

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and September 30, 2012

	Unit : Millions of yen	
	March 31, 2012	September 30, 2012
Assets		
Current assets		
Cash and deposits	3,989	4,270
Notes and accounts receivable-trade	7,128	7,489
Short-term investment securities	1,508	810
Merchandise and finished goods	1,955	1,820
Work in process	23	76
Raw materials and supplies	723	887
Other	528	616
Allowance for doubtful accounts	(0)	(0)
Total current assets	15,856	15,971
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,989	20,109
Accumulated depreciation and impairment loss	(13,262)	(13,503)
Buildings and structures, net	6,727	6,606
Machinery, equipment and vehicles	25,142	25,118
Accumulated depreciation and impairment loss	(21,665)	(21,978)
Machinery, equipment and vehicles, net	3,477	3,139
Land	7,651	7,651
Lease assets	48	52
Accumulated depreciation	(22)	(27)
Lease assets, net	26	24
Construction in progress	346	684
Other	2,428	2,452
Accumulated depreciation and impairment loss	(2,165)	(2,191)
Other, net	263	260
Total property, plant and equipment	18,491	18,367
Intangible assets	105	64
Investments and other assets		
Investment securities	7,216	7,278
Other	753	976
Allowance for doubtful accounts	(84)	(84)
Total investments and other assets	7,884	8,170
Total non-current assets	26,482	26,602
Total assets	42,339	42,574

	Unit : Millions of yen	
	March 31, 2012	September 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	3,023	3,243
Short-term loans payable	—	3
Current portion of long-term loans payable	1,244	745
Accounts payable-other	996	813
Income taxes payable	59	100
Provision for bonuses	214	283
Other	75	134
Total current liabilities	5,613	5,323
Non-current liabilities		
Long-term loans payable	525	658
Provision for retirement benefits	1,003	1,017
Provision for environmental measures	16	16
Negative goodwill	5	—
Other	598	592
Total non-current liabilities	2,149	2,285
Total liabilities	7,762	7,609
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,020	8,386
Treasury stock	(4,713)	(4,714)
Total shareholders' equity	33,996	34,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	148
Foreign currency translation adjustment	(406)	(387)
Total accumulated other comprehensive income	(165)	(238)
Minority interests	745	842
Total net assets	34,576	34,965
Total liabilities and net assets	42,339	42,574

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

For the first half ended September 30, 2011 and 2012

	Unit : Millions of yen	
	April - September 2011	April - September 2012
Net sales	12,393	12,487
Cost of sales	10,360	10,109
Gross profit	2,032	2,377
Selling, general and administrative expenses	1,498	1,503
Operating income	534	873
Non-operating income		
Interest income	64	47
Dividends income	32	35
Amortization of negative goodwill	13	5
Equity in earnings of affiliates	3	1
Other	47	18
Total non-operating income	161	107
Non-operating expenses		
Interest expenses	15	11
Foreign exchange losses	11	22
Commission fee	41	—
Other	3	26
Total non-operating expenses	70	60
Ordinary income	625	921
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on sales of investment securities	—	24
Surrender value of insurance	3	—
Other	0	—
Total extraordinary income	4	25
Extraordinary loss		
Loss on disposal of non-current assets	10	7
Loss on valuation of investment securities	—	214
Loss on valuation of membership	—	5
Total extraordinary losses	10	227
Income before income taxes	619	719
Income taxes-current	36	90
Income taxes-deferred	(59)	(2)
Total income taxes	(23)	88
Income before minority interests	642	631
Minority interests in income	33	49
Net income	609	581

**Consolidated Statements of comprehensive income**

For the first half ended September 30, 2011 and 2012

	Unit : Millions of yen	
	April - September 2011	April - September 2012
Income before minority interests	642	631
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	(90)
Foreign currency translation adjustment	(51)	35
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(174)	(55)
Comprehensive income	468	575
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	455	508
Comprehensive income attributable to minority interests	12	67