

CONSOLIDATED FINANCIAL STATEMENTS

(FY2014: November 1, 2013-October 31, 2014)

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:	634
Number of Shareholders:	5,537
Representative:	Eisuke, Ishihara (President)

	<u>FY2014</u> (November 1, 2013-October 31, 2014)	<u>FY2013</u> (November 1, 2012-October 31, 2013)
Net sales (millions of Yen):	55,360	49,283
Net income (millions of Yen):	3,051	2,384
Cash dividends per share applicable to the year (in yen):	7.0	6.0
Shareholders' equity to total assets (%):	66.7	67.4

CONSOLIDATED BALANCE SHEETS (1)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	FY2014	FY2013
ASSETS		
CURRENT ASSETS		
Cash and deposits	12,372	11,003
Notes and accounts receivable-trade	8,731	8,199
Securities	453	1,351
Merchandise and finished products	7,554	8,089
Work in process	2,265	2,214
Raw materials and supplies	1,343	1,496
Deferred tax assets	840	718
Other current assets	871	1,398
Allowance for doubtful accounts	(2)	(3)
Total current assets	34,427	34,466
FIXED ASSETS		
Tangible fixed assets		
Land	6,376	6,324
Buildings and structures	3,780	3,852
Machinery and equipment	2,105	1,394
Construction in progress	-	-
Other property, plants and equipment	566	614
Total tangible fixed assets	12,828	12,184
Intangible fixed assets	262	255
Investments and other assets		
Investments in securities	21,574	20,067
Deferred tax assets	329	93
Other	856	824
Total investments and other assets	22,759	20,984
Total fixed assets	35,850	33,423
TOTAL ASSETS	70,277	67,888

CONSOLIDATED BALANCE SHEETS (2)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	FY2014	FY2013
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable-trade	8,349	7,297
Short-term loan payable	2,500	2,200
Accounts payable-other	1,615	1,510
Income taxes payable	829	337
Provision for bonuses	600	570
Other	501	519
Total current liabilities	14,394	12,432
LONG-TERM LIABILITIES		
Long-term loan payable	1,500	1,700
Deferred tax liabilities	1,834	2,769
Provision for retirement benefits	-	1,658
Provision for directors' retirement benefits	419	357
Net defined benefit liability	2,100	-
Asset retirement obligations	36	35
Other	318	336
Total long-term liabilities	6,214	6,855
TOTAL LIABILITIES	20,609	19,287
NET ASSETS		
SHAREHOLDERS' EQUITY		
Capital stock	4,534	4,534
Capital surplus	5,033	5,033
Retained earnings	36,210	33,641
Less treasury stocks, at cost	(1,459)	(1,451)
Total shareholder's equity	44,319	41,757
VALUATION AND TRANSLATION ADJUSTMENTS		
Valuation differences on available-for-sale securities	3,201	4,771
Foreign currency translation adjustments	(321)	(745)
Remeasurements of defined benefit plans	(317)	-
Total valuation and translation adjustments	2,563	4,026
MINORITY INTERESTS	2,786	2,818
TOTAL NET ASSETS	49,668	48,601
TOTAL LIABILITIES AND NET ASSETS	70,277	67,888

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

(CONSOLIDATED STATEMENTS OF INCOME)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	FY2014	FY2013
NET SALES	55,360	49,283
COST OF SALES	43,474	38,296
GROSS PROFIT	11,886	10,986
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	9,256	8,882
OPERATING INCOME	2,629	2,105
NON-OPERATING INCOME		
Interest income	76	85
Dividends income	188	171
Equity in earnings affiliates	1,204	1,054
Foreign exchange gains	183	-
Other income	117	88
Total non-operating income	1,768	1,397
NON-OPERATING EXPENSES		
Interest expenses	8	5
Sales discounts	43	42
Foreign exchange losses	-	39
Other expenses	56	44
Total non-operating expenses	107	131
ORDINARY INCOME	4,290	3,371
EXTRAORDINARY INCOME		
Gain on disposal of fixed assets	1	-
Gain on sales of investment securities	40	264
Gain on exchange from business combination	-	80
Insurance income	-	20
Total extraordinary income	41	364
EXTRAORDINARY LOSS		
Loss on disposal of noncurrent assets	25	36
Loss on sales of investment securities	21	-
Loss on sales of membership	11	-
Loss on abandonment of inventories	-	103
Loss due to disaster	2	16
Total extraordinary loss	58	154
INCOME BEFORE INCOME TAXES	4,273	3,580
INCOME TAXES		
Current	1,265	866
Deferred	(181)	205
Total income taxes	1,084	1,070
MINORITY INTERESTS IN INCOME	138	126
NET INCOME	3,051	2,384

(CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME)

<u>Fiscal Year Ending:</u>	Millions of Yen	
	<u>FY2014</u>	<u>FY2013</u>
INCOME BEFORE MINORITY INTERESTS	3,189	2,510
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	(1,704)	2,671
Foreign currency translation adjustment	59	157
Share of other comprehensive income of associates accounted for using equity method	397	218
Total other comprehensive income	(1,248)	3,045
CONPREHENSIVE INCOME	1,940	5,555
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,905	5,145
Comprehensive income attributable to minority interests	36	410