

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and December 31, 2012

	Unit : Millions of yen	
	March 31, 2012	December 31, 2012
Assets		
Current assets		
Cash and deposits	3,989	4,502
Notes and accounts receivable-trade	7,128	7,615
Short-term investment securities	1,508	309
Merchandise and finished goods	1,955	1,888
Work in process	23	44
Raw materials and supplies	723	962
Other	528	554
Allowance for doubtful accounts	(0)	(0)
Total current assets	15,856	15,877
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,989	20,084
Accumulated depreciation and impairment loss	(13,262)	(13,584)
Buildings and structures, net	6,727	6,499
Machinery, equipment and vehicles	25,142	25,377
Accumulated depreciation and impairment loss	(21,665)	(22,060)
Machinery, equipment and vehicles, net	3,477	3,316
Land	7,651	7,646
Lease assets	48	59
Accumulated depreciation	(22)	(30)
Lease assets, net	26	29
Construction in progress	346	779
Other	2,428	2,460
Accumulated depreciation and impairment loss	(2,165)	(2,196)
Other, net	263	264
Total property, plant and equipment	18,491	18,535
Intangible assets	105	44
Investments and other assets		
Investment securities	7,216	7,553
Other	753	961
Allowance for doubtful accounts	(84)	(84)
Total investments and other assets	7,884	8,431
Total non-current assets	26,482	27,010
Total assets	42,339	42,888

	Unit : Millions of yen	
	March 31, 2012	December 31, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	3,023	3,215
Current portion of long-term loans payable	1,244	502
Accounts payable-other	996	1,041
Income taxes payable	59	73
Provision for bonuses	214	95
Other	75	170
Total current liabilities	5,613	5,099
Non-current liabilities		
Long-term loans payable	525	834
Provision for retirement benefits	1,003	1,016
Provision for environmental measures	16	16
Negative goodwill	5	—
Other	598	655
Total non-current liabilities	2,149	2,523
Total liabilities	7,762	7,622
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,020	8,403
Treasury stock	(4,713)	(4,715)
Total shareholders' equity	33,996	34,377
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	369
Foreign currency translation adjustment	(406)	(373)
Total accumulated other comprehensive income	(165)	(4)
Minority interests	745	892
Total net assets	34,576	35,266
Total liabilities and net assets	42,339	42,888

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

For the first three quarters ended December 31, 2011 and 2012

	Unit : Millions of yen	
	April - December 2011	April - December 2012
Net sales	18,347	18,690
Cost of sales	15,307	15,190
Gross profit	3,039	3,499
Selling, general and administrative expenses	2,218	2,259
Operating income	821	1,239
Non-operating income		
Interest income	90	70
Dividends income	33	36
Amortization of negative goodwill	16	5
Equity in earnings of affiliates	7	—
Other	55	29
Total non-operating income	203	142
Non-operating expenses		
Interest expenses	21	14
Foreign exchange losses	8	—
Commission fee	41	—
Equity in losses of affiliates	—	0
Other	4	30
Total non-operating expenses	76	44
Ordinary income	948	1,338
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	—	24
Surrender value of insurance	3	—
Total extraordinary income	4	25
Extraordinary loss		
Loss on disposal of non-current assets	15	36
Loss on valuation of investment securities	41	214
Loss on valuation of membership	—	6
Total extraordinary losses	56	257
Income before income taxes	895	1,106
Income taxes-current	51	107
Income taxes-deferred	(9)	89
Total income taxes	41	196
Income before minority interests	853	909
Minority interests in income	68	90
Net income	784	818

Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2011 and 2012

	Unit : Millions of yen	
	April - December 2011	April - December 2012
Income before minority interests	853	909
Other comprehensive income		
Valuation difference on available-for-sale securities	(196)	128
Foreign currency translation adjustment	(174)	60
Share of other comprehensive income of associates accounted for using equity method	(3)	(1)
Total other comprehensive income	(374)	187
Comprehensive income	479	1,097
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	479	979
Comprehensive income attributable to minority interests	(0)	117