

# CONSOLIDATED FINANCIAL STATEMENTS

(FY2010:November 1, 2009-October 31, 2010)

KUMIAI CHEMICAL INDUSTRY CO., LTD.

4-26, Ikenohata 1-Chome  
Taitoh-Ku, Tokyo 110-8782

J A P A N

Telephone:	03-3822-5036
Main Business:	Agricultural chemicals
Foundation:	06/1949
Paid-in Capital (000):	¥4,534,270
Number of Employees:	604
Number of Shareholders:	7,835
Representative:	Mochizuki, Nobuhiko (President)

	<u>FY2010</u> (November 1, 2009-October 31, 2010)	<u>FY2009</u> (November 1, 2008-October 31, 2009)
Net sales (millions of Yen):	38,252	39,227
Net income (millions of Yen):	1,292	272
Cash dividends per share applicable to the year (in yen):	3.0	3.0
Shareholders' equity to total assets (%):	72.7	71.3

## CONSOLIDATED BALANCE SHEET (1)

<b>Fiscal Year Ending:</b>	Millions of Yen	
	<b>FY2010</b>	<b>FY2009</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits with banks	12,753	11,664
Trade notes and accounts receivable	5,732	5,501
Marketable securities	55	636
Merchandise and finished products	5,816	6,563
Work in process	2,176	1,971
Raw materials and supplies	1,063	663
Deferred tax assets	592	800
Other current assets	381	533
Allowance for doubtful accounts	(2)	(3)
<b>Total current assets</b>	<b>28,566</b>	<b>28,327</b>
<b>FIXED ASSETS</b>		
<b>Tangible fixed assets</b>		
Land	6,310	6,316
Buildings and structures	3,573	3,762
Machinery and equipments	829	877
Other properties, plants and equipments	568	483
Total tangible fixed assets	11,280	11,439
<b>Intangible fixed assets</b>	247	213
<b>Investments and other assets</b>		
Investments in securities	10,479	10,669
Deferred tax assets	158	142
Other	975	1,222
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	11,611	12,244
<b>Total fixed assets</b>	<b>23,138</b>	<b>23,683</b>
<b>TOTAL ASSETS</b>	<b>51,704</b>	<b>52,010</b>

## CONSOLIDATED BALANCE SHEET (2)

<b><u>Fiscal Year Ending:</u></b>	Millions of Yen	
	<b>FY2010</b>	<b>FY2009</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade notes and accounts payable	6,020	6,789
Short-term loan payable	11	11
Accrued amount payable	1,376	1,448
Accrued income taxes	406	53
Accrued bonuses	453	464
Reserve for environmental measures	50	142
Other	452	401
<b>Total current liabilities</b>	<b>8,768</b>	<b>9,309</b>
<b>LONG-TERM LIABILITIES</b>		
Long-term loan payable	17	28
Long-term accrued amount payable	-	28
Deferred tax liabilities	552	936
Reserve for employee retirement benefits	1,951	1,929
Reserve for directors' and corporate auditors' retirement benefits	470	414
Other	420	337
<b>Total long-term liabilities</b>	<b>3,410</b>	<b>3,672</b>
<b>TOTAL LIABILITIES</b>	<b>12,179</b>	<b>12,982</b>
<b>NET ASSETS</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	4,534	4,534
Capital surplus	4,833	4,833
Retained earnings	28,656	27,606
Less treasury stocks, at cost	(1,226 )	(1,221 )
<b>Total shareholder's equity</b>	<b>36,797</b>	<b>35,753</b>
<b>VALUATION AND TRANSLATION ADJUSTMENTS</b>		
Valuation differences on available-for-sale securities	1,166	1,693
Foreign currency translation adjustments	(374 )	(362 )
<b>Total valuation and translation adjustments</b>	<b>791</b>	<b>1,331</b>
<b>MINORITY INTERESTS</b>	<b>1,937</b>	<b>1,945</b>
<b>TOTAL NET ASSETS</b>	<b>39,525</b>	<b>39,029</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>51,704</b>	<b>52,010</b>

## CONSOLIDATED INCOME STATEMENT

<b><u>Fiscal Year Ending:</u></b>	Millions of Yen	
	<b>FY2010</b>	<b>FY2009</b>
<b>NET SALES</b>	<b>38,252</b>	<b>39,227</b>
<b>COST OF SALES</b>	<b>28,955</b>	<b>30,048</b>
<b>GROSS PROFIT</b>	<b>9,297</b>	<b>9,179</b>
<b>SELLING GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>8,307</b>	<b>8,512</b>
<b>OPERATING INCOME</b>	<b>990</b>	<b>667</b>
<b>NON-OPERATING INCOME</b>		
Interest income	39	40
Dividends received	219	150
Equity in earnings affiliates	306	201
Foreign exchange gains	79	-
Other income	170	121
<b>Total non-operating income</b>	<b>813</b>	<b>512</b>
<b>NON-OPERATING EXPENSES</b>		
Interest payable	1	2
Sales discount	36	39
Foreign exchange losses	-	161
Other expenses	59	45
<b>Total non-operating expenses</b>	<b>97</b>	<b>246</b>
<b>ORDINARY INCOME</b>	<b>1,706</b>	<b>933</b>
<b>EXTRAORDINARY INCOME</b>		
Gain on disposal of fixed assets	1	145
Compensation income	97	-
Gain on transfer of intellectual property right	335	-
<b>Total extraordinary income</b>	<b>432</b>	<b>145</b>
<b>EXTRAORDINARY LOSS</b>		
Loss on disposal of fixed assets	87	40
Environmental expenditures	20	127
Waste disposal expenses	-	323
Loss on valuation of inventories	-	66
Impairment loss	-	17
<b>Total extraordinary loss</b>	<b>106</b>	<b>574</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>2,033</b>	<b>505</b>
<b>INCOME TAXES</b>		
Current	491	174
Correction	170	13
<b>Total income taxes</b>	<b>660</b>	<b>187</b>
<b>MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES</b>	<b>80</b>	<b>46</b>
<b>NET INCOME</b>	<b>1,292</b>	<b>272</b>