1,292

Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2014 and 2015

	Unit : Millions of yen	
	April - December 2014	April - December 2015
Profit	1,532	1,363
Other comprehensive income		
Valuation difference on available-for-sale securities	509	61
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	154	(396)
Remeasurements of defined benefit plans, net of tax	38	12
Share of other comprehensive income of associates accounted for using equity method	3	(43)
Total other comprehensive income	706	(365)
Comprehensive income	2,239	998
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,180	1,083
Comprehensive income attributable to non-controlling interests	58	(85)