

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and June 30, 2016

	Unit : Millions of yen	
	March 31, 2016	June 30, 2016
Assets		
Current assets		
Cash and deposits	10,648	10,213
Notes and accounts receivable-trade	6,842	6,860
Short-term investment securities	1,309	1,412
Merchandise and finished goods	2,138	1,591
Work in process	54	578
Raw materials and supplies	814	870
Other	356	284
Allowance for doubtful accounts	(0)	(0)
Total current assets	22,163	21,810
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,327	21,447
Accumulated depreciation and impairment loss	(15,232)	(15,300)
Buildings and structures, net	6,095	6,147
Machinery, equipment and vehicles	28,719	28,701
Accumulated depreciation and impairment loss	(26,126)	(26,190)
Machinery, equipment and vehicles, net	2,592	2,511
Land	7,969	7,969
Lease assets	102	105
Accumulated depreciation and impairment loss	(66)	(70)
Lease assets, net	35	34
Construction in progress	175	226
Other	2,762	2,767
Accumulated depreciation and impairment loss	(2,350)	(2,360)
Other, net	411	407
Total property, plant and equipment	17,280	17,297
Intangible assets	17	25
Investments and other assets		
Investment securities	7,973	7,900
Other	1,451	1,518
Allowance for doubtful accounts	(79)	(79)
Total investments and other assets	9,344	9,339
Total non-current assets	26,643	26,662
Total assets	48,806	48,473

	Unit : Millions of yen	
	March 31, 2016	June 30, 2016
Liabilities		
Current liabilities		
Accounts payable-trade	3,034	3,150
Current portion of long-term loans payable	784	784
Accounts payable-other	1,297	1,340
Income taxes payable	161	149
Provision for bonuses	317	188
Other	98	308
Total current liabilities	<u>5,695</u>	<u>5,922</u>
Non-current liabilities		
Long-term loans payable	2,304	2,100
Provision for environmental measures	38	38
Provision for assets removal	21	21
Net defined benefit liability	1,301	1,300
Other	576	567
Total non-current liabilities	<u>4,243</u>	<u>4,028</u>
Total liabilities	<u>9,938</u>	<u>9,950</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	11,103	11,394
Treasury stock	(5,013)	(5,166)
Total shareholders' equity	<u>36,780</u>	<u>36,918</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	851	564
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	112	5
Remeasurements of defined benefit plans	(102)	(96)
Total accumulated other comprehensive income	<u>861</u>	<u>473</u>
Non-controlling interests	<u>1,227</u>	<u>1,130</u>
Total net assets	<u>38,868</u>	<u>38,522</u>
Total liabilities and net assets	<u>48,806</u>	<u>48,473</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first quarter ended June 30, 2015 and 2016

	Unit : Millions of yen	
	April - June 2015	April - June 2016
Net sales	7,044	6,384
Cost of sales	5,485	4,808
Gross profit	1,559	1,576
Selling, general and administrative expenses	858	874
Operating income	700	701
Non-operating income		
Interest income	14	15
Dividends income	7	5
Equity in earnings of affiliates	1	1
Other	9	10
Total non-operating income	31	33
Non-operating expenses		
Interest expenses	4	6
Foreign exchange losses	6	42
Other	18	7
Total non-operating expenses	28	56
Ordinary income	703	679
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance adjustment	—	0
Settlement received	—	43
Total extraordinary income	0	43
Extraordinary loss		
Loss on disposal of non-current assets	6	4
Other	—	0
Total extraordinary losses	6	5
Income before income taxes	696	717
Income taxes-current	79	109
Income taxes-deferred	122	59
Total income taxes	202	169
Profit	494	548
Profit attributable to non-controlling interests	38	44
Profit attributable to owners of parent	456	503

Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2015 and 2016

	Unit : Millions of yen	
	April - June 2015	April - June 2016
Profit	494	548
Other comprehensive income		
Valuation difference on available-for-sale securities	225	(283)
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	9	(176)
Remeasurements of defined benefit plans, net of tax	4	5
Share of other comprehensive income of associates accounted for using equity method	0	(3)
Total other comprehensive income	239	(457)
Comprehensive income	734	91
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	692	115
Comprehensive income attributable to non-controlling interests	42	(24)