

CONSOLIDATED STATEMENTS OF INCOME

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2016, 2015 and 2014

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2016	2015	2014	2016
Net sales	¥ 555,227	¥ 552,189	¥ 524,785	\$ 4,927,467
Cost of sales	394,021	413,390	391,987	3,496,814
Gross profit	161,206	138,799	132,798	1,430,653
Selling, general and administrative expenses	122,986	114,164	107,976	1,091,462
Operating income	38,220	24,635	24,822	339,191
Other income (expenses):				
Interest and dividend income	1,483	1,576	1,895	13,161
Interest expenses	(1,199)	(1,224)	(1,013)	(10,641)
Gain on sales of investment securities	121	493	783	1,074
Gain (loss) on sales of property, plant and equipment, net	—	2,910	(331)	—
Loss on disposal of property, plant and equipment	(3,485)	(2,062)	(1,800)	(30,928)
Foreign exchange gains, net	(302)	2,432	1,842	(2,680)
Equity in earnings of affiliates, net	281	212	335	2,494
Gain on negative goodwill	1,313	—	338	11,652
Compensation expenses	(668)	—	—	(5,928)
Litigation expenses	(1,177)	(940)	(1,275)	(10,446)
Retirement benefit expenses (Notes 8 and 13)	—	—	(363)	—
Restructuring charges (Note 9)	—	—	(9,121)	—
Gain on step acquisitions	230	—	—	2,041
Impairment loss (Note 10)	(1,536)	—	—	(13,632)
Environmental expenses	(598)	—	—	(5,307)
Subsidy income	—	1,617	—	—
Other, net	(2,081)	(1,474)	(511)	(18,468)
Income before income taxes and non-controlling interests	30,602	28,175	15,601	271,583
Income taxes (Note 11)				
Current	6,599	5,312	6,062	58,564
Deferred	2,992	4,283	(4,711)	26,553
Net income	21,011	18,580	14,250	186,466
Net income attributable to non-controlling interests	25	546	600	222
Net income attributable to owners of parent	¥ 20,986	¥ 18,034	¥ 13,650	\$ 186,244

	Yen			U.S. dollars (Note 1)
Net income per share—basic	¥ 62.98	¥ 53.52	¥ 40.50	\$ 0.56
Net income per share—diluted	62.92	53.48	40.47	0.56
Cash dividends applicable to the year	18.00	16.00	16.00	0.16

See accompanying notes.