

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and June 30, 2012

	Unit : Millions of yen	
	March 31, 2012	June 30, 2012
Assets		
Current assets		
Cash and deposits	3,989	4,411
Notes and accounts receivable-trade	7,128	7,461
Short-term investment securities	1,508	1,510
Merchandise and finished goods	1,955	1,926
Work in process	23	52
Raw materials and supplies	723	849
Other	528	449
Allowance for doubtful accounts	(0)	(0)
Total current assets	15,856	16,661
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,989	20,018
Accumulated depreciation and impairment loss	(13,262)	(13,386)
Buildings and structures, net	6,727	6,631
Machinery, equipment and vehicles	25,142	25,362
Accumulated depreciation and impairment loss	(21,665)	(21,928)
Machinery, equipment and vehicles, net	3,477	3,434
Land	7,651	7,651
Lease assets	48	48
Accumulated depreciation	(22)	(24)
Lease assets, net	26	23
Construction in progress	346	302
Other	2,428	2,450
Accumulated depreciation and impairment loss	(2,165)	(2,186)
Other, net	263	263
Total property, plant and equipment	18,491	18,306
Intangible assets	105	85
Investments and other assets		
Investment securities	7,216	7,069
Other	753	791
Allowance for doubtful accounts	(84)	(84)
Total investments and other assets	7,884	7,776
Total non-current assets	26,482	26,168
Total assets	42,339	42,829

	Unit : Millions of yen	
	March 31, 2012	June 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	3,023	3,460
Current portion of long-term loans payable	1,244	1,051
Accounts payable-other	996	942
Income taxes payable	59	45
Provision for bonuses	214	115
Other	75	210
Total current liabilities	5,613	5,826
Non-current liabilities		
Long-term loans payable	525	733
Provision for retirement benefits	1,003	1,021
Provision for environmental measures	16	16
Negative goodwill	5	2
Other	598	604
Total non-current liabilities	2,149	2,379
Total liabilities	7,762	8,205
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,020	7,948
Treasury stock	(4,713)	(4,713)
Total shareholders' equity	33,996	33,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	196
Foreign currency translation adjustment	(406)	(281)
Total accumulated other comprehensive income	(165)	(85)
Minority interests	745	785
Total net assets	34,576	34,623
Total liabilities and net assets	42,339	42,829

Consolidated Statements of income and statements of comprehensive income**Consolidated Statements of income**

For the first quarter ended June 30, 2011 and 2012

	Unit : Millions of yen	
	April - June 2011	April - June 2012
Net sales	6,310	6,257
Cost of sales	5,179	5,028
Gross profit	1,130	1,229
Selling, general and administrative expenses	740	741
Operating income	390	488
Non-operating income		
Interest income	31	23
Dividends income	6	4
Amortization of negative goodwill	6	2
Equity in earnings of affiliates	1	1
Other	36	9
Total non-operating income	82	42
Non-operating expenses		
Interest expenses	7	5
Foreign exchange losses	4	25
Other	1	10
Total non-operating expenses	14	42
Ordinary income	458	488
Extraordinary income		
Surrender value of insurance	3	—
Other	0	—
Total extraordinary income	4	—
Extraordinary loss		
Loss on disposal of non-current assets	0	7
Loss on valuation of investment securities	—	214
Loss on valuation of membership	—	5
Total extraordinary losses	0	226
Income before income taxes	462	261
Income taxes-current	19	36
Income taxes-deferred	23	61
Total income taxes	42	97
Income before minority interests	419	163
Minority interests in income	28	19
Net income	391	143

Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2011 and 2012

	Unit : Millions of yen	
	April - June 2011	April - June 2012
Income before minority interests	419	163
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	(44)
Foreign currency translation adjustment	44	201
Share of other comprehensive income of associates accounted for using equity method	2	1
Total other comprehensive income	28	158
Comprehensive income	447	322
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	401	223
Comprehensive income attributable to minority interests	45	98