Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and September 30, 2013

March 31, 2013 2013		Unit: Millions of yen	
Current assets 4,616 5,525 Notes and accounts receivable-trade 7,670 7,502 Short-term investment securities 584 382 Merchandise and finished goods 2,135 2,033 Work in process 20 86 Raw materials and supplies 956 1,061 Other 556 589 Allowance for doubtful accounts (0) (0) Total current assets (0) (0) Property, plant and equipment 4,6470 6,336 Buildings and structures 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40)		•	•
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Raw materials and supplies 956 1,061 Other 556 589 Allowance for doubtful accounts (0) (0) Total current assets 16,539 17,180 Non-current assets 8 16,539 17,180 Non-current assets 8 20,163 20,219 Buildings and structures 20,163 20,219 (13,883) Buildings and structures, net 6,470 6,336 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 <td></td> <td>•</td> <td>-</td>		•	-
Other 556 589 Allowance for doubtful accounts (0) (0) Total current assets 16,539 17,180 Non-current assets 16,539 17,180 Non-current assets 20,163 20,219 Property, plant and equipment 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 I	·		
Allowance for doubtful accounts (0) (0) Total current assets 16,539 17,180 Non-current assets 16,539 17,180 Property, plant and equipment 20,163 20,219 Buildings and structures (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Investments and other assets 7,575 7,970 <td>**</td> <td></td> <td>1,061</td>	**		1,061
Total current assets 16,539 17,180 Non-current assets 20,163 20,219 Property, plant and equipment 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 2,749 2,532 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970		556	589
Non-current assets Property, plant and equipment 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Investments and other assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for d	Allowance for doubtful accounts	(0)	(0)
Property, plant and equipment 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82)	Total current assets	16,539	17,180
Buildings and structures 20,163 20,219 Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018	Non-current assets		
Accumulated depreciation and impairment loss (13,692) (13,883) Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018	Property, plant and equipment		
Buildings and structures, net 6,470 6,336 Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Investments and other assets 24 18 Investments securities 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Buildings and structures	20,163	20,219
Machinery, equipment and vehicles 25,783 26,021 Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Investments and other assets 24 18 Investment securities 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,325 27,322	Accumulated depreciation and impairment loss	(13,692)	(13,883)
Accumulated depreciation and impairment loss (22,370) (22,906) Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 24 18 Investment securities 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Buildings and structures, net	6,470	6,336
Machinery, equipment and vehicles, net 3,412 3,114 Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Machinery, equipment and vehicles	25,783	26,021
Land 7,646 7,646 Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Accumulated depreciation and impairment loss	(22,370)	(22,906)
Lease assets 59 63 Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Machinery, equipment and vehicles, net	3,412	3,114
Accumulated depreciation (33) (40) Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Land	7,646	7,646
Lease assets, net 26 22 Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Lease assets	59	63
Construction in progress 780 867 Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Accumulated depreciation	(33)	(40)
Other 2,494 2,532 Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Lease assets, net	26	22
Accumulated depreciation and impairment loss (2,217) (2,234) Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Construction in progress	780	867
Other, net 276 298 Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Other	2,494	2,532
Total property, plant and equipment 18,612 18,286 Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Accumulated depreciation and impairment loss	(2,217)	(2,234)
Intangible assets 24 18 Investments and other assets 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Other, net	276	298
Investments and other assets Investment securities 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Total property, plant and equipment	18,612	18,286
Investments and other assets Investment securities 7,575 7,970 Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Intangible assets	24	18
Other 1,156 1,131 Allowance for doubtful accounts (83) (82) Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322			
Allowance for doubtful accounts Total investments and other assets Total non-current assets (83) (82) 8,648 9,018 27,285 27,322	Investment securities	7,575	7,970
Allowance for doubtful accounts Total investments and other assets Total non-current assets (83) (82) 9,018 27,285 27,322	Other	1,156	1,131
Total investments and other assets 8,648 9,018 Total non-current assets 27,285 27,322	Allowance for doubtful accounts	•	
Total non-current assets 27,285 27,322			
10.000 11.70.7	Total assets	43,825	44,503

Unit:	Millions	of yen
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	March 31,	September 30,
	2013	2013
Liabilities		
Current liabilities		
Accounts payable-trade	3,309	3,368
Current portion of long-term loans payable	259	259
Accounts payable-other	968	544
Income taxes payable	134	111
Provision for bonuses	195	249
Provision for surcharge	83	_
Other	86	132
Total current liabilities	5,037	4,666
Non-current liabilities		
Long-term loans payable	759	629
Provision for retirement benefits	981	976
Provision for environmental measures	16	16
Other	775	877
Total non-current liabilities	2,533	2,500
Total liabilities	7,571	7,166
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	8,686	9,150
Treasury stock	(4,716)	(4,722)
Total shareholders' equity	34,660	35,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	714	981
Foreign currency translation adjustment	(173)	60
Total accumulated other comprehensive income	540	1,042
Minority interests	1,053	1,176
Total net assets	36,254	37,337
Total liabilities and net assets	43,825	44,503

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2012 and 2013

		Unit: Millions of yen
	April - September 2012	April - September 2013
Net sales	12,487	13,381
Cost of sales	10,109	11,105
Gross profit	2,377	2,276
Selling, general and administrative expenses	1,503	1,555
Operating income	873	720
Non-operating income		
Interest income	47	38
Dividends income	35	38
Amortization of negative goodwill	5	_
Equity in earnings of affiliates	1	_
Other	18	46
Total non-operating income	107	122
Non-operating expenses		
Interest expenses	11	4
Foreign exchange losses	22	13
Equity in losses of affiliates	_	2
Other	26	5
Total non-operating expenses	60	26
Ordinary income	921	817
Extraordinary income		
Gain on sales of non-current assets	0	_
Gain on sales of investment securities	24	_
Total extraordinary income	25	
Extraordinary loss		
Loss on disposal of non-current assets	7	6
Loss on valuation of investment securities	214	_
Loss on valuation of membership	5	
Total extraordinary losses	227	6
Income before income taxes	719	810
Income taxes-current	90	102
Income taxes-deferred	(2)	(25)
Total income taxes	88	76
Income before minority interests	631	734
Minority interests in income	49	55
Net income	581	679

Consolidated Statements of comprehensive income

For the first half ended September 30, 2012 and 2013

		Unit: Millions of yen
	April - September 2012	April - September 2013
Income before minority interests	631	734
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	266
Foreign currency translation adjustment	35	361
Share of other comprehensive income of associates accounted for using equity method	(0)	19
Total other comprehensive income	(55)	647
Comprehensive income	575	1,382
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	508	1,181
Comprehensive income attributable to minority interests	67	200