

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and September 30, 2019

	Unit : Millions of yen	
	March 31, 2019	September 30, 2019
Assets		
Current assets		
Cash and deposits	5,475	5,998
Notes and accounts receivable-trade	8,418	7,500
Short-term investment securities	1,900	1,700
Merchandise and finished goods	2,179	2,421
Work in process	596	638
Raw materials and supplies	1,165	1,180
Other	309	223
Allowance for doubtful accounts	(0)	(0)
Total current assets	20,044	19,661
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,418	22,233
Accumulated depreciation and impairment loss	(16,244)	(16,086)
Buildings and structures, net	6,174	6,146
Machinery, equipment and vehicles	31,644	32,460
Accumulated depreciation and impairment loss	(27,848)	(28,360)
Machinery, equipment and vehicles, net	3,796	4,099
Land	7,969	7,969
Lease assets	111	111
Accumulated depreciation and impairment loss	(84)	(88)
Lease assets, net	27	23
Construction in progress	783	391
Other	2,956	2,984
Accumulated depreciation and impairment loss	(2,521)	(2,540)
Other, net	434	443
Total property, plant and equipment	19,185	19,073
Intangible assets		
Goodwill	629	555
Other	50	58
Total intangible assets	679	613
Investments and other assets		
Investment securities	9,655	10,040
Other	1,559	1,526
Allowance for doubtful accounts	(76)	(75)
Total investments and other assets	11,139	11,491
Total non-current assets	31,004	31,178
Total assets	51,048	50,839

Unit : Millions of yen

	March 31, 2019	September 30, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	3,915	3,527
Current portion of long-term loans payable	600	600
Accounts payable-other	1,485	1,156
Income taxes payable	98	288
Provision for bonuses	305	364
Other	123	262
Total current liabilities	<u>6,528</u>	<u>6,198</u>
Non-current liabilities		
Long-term loans payable	450	150
Provision for environmental measures	7	7
Provision for assets removal	24	22
Net defined benefit liability	1,741	1,590
Other	550	548
Total non-current liabilities	<u>2,774</u>	<u>2,318</u>
Total liabilities	<u>9,302</u>	<u>8,517</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,118	14,645
Treasury stock	(5,474)	(5,474)
Total shareholders' equity	<u>39,334</u>	<u>39,860</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	915	887
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	86	132
Remeasurements of defined benefit plans	(53)	(42)
Total accumulated other comprehensive income	<u>948</u>	<u>976</u>
Non-controlling interests	1,463	1,485
Total net assets	<u>41,746</u>	<u>42,322</u>
Total liabilities and net assets	<u>51,048</u>	<u>50,839</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2018 and 2019

	Unit : Millions of yen	
	April - September 2018	April - September 2019
Net sales	13,730	13,627
Cost of sales	11,056	10,657
Gross profit	2,673	2,970
Selling, general and administrative expenses	1,767	1,901
Operating income	906	1,068
Non-operating income		
Interest income	30	28
Dividends income	66	71
Other	40	26
Total non-operating income	137	125
Non-operating expenses		
Interest expenses	2	1
Foreign exchange losses	—	4
Litigation expenses	20	20
Other	13	4
Total non-operating expenses	36	31
Ordinary income	1,007	1,163
Extraordinary income		
Reversal of provision for retirement benefits	—	131
Other	1	0
Total extraordinary income	1	131
Extraordinary loss		
Loss on disposal of non-current assets	30	157
Other	0	2
Total extraordinary losses	30	159
Income before income taxes	978	1,135
Income taxes-current	211	254
Income taxes-deferred	3	8
Total income taxes	214	263
Profit	764	871
Profit attributable to non-controlling interests	60	67
Profit attributable to owners of parent	703	803

Consolidated Statements of comprehensive income

For the first half ended September 30, 2018 and 2019

	Unit : Millions of yen	
	April - September	April - September
Profit	764	871
Other comprehensive income		
Valuation difference on available-for-sale securities	(86)	(28)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(144)	81
Remeasurements of defined benefit plans, net of tax	7	10
Total other comprehensive income	(223)	63
Comprehensive income	540	935
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	534	831
Comprehensive income attributable to non-controlling interests	5	103