

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of September 30 and March 31, 2009

	Unit : Millions of yen	
	September 30, 2009	March 31, 2009
Assets		
Current assets		
Cash and deposits	4,216	4,554
Notes and accounts receivable-trade	5,211	5,485
Short-term investment securities	2,007	2,288
Merchandise and finished goods	1,466	1,656
Work in process	42	17
Raw materials and supplies	574	602
Other	533	705
Allowance for doubtful accounts	(0)	(0)
Total current assets	14,052	15,309
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,869	19,612
Accumulated depreciation and impairment loss	(12,201)	(11,925)
Buildings and structures, net	7,667	7,686
Machinery, equipment and vehicles	23,406	22,716
Accumulated depreciation and impairment loss	(18,888)	(18,142)
Machinery, equipment and vehicles, net	4,518	4,574
Land	7,639	7,639
Lease assets	31	25
Accumulated depreciation	(4)	(2)
Lease assets, net	27	22
Construction in progress	459	67
Other	2,386	2,360
Accumulated depreciation and impairment loss	(1,983)	(1,919)
Other, net	402	440
Total property, plant and equipment	20,714	20,431
Intangible assets	331	363
Investments and other assets		
Investment securities	8,421	8,763
Other	906	887
Allowance for doubtful accounts	(162)	(169)
Allowance for investment loss	(204)	(204)
Total investments and other assets	8,960	9,276
Total non-current assets	30,005	30,071
Total assets	44,058	45,380

		Unit : Millions of yen	
		September 30,	March 31,
		2009	2009
Liabilities			
Current liabilities			
Notes and accounts payable-trade	2,332	2,293	
Short-term loans payable	1,600	2,600	
Current portion of long-term loans payable	750	1,400	
Accounts payable-other	1,717	1,599	
Income taxes payable	55	44	
Provision for bonuses	162	135	
Other	108	56	
Total current liabilities	6,725	8,128	
Non-current liabilities			
Long-term loans payable	2,400	2,775	
Provision for retirement benefits	967	955	
Provision for environmental measures	6	6	
Negative goodwill	64	77	
Other	412	331	
Total non-current liabilities	3,851	4,145	
Total liabilities	10,577	12,273	
Net assets			
Shareholders' equity			
Capital stock	5,000	5,000	
Capital surplus	25,905	25,977	
Retained earnings	6,604	6,589	
Treasury stock	(4,704)	(4,701)	
Total shareholders' equity	32,805	32,864	
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	115	(185)	
Deferred gains or losses on hedges	—	(0)	
Foreign currency translation adjustment	(221)	(310)	
Total valuation and translation adjustments	(106)	(496)	
Minority interests	781	738	
Total net assets	33,480	33,106	
Total liabilities and net assets	44,058	45,380	

Consolidated Statements of income

For the first half ended September 30, 2008 and 2009

	Unit : Millions of yen	
	April - September 2008	April - September 2009
Net sales	12,430	9,290
Cost of sales	10,415	7,944
Gross profit	2,015	1,345
Selling, general and administrative expenses	1,579	1,298
Operating income	435	47
Non-operating income		
Interest income	88	63
Dividends income	41	21
Amortization of negative goodwill	13	13
Equity in earnings of affiliates	8	—
Other	40	38
Total non-operating income	190	136
Non-operating expenses		
Interest expenses	46	36
Equity in losses of affiliates	—	6
Foreign exchange losses	19	12
Other	20	8
Total non-operating expenses	86	63
Ordinary income	539	120
Extraordinary income		
Gain on bad debts recovered	25	—
Reversal of allowance for doubtful accounts	0	0
Total extraordinary income	26	0
Extraordinary loss		
Loss on disposal of non-current assets	24	19
Loss on sales of investment securities	2	—
Directors' retirement benefits	3	—
Total extraordinary losses	30	19
Income before income taxes	535	101
Income taxes-current	65	29
Income taxes-deferred	1	14
Total income taxes	66	43
Minority interests in income	89	42
Net income	379	15