

CONSOLIDATED BALANCE SHEETS

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES

March 31, 2016 and 2015

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	2016
Current assets:			
Cash and cash equivalents (Note 4)	¥ 43,162	¥ 28,020	\$ 383,049
Notes and accounts receivable—trade (Note 4)			
Unconsolidated subsidiaries and affiliates	773	743	6,860
Other	120,910	121,341	1,073,039
Inventories (Note 7)	93,701	91,185	831,567
Short-term loans receivable from unconsolidated subsidiaries and affiliates	1,527	714	13,552
Deferred tax assets (Note 11)	5,952	6,368	52,822
Other current assets	8,029	8,378	71,256
Allowance for doubtful accounts (Note 4)	(345)	(101)	(3,062)
Total current assets	273,709	256,648	2,429,083
Property, plant and equipment (Note 12):			
Land	31,112	28,411	276,109
Buildings and structures	181,187	172,913	1,607,978
Machinery, equipment and vehicles	532,447	527,451	4,725,302
Construction in progress	23,633	16,222	209,736
Other	4,109	3,889	36,466
	772,488	748,886	6,855,591
Less accumulated depreciation	552,773	541,297	4,905,689
Property, plant and equipment, net	219,715	207,589	1,949,902
Intangible assets (Note 12):	12,198	11,714	108,253
Investments and other assets:			
Investment securities (Notes 4, 5 and 12):			
Unconsolidated subsidiaries and affiliates	3,932	6,151	34,895
Other	52,152	55,564	462,833
Long-term loans receivable (Note 4)	1,308	1,413	11,608
Net defined benefit asset (Note 13)	—	8,132	—
Deferred tax assets (Note 11)	4,802	1,683	42,616
Other	9,651	9,289	85,650
Allowance for doubtful accounts (Note 4)	(216)	(220)	(1,917)
Total investments and other assets	71,629	82,012	635,685
	¥ 577,251	¥ 557,963	\$ 5,122,923

See accompanying notes.

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	2016
Current liabilities:			
Short-term loans payable (Notes 4 and 12)	¥ 46,865	¥ 45,951	\$ 415,912
Current portion of long-term loans payable (Notes 4 and 12)	5,831	9,685	51,748
Notes and accounts payable (Note 4):			
Trade	64,820	63,072	575,257
Construction	8,162	8,241	72,435
Other	16,663	16,787	147,879
Income taxes payable	3,709	2,324	32,916
Accrued expenses	11,758	11,325	104,349
Other current liabilities	5,743	4,329	50,968
Total current liabilities	163,551	161,714	1,451,464
Noncurrent liabilities:			
Bonds payable (Notes 4 and 12)	10,000	10,000	88,747
Long-term loans payable (Notes 4 and 12)	53,773	47,274	477,219
Net defined benefit liability (Note 13)	36,668	25,338	325,417
Provision for directors' retirement benefits	304	280	2,698
Deferred tax liabilities (Note 11)	1,674	2,244	14,856
Other noncurrent liabilities	2,559	1,886	22,710
Total noncurrent liabilities	104,978	87,022	931,647
Contingent liabilities (Note 14)			
Net assets (Note 15):			
Shareholders' equity:			
Capital stock			
Authorized—750,000,000 shares			
Issued —350,000,000 shares	33,047	33,047	293,282
Capital surplus	34,936	34,837	310,046
Retained earnings	234,378	218,746	2,080,032
Less treasury stock, at cost—18,356,481 shares in 2016 14,987,342 shares in 2015	(15,559)	(12,072)	(138,081)
Total shareholders' equity	286,802	274,558	2,545,279
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	17,451	19,660	154,872
Deferred gains or losses on hedges	(52)	(105)	(461)
Foreign currency translation adjustments	(1,082)	2,975	(9,602)
Remeasurements of defined benefit plans	(10,910)	1,172	(96,823)
Total accumulated other comprehensive income	5,407	23,702	47,986
Subscription rights to shares (Note 16)	228	137	2,023
Non-controlling interests	16,285	10,830	144,524
Total net assets	308,722	309,227	2,739,812
	¥ 577,251	¥ 557,963	\$ 5,122,923

See accompanying notes.