

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and June 30, 2019

Unit : Millions of yen

	March 31, 2019	June 30, 2019
Assets		
Current assets		
Cash and deposits	5,475	5,481
Notes and accounts receivable-trade	8,418	8,031
Short-term investment securities	1,900	1,799
Merchandise and finished goods	2,179	2,367
Work in process	596	645
Raw materials and supplies	1,165	1,193
Other	309	193
Allowance for doubtful accounts	(0)	(0)
Total current assets	20,044	19,711
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,418	22,413
Accumulated depreciation and impairment loss	(16,244)	(16,182)
Buildings and structures, net	6,174	6,231
Machinery, equipment and vehicles	31,644	31,815
Accumulated depreciation and impairment loss	(27,848)	(28,122)
Machinery, equipment and vehicles, net	3,796	3,693
Land	7,969	7,969
Lease assets	111	111
Accumulated depreciation and impairment loss	(84)	(86)
Lease assets, net	27	25
Construction in progress	783	847
Other	2,956	2,971
Accumulated depreciation and impairment loss	(2,521)	(2,507)
Other, net	434	463
Total property, plant and equipment	19,185	19,230
Intangible assets		
Goodwill	629	592
Other	50	61
Total intangible assets	679	653
Investments and other assets		
Investment securities	9,655	9,924
Other	1,559	1,497
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	11,139	11,346
Total non-current assets	31,004	31,230
Total assets	51,048	50,942

Unit : Millions of yen

	March 31, 2019	June 30, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	3,915	3,858
Current portion of long-term loans payable	600	600
Accounts payable-other	1,485	1,547
Income taxes payable	98	49
Provision for bonuses	305	148
Other	123	345
Total current liabilities	<u>6,528</u>	<u>6,549</u>
Non-current liabilities		
Long-term loans payable	450	300
Provision for environmental measures	7	7
Provision for assets removal	24	24
Net defined benefit liability	1,741	1,726
Other	550	551
Total non-current liabilities	<u>2,774</u>	<u>2,609</u>
Total liabilities	<u>9,302</u>	<u>9,159</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,118	14,207
Treasury stock	(5,474)	(5,474)
Total shareholders' equity	<u>39,334</u>	<u>39,423</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	915	810
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	86	135
Remeasurements of defined benefit plans	(53)	(48)
Total accumulated other comprehensive income	<u>948</u>	<u>897</u>
Non-controlling interests	1,463	1,462
Total net assets	<u>41,746</u>	<u>41,783</u>
Total liabilities and net assets	<u>51,048</u>	<u>50,942</u>

## Consolidated Statements of income and statements of comprehensive income

### **Consolidated Statements of income**

For the first quarter ended June 30, 2018 and 2019

	Unit : Millions of yen	
	April - June 2018	April - June 2019
Net sales	6,828	6,746
Cost of sales	5,479	5,273
Gross profit	1,349	1,472
Selling, general and administrative expenses	856	918
Operating income	493	554
Non-operating income		
Interest income	15	13
Dividends income	14	17
Other	17	16
Total non-operating income	47	48
Non-operating expenses		
Interest expenses	1	0
Foreign exchange losses	10	5
Other	21	3
Total non-operating expenses	32	9
Ordinary income	508	593
Extraordinary income		
Other	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on disposal of non-current assets	2	39
Other	0	—
Total extraordinary losses	2	39
Income before income taxes	505	553
Income taxes-current	46	57
Income taxes-deferred	80	83
Total income taxes	127	141
Profit	378	412
Profit attributable to non-controlling interests	27	47
Profit attributable to owners of parent	351	365

## Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2018 and 2019

	Unit : Millions of yen	
	April - June 2018	April - June 2019
Profit	378	412
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	(105)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(62)	82
Remeasurements of defined benefit plans, net of tax	3	5
Total other comprehensive income	(153)	(17)
Comprehensive income	224	395
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	221	314
Comprehensive income attributable to non-controlling interests	3	80