

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of June 30 and March 31, 2009

	Unit : Millions of yen	
	June 30, 2009	March 31, 2009
Assets		
Current assets		
Cash and deposits	4,602	4,554
Notes and accounts receivable-trade	5,011	5,485
Short-term investment securities	2,799	2,288
Merchandise and finished goods	1,433	1,656
Work in process	15	17
Raw materials and supplies	568	602
Other	511	705
Allowance for doubtful accounts	(0)	(0)
Total current assets	14,942	15,309
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,851	19,612
Accumulated depreciation and impairment loss	(12,062)	(11,925)
Buildings and structures, net	7,789	7,686
Machinery, equipment and vehicles	23,311	22,716
Accumulated depreciation and impairment loss	(18,513)	(18,142)
Machinery, equipment and vehicles, net	4,798	4,574
Land	7,639	7,639
Lease assets	28	25
Accumulated depreciation	(3)	(2)
Lease assets, net	24	22
Construction in progress	11	67
Other	2,364	2,360
Accumulated depreciation and impairment loss	(1,950)	(1,919)
Other, net	413	440
Total property, plant and equipment	20,676	20,431
Intangible assets	356	363
Investments and other assets		
Investment securities	9,029	8,763
Other	923	887
Allowance for doubtful accounts	(167)	(169)
Allowance for investment loss	(204)	(204)
Total investments and other assets	9,579	9,276
Total non-current assets	30,612	30,071
Total assets	45,554	45,380

	Unit : Millions of yen	
	June 30, 2009	March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,317	2,293
Short-term loans payable	2,600	2,600
Current portion of long-term loans payable	1,400	1,400
Accounts payable-other	1,752	1,599
Income taxes payable	43	44
Provision for bonuses	62	135
Other	139	56
Total current liabilities	8,315	8,128
Non-current liabilities		
Long-term loans payable	2,475	2,775
Provision for retirement benefits	961	955
Provision for environmental measures	6	6
Negative goodwill	71	77
Other	449	331
Total non-current liabilities	3,963	4,145
Total liabilities	12,278	12,273
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,905	25,977
Retained earnings	6,415	6,589
Treasury stock	(4,703)	(4,701)
Total shareholders' equity	32,617	32,864
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	167	(185)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(253)	(310)
Total valuation and translation adjustments	(85)	(496)
Minority interests	743	738
Total net assets	33,276	33,106
Total liabilities and net assets	45,554	45,380

Consolidated Statements of income

For the first quarter ended June 30, 2008 and 2009

	Unit : Millions of yen	
	April - June 2008	April - June 2009
Net sales	6,273	4,598
Cost of sales	5,201	4,030
Gross profit	1,071	567
Selling, general and administrative expenses	776	658
Operating income (loss)	294	(90)
Non-operating income		
Interest income	42	33
Dividends income	14	3
Amortization of negative goodwill	6	6
Equity in earnings of affiliates	2	—
Other	8	11
Total non-operating income	75	54
Non-operating expenses		
Interest expenses	23	18
Equity in losses of affiliates	—	0
Foreign exchange losses	21	—
Other	11	3
Total non-operating expenses	56	22
Ordinary income (loss)	312	(58)
Extraordinary income		
Gain on bad debts recovered	20	—
Reversal of allowance for doubtful accounts	0	0
Total extraordinary income	20	0
Extraordinary loss		
Loss on disposal of non-current assets	7	15
Directors' retirement benefits	3	—
Total extraordinary losses	10	15
Income (loss) before income taxes	322	(73)
Income taxes-current	39	14
Income taxes-deferred	22	63
Total income taxes	62	78
Minority interests in income	42	21
Net income (loss)	217	(173)