Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of September 30 and March 31, 2010

	Uni	Unit : Millions of yen	
	September 30, 2010	March 31, 2010	
Assets			
Current assets	1.50 (6	
Cash and deposits	4,536	6,550	
Notes and accounts receivable-trade	6,405	5,814	
Short-term investment securities	1,000	904	
Merchandise and finished goods	1,473	1,411	
Work in process	25	19	
Raw materials and supplies	586	606	
Other	450	497	
Allowance for doubtful accounts	(1)	(0)	
Total current assets	14,477	15,803	
Non-current assets			
Property, plant and equipment			
Buildings and structures	19,837	19,837	
Accumulated depreciation and impairment loss	(12,685)	(12,446)	
Buildings and structures, net	7,152	7,390	
Machinery, equipment and vehicles	23,529	23,460	
Accumulated depreciation and impairment loss	(20,050)	(19,511)	
Machinery, equipment and vehicles, net	3,479	3,949	
Land	7,639	7,639	
Lease assets	31	31	
Accumulated depreciation	(10)	(7)	
Lease assets, net	20	23	
Construction in progress	1,561	867	
Other	2,409	2,381	
Accumulated depreciation and impairment loss	(2,079)	(2,036)	
Other, net	329	345	
Total property, plant and equipment	20,183	20,216	
Intangible assets	230	281	
Investments and other assets			
Investment securities	8,429	8,637	
Other	647	681	
Allowance for doubtful accounts	(86)	(87)	
Allowance for investment loss	_	(382)	
Total investments and other assets	8,990	8,848	
Total non-current assets	29,404	29,346	
Total assets	43,881	45,150	

September 30, 2010March 31, 2010Liabilities 2010 Current liabilities $3,005$ Notes and accounts payable-trade $3,005$ Short-term loans payable $-$ 1,000Current portion of long-term loans payable1,2521,252Accounts payable-other $1,667$ Income taxes payable 59 Provision for bonuses21919156Other 81 52 $6,853$ Non-current liabilities $6,285$ Long-term loans payable $2,395$ 3,022Provision for retirement benefits987982Provision for retirement benefits 987 982Provision for retirement benefits987 $3,953$ 4,710Total non-current liabilities $3,953$ 4,710Total inabilities $10,239$ 11,564Net assetsShareholders' equityCapital stock $5,000$ 5,000 $5,000$ Capital stock $5,000$ 5,000 $5,000$ Capital stock $5,000$ 5,000 $5,000$ Capital stock $2,3747$ Valuation and translation adjustmentsValuation and translation adjustmentCapital valuation and translation adjustmentCapital valuation and translation adjustmentsValuation and translation adjustmentsCapital valuation and translation adjustmentsCapital valuation and translation adjustmentsCapital valuation and t		Unit	Unit : Millions of yen	
Current liabilitiesNotes and accounts payable-trade $3,005$ $2,784$ Short-term loans payable $ 1,000$ Current portion of long-term loans payable $1,252$ $1,252$ Accounts payable-other $1,667$ $1,536$ Income taxes payable 59 71 Provision for bonuses 219 156 Other 81 52 Total current liabilities $6,285$ $6,853$ Non-current liabilities $6,285$ $6,853$ Non-current liabilities 987 982 Provision for retirement benefits 987 982 Provision for retirement benefits 987 982 Provision for renvironmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $3,953$ $4,710$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $4,707$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustments $1(173)$ 12 Minority interests 757 827 Total net assets $33,642$ $33,586$		· ·		
Notes and accounts payable-trade $3,005$ $2,784$ Short-term loans payable $ 1,000$ Current portion of long-term loans payable $1,252$ $1,252$ Accounts payable-other $1,667$ $1,536$ Income taxes payable 59 71 Provision for bonuses 219 156 Other 81 52 Total current liabilities $6,285$ $6,853$ Non-current liabilities $6,285$ $6,853$ Non-current liabilities 987 982 Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $6,547$ $7,076$ Treasury stock $(4,707)$ $(4,706)$ Total valuation adjustments 100 263 Valuation and translation adjustments 100 263 Foreign currency translation adjustments 1733 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Liabilities			
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Current liabilities			
Current portion of long-term loans payable $1,252$ $1,252$ Accounts payable-other $1,667$ $1,536$ Income taxes payable 59 71 Provision for bonuses 219 156 Other 81 52 Total current liabilities $6,285$ $6,833$ Non-current liabilities $6,285$ $6,833$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $10,239$ $11,564$ Net assets $5,000$ $5,000$ $5,000$ Capital stock $4,707$ $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 1023 122 Valuation difference on available-for-sale securities 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments 173 12 Minority interests 757 827 Total net assets $33,642$ $33,586$ <td>Notes and accounts payable-trade</td> <td>3,005</td> <td>2,784</td>	Notes and accounts payable-trade	3,005	2,784	
Accounts payable-other1,6671,536Income taxes payable5971Provision for bonuses219156Other8152Total current liabilities $6,285$ $6,853$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits987982Provision for retirement benefits987982Provision for environmental measures66Negative goodwill3851Other525647Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $10,239$ $11,564$ Net assetsShareholders' equity $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Short-term loans payable	_	1,000	
Income taxes payable 59 71 Provision for bonuses 219 156 Other 81 52 Total current liabilities $6,285$ $6,853$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments (273) (251) Valuation and translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Current portion of long-term loans payable	1,252	1,252	
Provision for bonuses 219 156 Other 81 52 Total current liabilities $6,285$ $6,853$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $22,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation difference on available-for-sale securities 100 263 Foreign currency translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Accounts payable-other	1,667	1,536	
Other 81 52 Total current liabilities $6,285$ $6,853$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Income taxes payable	59	71	
Total current liabilities $6,285$ $6,853$ Non-current liabilities $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assetsShareholders' equity $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Provision for bonuses	219	156	
Non-current liabilities2,3953,022Provision for retirement benefits987982Provision for environmental measures66Negative goodwill3851Other525647Total non-current liabilities3,9534,710Total liabilities10,23911,564Net assets55,000Shareholders' equity25,68925,905Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Other	81	52	
Long-term loans payable $2,395$ $3,022$ Provision for retirement benefits 987 982 Provision for environmental measures 6 6 Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $10,239$ $11,564$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Total current liabilities	6,285	6,853	
Provision for retirement benefits987982Provision for environmental measures66Negative goodwill3851Other525647Total non-current liabilities $3,953$ $4,710$ Total non-current liabilities $10,239$ $11,564$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Non-current liabilities			
Provision for environmental measures66Negative goodwill3851Other525647Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Long-term loans payable	2,395	3,022	
Negative goodwill 38 51 Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $10,239$ $11,564$ Net assets $5,000$ $5,000$ Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Provision for retirement benefits	987	982	
Other 525 647 Total non-current liabilities $3,953$ $4,710$ Total liabilities $10,239$ $11,564$ Net assets $10,239$ $11,564$ Net assetsShareholders' equity $5,000$ $5,000$ Capital stock $5,000$ $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Provision for environmental measures	6	6	
Total non-current liabilities3,9534,710Total liabilities10,23911,564Net assets10,23911,564Shareholders' equity5,0005,000Capital stock5,0005,000Capital surplus25,68925,905Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Negative goodwill	38	51	
Total liabilities10,23911,564Net assets10,23911,564Net assetsShareholders' equity5,000Capital stock5,0005,000Capital surplus25,68925,905Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments112Minority interests757827Total net assets33,64233,586	Other	525	647	
Net assetsShareholders' equityCapital stock5,000Capital surplus25,68925,905Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustmentsValuation difference on available-for-sale securities100263Foreign currency translation adjustment(273)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Total non-current liabilities	3,953	4,710	
Shareholders' equityCapital stock5,000Capital surplus25,689Capital surplus25,689Retained earnings7,076Gaptal surplus stock(4,707)Treasury stock(4,707)Total shareholders' equity33,058Valuation and translation adjustments100Valuation difference on available-for-sale securities100Foreign currency translation adjustment(273)Total valuation and translation adjustments(173)Total valuation and translation adjustments(173)Total valuation and translation adjustments33,642Minority interests33,642Total net assets33,586	Total liabilities	10,239	11,564	
Capital stock $5,000$ $5,000$ Capital surplus $25,689$ $25,905$ Retained earnings $7,076$ $6,547$ Treasury stock $(4,707)$ $(4,706)$ Total shareholders' equity $33,058$ $32,747$ Valuation and translation adjustments 100 263 Foreign currency translation adjustment (273) (251) Total valuation and translation adjustments (173) 12 Minority interests 757 827 Total net assets $33,642$ $33,586$	Net assets			
Capital surplus25,68925,905Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments112Minority interests757827Total net assets33,64233,586	Shareholders' equity			
Retained earnings7,0766,547Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments112Minority interests757827Total net assets33,64233,586	Capital stock	5,000	5,000	
Treasury stock(4,707)(4,706)Total shareholders' equity33,05832,747Valuation and translation adjustments33,05832,747Valuation difference on available-for-sale securities100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Capital surplus	25,689	25,905	
Total shareholders' equity33,05832,747Valuation and translation adjustments100263Valuation difference on available-for-sale securities100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Retained earnings	7,076	6,547	
Valuation and translation adjustments100263Valuation difference on available-for-sale securities100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Treasury stock	(4,707)	(4,706)	
Valuation difference on available-for-sale securities100263Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Total shareholders' equity	33,058	32,747	
Foreign currency translation adjustment(273)(251)Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Valuation and translation adjustments			
Total valuation and translation adjustments(173)12Minority interests757827Total net assets33,64233,586	Valuation difference on available-for-sale securities	100	263	
Minority interests757827Total net assets33,64233,586	Foreign currency translation adjustment	(273)	(251)	
Total net assets 33,642 33,586	Total valuation and translation adjustments	(173)	12	
	Minority interests	757	827	
Total liabilities and net assets43,88145,150	Total net assets	33,642	33,586	
	Total liabilities and net assets	43,881	45,150	

Consolidated Statements of income

For the first half ended September 30, 2009 and 2010

	Unit : Millions of yen	
	April - September 2009	April - September 2010
Net sales	9,290	11,479
Cost of sales	7,944	9,449
Gross profit	1,345	2,030
Selling, general and administrative expenses	1,298	1,470
Operating income	47	559
Non-operating income		
Interest income	63	62
Dividends income	21	29
Equity in earnings of affiliates	_	3
Amortization of negative goodwill	13	13
Other	38	24
Total non-operating income	136	132
Non-operating expenses		
Interest expenses	36	25
Equity in losses of affiliates	6	_
Taxes and dues	_	10
Foreign exchange losses	12	_
Other	8	3
Total non-operating expenses	63	38
Ordinary income	120	653
Extraordinary income		
Reversal of allowance for doubtful accounts	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on disposal of non-current assets	19	16
Loss on valuation of investment securities	—	65
Loss on valuation of membership		2
Total extraordinary losses	19	83
Income before income taxes	101	570
Income taxes-current	29	40
Income taxes-deferred	14	(31)
Total income taxes	43	8
Income before minority interests		562
Minority interests in income	42	33
Net income	15	528