

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and June 30, 2013

	Unit : Millions of yen	
	March 31, 2013	June 30, 2013
Assets		
Current assets		
Cash and deposits	4,616	5,003
Notes and accounts receivable-trade	7,670	8,082
Short-term investment securities	584	483
Merchandise and finished goods	2,135	2,205
Work in process	20	46
Raw materials and supplies	956	1,022
Other	556	524
Allowance for doubtful accounts	(0)	(0)
Total current assets	16,539	17,368
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,163	20,207
Accumulated depreciation and impairment loss	(13,692)	(13,808)
Buildings and structures, net	6,470	6,398
Machinery, equipment and vehicles	25,783	26,028
Accumulated depreciation and impairment loss	(22,370)	(22,732)
Machinery, equipment and vehicles, net	3,412	3,295
Land	7,646	7,646
Lease assets	59	63
Accumulated depreciation	(33)	(36)
Lease assets, net	26	26
Construction in progress	780	883
Other	2,494	2,523
Accumulated depreciation and impairment loss	(2,217)	(2,238)
Other, net	276	284
Total property, plant and equipment	18,612	18,534
Intangible assets	24	21
Investments and other assets		
Investment securities	7,575	7,548
Other	1,156	1,138
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	8,648	8,603
Total non-current assets	27,285	27,160
Total assets	43,825	44,528

	Unit : Millions of yen	
	March 31, 2013	June 30, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	3,309	3,571
Current portion of long-term loans payable	259	259
Accounts payable-other	968	918
Income taxes payable	134	59
Provision for bonuses	195	89
Provision for surcharge	83	—
Other	86	202
Total current liabilities	5,037	5,101
Non-current liabilities		
Long-term loans payable	759	704
Provision for retirement benefits	981	977
Provision for environmental measures	16	16
Other	775	829
Total non-current liabilities	2,533	2,528
Total liabilities	7,571	7,629
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,686	8,836
Treasury stock	(4,716)	(4,717)
Total shareholders' equity	34,660	34,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	714	824
Foreign currency translation adjustment	(173)	87
Total accumulated other comprehensive income	540	912
Minority interests	1,053	1,177
Total net assets	36,254	36,898
Total liabilities and net assets	43,825	44,528

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

For the first quarter ended June 30, 2012 and 2013

	Unit : Millions of yen	
	April - June 2012	April - June 2013
Net sales	6,257	6,764
Cost of sales	5,028	5,521
Gross profit	1,229	1,243
Selling, general and administrative expenses	741	773
Operating income	488	469
Non-operating income		
Interest income	23	20
Dividends income	4	5
Amortization of negative goodwill	2	—
Equity in earnings of affiliates	1	—
Other	9	16
Total non-operating income	42	42
Non-operating expenses		
Interest expenses	5	2
Foreign exchange losses	25	10
Equity in losses of affiliates	—	3
Other	10	2
Total non-operating expenses	42	19
Ordinary income	488	493
Extraordinary loss		
Loss on disposal of non-current assets	7	2
Loss on valuation of investment securities	214	—
Loss on valuation of membership	5	—
Total extraordinary losses	226	2
Income before income taxes	261	490
Income taxes-current	36	20
Income taxes-deferred	61	66
Total income taxes	97	87
Income before minority interests	163	403
Minority interests in income	19	36
Net income	143	366

**Consolidated Statements of comprehensive income**

For the first quarter ended June 30, 2012 and 2013

	Unit : Millions of yen	
	April - June 2012	April - June 2013
Income before minority interests	163	403
Other comprehensive income		
Valuation difference on available-for-sale securities	(44)	109
Foreign currency translation adjustment	201	416
Share of other comprehensive income of associates accounted for using equity method	1	12
Total other comprehensive income	158	538
Comprehensive income	322	941
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	223	738
Comprehensive income attributable to minority interests	98	202