

# CONSOLIDATED FINANCIAL STATEMENTS

(FY2013: November 1, 2012-October 31, 2013)

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:	628
Number of Shareholders:	5,776
Representative:	Eisuke, Ishihara (President)

	<u>FY2013</u> (November 1, 2012-October 31, 2013)	<u>FY2012</u> (November 1, 2011-October 31, 2012)
Net sales (millions of Yen):	49,283	44,072
Net income (millions of Yen):	2,384	2,137
Cash dividends per share applicable to the year (in yen):	6.0	6.0
Shareholders' equity to total assets (%):	67.4	69.7

## CONSOLIDATED BALANCE SHEETS (1)

<b>Fiscal Year Ending:</b>	Millions of Yen	
	<b>FY2013</b>	<b>FY2012</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and deposits	11,003	7,639
Notes and accounts receivable-trade	8,199	9,395
Securities	1,351	35
Merchandise and finished products	8,089	8,040
Work in process	2,214	3,018
Raw materials and supplies	1,496	1,166
Deferred tax assets	718	659
Other current assets	1,398	392
Allowance for doubtful accounts	(3)	(3)
<b>Total current assets</b>	<b>34,466</b>	<b>30,343</b>
<b>FIXED ASSETS</b>		
<b>Tangible fixed assets</b>		
Land	6,324	6,281
Buildings and structures	3,852	3,680
Machinery and equipment	1,394	808
Construction in progress	-	200
Other property, plants and equipment	614	564
Total tangible fixed assets	12,184	11,532
<b>Intangible fixed assets</b>	255	291
<b>Investments and other assets</b>		
Investments in securities	20,067	15,603
Deferred tax assets	93	141
Other	824	666
Total investments and other assets	20,984	16,410
<b>Total fixed assets</b>	<b>33,423</b>	<b>28,234</b>
<b>TOTAL ASSETS</b>	<b>67,888</b>	<b>58,576</b>

## CONSOLIDATED BALANCE SHEETS (2)

<b>Fiscal Year Ending:</b>	Millions of Yen	
	<b>FY2013</b>	<b>FY2012</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable-trade	7,297	8,452
Short-term loan payable	2,200	6
Accounts payable-other	1,510	1,715
Income taxes payable	337	563
Provision for bonuses	570	523
Other	519	418
<b>Total current liabilities</b>	<b>12,432</b>	<b>11,677</b>
<b>LONG-TERM LIABILITIES</b>		
Long-term loan payable	1,700	-
Deferred tax liabilities	2,769	1,054
Provision for retirement benefits	1,658	1,753
Provision for directors' retirement benefits	357	367
Asset retirement obligations	35	34
Other	336	376
<b>Total long-term liabilities</b>	<b>6,855</b>	<b>3,584</b>
<b>TOTAL LIABILITIES</b>	<b>19,287</b>	<b>15,261</b>
<b>NET ASSETS</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	4,534	4,534
Capital surplus	5,033	4,843
Retained earnings	33,641	31,735
Less treasury stocks, at cost	(1,451 )	(1,553 )
<b>Total shareholder's equity</b>	<b>41,757</b>	<b>39,560</b>
<b>VALUATION AND TRANSLATION ADJUSTMENTS</b>		
Valuation differences on available-for-sale securities	4,771	2,218
Foreign currency translation adjustments	(745 )	(954 )
<b>Total valuation and translation adjustments</b>	<b>4,026</b>	<b>1,265</b>
<b>MINORITY INTERESTS</b>	<b>2,818</b>	<b>2,491</b>
<b>TOTAL NET ASSETS</b>	<b>48,601</b>	<b>43,315</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>67,888</b>	<b>58,576</b>

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

**(CONSOLIDATED STATEMENTS OF INCOME)**

<b><u>Fiscal Year Ending:</u></b>	Millions of Yen	
	<b>FY2013</b>	<b>FY2012</b>
<b>NET SALES</b>	<b>49,283</b>	<b>44,072</b>
<b>COST OF SALES</b>	<b>38,296</b>	<b>33,669</b>
<b>GROSS PROFIT</b>	<b>10,986</b>	<b>10,403</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>8,882</b>	<b>8,745</b>
<b>OPERATING INCOME</b>	<b>2,105</b>	<b>1,657</b>
<b>NON-OPERATING INCOME</b>		
Interest income	85	107
Dividends income	171	145
Equity in earnings affiliates	1,054	914
Other income	88	100
<b>Total non-operating income</b>	<b>1,397</b>	<b>1,266</b>
<b>NON-OPERATING EXPENSES</b>		
Interest expenses	5	3
Sales discounts	42	38
Foreign exchange losses	39	32
Other expenses	44	39
<b>Total non-operating expenses</b>	<b>131</b>	<b>113</b>
<b>ORDINARY INCOME</b>	<b>3,371</b>	<b>2,810</b>
<b>EXTRAORDINARY INCOME</b>		
Gain on disposal of fixed assets	-	0
Gain on sales of investment securities	264	110
Gain on exchange from business combination	80	-
Compensation income	-	277
Insurance income	20	-
<b>Total extraordinary income</b>	<b>364</b>	<b>388</b>
<b>EXTRAORDINARY LOSS</b>		
Loss on disposal of noncurrent assets	36	29
Loss on valuation of investment securities	-	6
Loss on abandonment of inventories	103	-
Loss due to disaster	16	-
Environmental expenses	-	18
<b>Total extraordinary loss</b>	<b>154</b>	<b>53</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>3,580</b>	<b>3,145</b>
<b>INCOME TAXES</b>		
Current	866	855
Deferred	205	9
<b>Total income taxes</b>	<b>1,070</b>	<b>863</b>
<b>MINORITY INTERESTS IN INCOME</b>	<b>126</b>	<b>145</b>
<b>NET INCOME</b>	<b>2,384</b>	<b>2,137</b>

**(CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME)**

<b><u>Fiscal Year Ending:</u></b>	Millions of Yen	
	<b>FY2013</b>	<b>FY2012</b>
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>2,510</b>	<b>2,281</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Valuation difference on available-for-sale securities	2,671	979
Foreign currency translation adjustment	157	(164 )
Share of other comprehensive income of associates accounted for using equity method	218	(577 )
<b>Total other comprehensive income</b>	<b>3,045</b>	<b>238</b>
<b>CONPREHENSIVE INCOME</b>	<b>5,555</b>	<b>2,520</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,145	2,533
Comprehensive income attributable to minority interests	410	(13 )