

Financial Statement

74thTERM

From 1st April 2013~31st March 2014

Showa Kako Corporation

Balance Sheet

31st March 2014

Showa Kako Corporation

(Unit : Yen)

Assets		Liabilities	
Description	Amount	Description	Amount
Current assets	33406,53,321	Current liabilities	18624,76,353
Cash and deposits	8227,12,387	Bills Payable	1337,97,706
Receivable	64,41,843	Accounts Payable	9792,87,574
Accounts Receivable	13260,66,671	Arrears	633,76,441
Marketable securities	1682,24,279	Corporation Tax	4,75,000
Products & Goods	3760,64,256	Deposits	58,05,770
Raw materials	1499,56,546	Short Term Loan	6390,00,000
Work in process	4000,58,384	Overdraft	16,74,357
Other current assets	1011,28,955	One year long term loan	390,01,000
Allowance for Loan Losses	△ 100,00,000	suspense receipt	58,505
Fixed Assets	17210,38,069	Fixed Liabilities	25756,13,422
Tangible fixed assets	14445,31,465	Long Term Loan	24588,73,000
Building	462,67,887	Bonds	1167,40,422
Building equipment	527,70,637		
Structures	432,63,118	Liabilities Total	44380,89,775
Machinery	12532,31,140	Net Assets	
Vehicles and transportation equipment	20,075	Shareholders' equity	
Tools, furniture and fixtures	286,75,039	Capital	1000,00,000
Land	3,03,569	Capital surplus	12,05,993
Construction in progress	200,00,000	Capital reserve	4,05,993
Intangible fixed assets	9,04,404	Other capital surplus	8,00,000
Structured telephone facility	0	Retained earnings	6386,96,592
Telephone rights	9,04,404	Earned reserve	252,00,000
Investment	2756,02,200	Other retained earnings	6134,96,592
Long-term loans	430,35,668	Other reserve	5000,00,000
Investment securities	14,00,000	Profit carried forward	1134,96,592
Other investments	2311,66,532	Own shares	△ 52,37,500
Deferred assets	1110,63,470	Net Assets	7346,65,085
Total Assets	51727,54,860	Total Liabilities and Net assets	51727,54,860

Profit and Loss Statement
From 1st April 2013~31st March 2014

Showa Kako Corporation

(Unit : Yen)

Description	Amount	
Sales		81438,34,139
Cost of goods sold		
Opening Inventory	4342,15,382	
Current term cost of production and total purchase	71680,59,730	
Total	76022,75,112	
Closing Inventory	3760,64,256	72262,10,856
Gross Profit on Sales		9176,23,283
Sales and general administrative expenses		6643,22,807
Operating Profit		2533,00,476
Non Operating		
Interest income	19,15,400	
	23,73,508	
Miscellaneous income	618,48,823	661,37,731
Non Operating Expenses		
Interest expense	661,40,579	
Miscellaneous loss	131,31,923	792,72,502
Non Operating Profit		2401,65,705
Special Profit		
Reversal of allowance for doubtful gain	50,00,376	
Gain on sale of	2,39,150	
Gain on sale of	191,42,187	
Other extraordinary income	75,01,039	318,82,752
Special Loss		
Overtime back wages	14,67,199	
Loss on sales of securities	22,27,453	
Loss on valuation of securities	627,47,730	
Loss on disposal of fixed assets	17,45,138	
Liquidation of affiliates loss	254,00,545	
Inventories loss loss	441,09,273	
Groundwater quality research cost	161,63,000	
Damages	123,06,640	
Retirement allowance	65,48,796	
Other extraordinary loss	41,09,092	1768,24,866
Income before taxes		952,23,591
Corporation tax, resident tax and business tax		21,57,958
Current Net Profit		930,65,633

Statement of share holder'equity

From 1st April 2013~31st March 2014

Showa Kako Corporation

	Owner's capital										Net-assets total
	Capital	Capital surplusCapital surplus			Accumulated surplus				Company's own stock	Owner's capital total	
		Capital reserve	Other capital surpluses	Capital surplus sum total	Earned surplus reserve	Other accumulated surpluses		Accumulated surplus total			
						General reserve	Earned surplus C/F(next term)				
First half balance	1000,00,000	4,05,993	8,00,000	12,05,993	252,00,000	5000,00,000	1607,01,585	6859,01,585	△ 29,87,500	7841,20,078	7841,20,078
Current term fluctuating amount							△ 1402,70,626	△ 1402,70,626	△ 22,50,000	△ 1425,20,626	△ 1425,20,626
Current term net profit							930,65,633	930,65,633		930,65,633	930,65,633
Current term total fluctuating amount	0	0	0	0	0	0	△ 472,04,993	△ 472,04,993	△ 22,50,000	△ 494,54,993	△ 494,54,993
Current term end balance	1000,00,000	4,05,993	8,00,000	12,05,993	252,00,000	5000,00,000	1134,96,592	6386,96,592	△ 52,37,500	7346,65,085	7346,65,085

(Note) Regarding the changes in the retained earnings due to merger of Sanwa oil Engineering Co., Ltd. there is change in amount of △140,270,626.

1. This financial statements, is created by the guidance of small business accounting**2. Important accounting policies**

- (1) The evaluation criteria and evaluation method of negotiable securities
- ① Things with market value Cost of acquisition
 - ② Things without market value Cost of acquisition
- (2) The evaluation criteria and the evaluation method of an inventory
Cost method according to periodic average method
- (3) The method of depreciation of deferred assets
About the development costs aiming at factory concentration, it will refund according to fixed amount method in five years from the term ended 2011 March
- (4) The method of depreciation of fixed assets
- | | |
|-------------------------|--|
| Tangible fixed assets | Constant percentage method by regulation of Corporation Tax Law (For the building acquired on and after H10/04/01is
Period of depreciation
Building : 8 to 25 years
Building attached structure : 3 to 20 years
Structure : 8 to 20 years
Mechanical apparatus : 3 to 22 years
Furniture and fixtures : 2 to 20 years
Automotive equipment : 4 to 7 years |
| Intangible fixed assets | Fixed amount method by regulation of Corporation Tax Law |
- (5) Accounting treatment of derivatives
Accounting treatment by a market method to be carried out
- (6) The disposal method of a lease transaction
About the finance lease transactions of those other than what the ownership of leased property transfers to a borrower, is based on accounting treatment according to the method related to the usual lease transactions.
- (7) Accounting treatment of a consumption tax etc.
Accounting treatment of a consumption tax etc. is based on the tax excluded method.
- 3. 3. Notes to the Balance Sheet**
Accumulated depreciation: 3,495,027,448 yen
- 4. Notes for Statement of Changes in Net Assets**
- (1) About Issued Shares
End Of First Half . . . 2, 0 1 6, 0 0 0 Shares
Current Period End . . . 2, 0 1 6, 0 0 0 Shares
- (2) The number of Own shares at the end of the fiscal year
41,900 shares