

CONSOLIDATED FINANCIAL STATEMENTS

(FY2012: November 1, 2011-October 31, 2012)

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:	620
Number of Shareholders:	6,658
Representative:	Eisuke, Ishihara (President)

	<u>FY2012</u> (November 1, 2011-October 31, 2012)	<u>FY2011</u> (November 1, 2010-October 31, 2011)
Net sales (millions of Yen):	44,072	42,095
Net income (millions of Yen):	2,137	1,360
Cash dividends per share applicable to the year (in yen):	6.0	5.0
Shareholders' equity to total assets (%):	69.7	73.0

CONSOLIDATED BALANCE SHEETS (1)

Fiscal Year Ending:	Millions of Yen	
	FY2012	FY2011
ASSETS		
CURRENT ASSETS		
Cash and deposits	7,639	7,802
Notes and accounts receivable-trade	9,395	7,883
Securities	35	459
Merchandise and finished products	8,040	6,319
Work in process	3,018	2,405
Raw materials and supplies	1,166	1,542
Deferred tax assets	659	672
Other current assets	392	601
Allowance for doubtful accounts	(3)	(2)
Total current assets	30,343	27,680
FIXED ASSETS		
Tangible fixed assets		
Land	6,281	6,280
Buildings and structures	3,680	3,636
Machinery and equipment	808	733
Construction in progress	200	39
Other property, plants and equipment	564	541
Total tangible fixed assets	11,532	11,229
Intangible fixed assets	291	221
Investments and other assets		
Investments in securities	15,603	12,913
Deferred tax assets	141	156
Other	666	948
Total investments and other assets	16,410	14,017
Total fixed assets	28,234	25,467
TOTAL ASSETS	58,576	53,146

CONSOLIDATED BALANCE SHEETS (2)

Fiscal Year Ending:	Millions of Yen	
	FY2012	FY2011
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable-trade	8,452	6,606
Short-term loan payable	6	11
Accounts payable-other	1,715	1,271
Income taxes payable	563	322
Provision for bonuses	523	478
Other	418	401
Total current liabilities	11,677	9,089
LONG-TERM LIABILITIES		
Long-term loan payable	-	6
Deferred tax liabilities	1,054	695
Provision for retirement benefits	1,753	1,841
Provision for directors' retirement benefits	367	322
Asset retirement obligations	34	34
Other	376	384
Total long-term liabilities	3,584	3,281
TOTAL LIABILITIES	15,261	12,370
NET ASSETS		
SHAREHOLDERS' EQUITY		
Capital stock	4,534	4,534
Capital surplus	4,843	4,833
Retained earnings	31,735	29,773
Less treasury stocks, at cost	(1,553)	(1,228)
Total shareholder's equity	39,560	37,913
VALUATION AND TRANSLATION ADJUSTMENTS		
Valuation differences on available-for-sale securities	2,218	1,248
Foreign currency translation adjustments	(954)	(379)
Total valuation and translation adjustments	1,265	869
MINORITY INTERESTS	2,491	1,994
TOTAL NET ASSETS	43,315	40,777
TOTAL LIABILITIES AND NET ASSETS	58,576	53,146

**CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME**

(CONSOLIDATED STATEMENTS OF INCOME)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	FY2012	FY2011
NET SALES	44,072	42,095
COST OF SALES	33,669	32,105
GROSS PROFIT	10,403	9,989
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,745	8,543
OPERATING INCOME	1,657	1,446
NON-OPERATING INCOME		
Interest income	107	60
Dividends income	145	251
Equity in earnings affiliates	914	306
Foreign exchange gains	-	7
Other income	100	97
Total non-operating income	1,266	719
NON-OPERATING EXPENSES		
Interest expenses	3	1
Sales discounts	38	37
Foreign exchange losses	32	-
Loss on insurance cancellation	-	17
Other expenses	39	52
Total non-operating expenses	113	107
ORDINARY INCOME	2,810	2,059
EXTRAORDINARY INCOME		
Gain on disposal of fixed assets	0	194
Gain on sales of investment securities	110	18
Compensation income	277	-
Insurance income	-	18
Reversal of provision for environmental measures	-	3
Total extraordinary income	388	233
EXTRAORDINARY LOSS		
Loss on disposal of noncurrent assets	29	26
Loss on valuation of investment securities	6	-
Loss due to disaster	-	155
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	29
Environmental expenses	18	-
Other extraordinary loss	-	1
Total extraordinary loss	53	211
INCOME BEFORE INCOME TAXES	3,145	2,081
INCOME TAXES		
Current	855	614
Deferred	9	8
Total income taxes	863	622
MINORITY INTERESTS IN INCOME	145	100
NET INCOME	2,137	1,360

(CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	FY2012	FY2011
INCOME BEFORE MINORITY INTERESTS	2,281	1,460
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	979	92
Foreign currency translation adjustment	(164)	5
Share of other comprehensive income of associates accounted for using equity method	(577)	(18)
Total other comprehensive income	238	80
CONPREHENSIVE INCOME	2,520	1,539
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,533	1,439
Comprehensive income attributable to minority interests	(13)	100