

# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

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
<b>Shareholders' equity</b>				
Capital stock				
Balance at the beginning of year	¥ 33,047	¥ 33,047	¥ 33,047	\$ 293,282
Changes of items during the period				
Total changes of items during the period	—	—	—	—
Balance at the end of current period	33,047	33,047	33,047	293,282
Capital surplus				
Balance at beginning of year	34,837	34,837	34,837	309,168
Changes of items during the period				
Disposal of treasury stock	(6)	—	—	(53)
Change in treasury shares of parent arising from transactions with non-controlling shareholders	105	—	—	931
Total changes of items during the period	99	—	—	878
Balance at the end of current period	34,936	34,837	34,837	310,046
Retained earnings				
Balance at beginning of year	218,746	209,450	200,987	1,941,303
Cumulative effects of changes in accounting policies	—	(3,396)	—	—
Restated balance	218,746	206,054	200,987	1,941,303
Changes of items during the period				
Dividends from surplus—¥16.00 per share	(5,345)	(5,392)	(5,392)	(47,435)
Change of scope of consolidation	—	138	201	—
Net income attributable to owners of parent	20,986	18,034	13,650	186,244
Change in retained earnings based on generally accepted accounting procedures in the United States used for U.S. subsidiaries	—	—	32	—
Change in retained earnings based on International Financial Reporting Standards used for foreign subsidiaries	—	(63)	—	—
Disposal of treasury stock	(9)	(25)	(28)	(80)
Total changes of items during the period	15,632	12,692	8,463	138,729
Balance at the end of current period	234,378	218,746	209,450	2,080,032
Treasury stock				
Balance at beginning of year	(12,072)	(10,521)	(10,548)	(107,135)
Changes of items during the period				
Purchase of treasury stock	(3,585)	(1,615)	(60)	(31,816)
Disposal of treasury stock	98	64	87	870
Total changes of items during the period	(3,487)	(1,551)	27	(30,946)
Balance at the end of current period	(15,559)	(12,072)	(10,521)	(138,081)
<b>Accumulated other comprehensive income</b>				
Valuation difference on available-for-sale securities				
Balance at beginning of year	19,660	10,535	8,262	174,476
Changes of items during the period				
Net changes of items other than shareholders' equity	(2,209)	9,125	2,273	(19,604)
Total changes of items during the period	(2,209)	9,125	2,273	(19,604)
Balance at the end of current period	17,451	19,660	10,535	154,872
Deferred gains or losses on hedges				
Balance at beginning of year	(105)	—	—	(931)
Changes of items during the period				
Net changes of items other than shareholders' equity	53	(105)	—	470
Total changes of items during the period	53	(105)	—	470
Balance at the end of current period	(52)	(105)	—	(461)

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2016	2015	2014	2016
<b>Foreign currency translation adjustments</b>				
Balance at beginning of year	2,975	353	(5,990)	26,402
Changes of items during the period				
Net changes of items other than shareholders' equity	(4,057)	2,622	6,343	(36,004)
Total changes of items during the period	(4,057)	2,622	6,343	(36,004)
Balance at the end of current period	(1,082)	2,975	353	(9,602)
<b>Remeasurements of defined benefit plans</b>				
Balance at beginning of year	1,172	(3,293)	—	10,401
Changes of items during the period				
Net changes of items other than shareholders' equity	(12,082)	4,465	(3,293)	(107,224)
Total changes of items during the period	(12,082)	4,465	(3,293)	(107,224)
Balance at the end of current period	(10,910)	1,172	(3,293)	(96,823)
<b>Subscription rights to shares</b>				
Balance at beginning of year	137	139	159	1,215
Changes of items during the period				
Net changes of items other than shareholders' equity	91	(2)	(20)	808
Total changes of items during the period	91	(2)	(20)	808
Balance at the end of current period	228	137	139	2,023
<b>Non-controlling interests</b>				
Balance at beginning of year	10,830	10,586	9,696	96,113
Changes of items during the period				
Net changes of items other than shareholders' equity	5,455	244	890	48,411
Total changes of items during the period	5,455	244	890	48,411
Balance at the end of current period	16,285	10,830	10,586	144,524
<b>Total net assets</b>				
Balance at beginning of year	309,227	285,133	270,450	2,744,294
Cumulative effects of changes in accounting policies	—	(3,396)	—	—
Restated balance	309,227	281,737	270,450	2,744,294
Changes of items during the period				
Dividends from surplus—¥16.00 per share	(5,345)	(5,392)	(5,392)	(47,435)
Change of scope of consolidation	—	138	201	—
Net income attributable to owners of parent	20,986	18,034	13,650	186,244
Change in retained earnings based on generally accepted accounting procedures in the United States used for U.S. subsidiaries	—	—	32	—
Change in retained earnings based on International Financial Reporting Standards used for foreign subsidiaries	—	(63)	—	—
Purchase of treasury stock	(3,585)	(1,615)	(60)	(31,816)
Disposal of treasury stock	83	39	59	737
Change in treasury shares of parent arising from transactions with non-controlling shareholders	105	—	—	931
Net changes of items other than shareholders' equity	(12,749)	16,349	6,193	(113,143)
Total changes of items during the period	(505)	27,490	14,683	(4,482)
Balance at the end of current period	¥ 308,722	¥ 309,227	¥ 285,133	\$ 2,739,812

See accompanying notes.