

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of September 30 and March 31, 2010

| | Unit : Millions of yen | |
|--|------------------------|-------------------|
| | September 30, 2010 | March 31, 2010 |
| Assets | | |
| Current assets | | |
| 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 |

| | Unit : Millions of yen | |
|---|------------------------|-------------------|
| | September 30, 2010 | March 31, 2010 |
| Liabilities | | |
| Current liabilities | | |
| 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 | | |
| 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 liabilities | 10,239 | 11,564 |
| Net assets | | |
| Shareholders' equity | | |
| 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 | | |
| 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 |
| 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 |