

## Gun Ei Chemical Industry Co., Ltd.

### Consolidated Financial Statements

#### Consolidated balance sheets

As of March 31 and December 31, 2019

	Unit : Millions of yen	
	March 31, 2019	December 31, 2019
Assets		
Current assets		
Cash and deposits	5,475	5,432
Notes and accounts receivable-trade	8,418	7,864
Short-term investment securities	1,900	3,200
Merchandise and finished goods	2,179	2,367
Work in process	596	587
Raw materials and supplies	1,165	1,290
Other	309	186
Allowance for doubtful accounts	(0)	(2)
Total current assets	20,044	20,926
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,418	22,846
Accumulated depreciation and impairment loss	(16,244)	(16,195)
Buildings and structures, net	6,174	6,651
Machinery, equipment and vehicles	31,644	32,517
Accumulated depreciation and impairment loss	(27,848)	(28,587)
Machinery, equipment and vehicles, net	3,796	3,930
Land	7,969	7,969
Lease assets	111	111
Accumulated depreciation and impairment loss	(84)	(90)
Lease assets, net	27	20
Construction in progress	783	232
Other	2,956	3,072
Accumulated depreciation and impairment loss	(2,521)	(2,570)
Other, net	434	501
Total property, plant and equipment	19,185	19,307
Intangible assets		
Goodwill	629	518
Other	50	54
Total intangible assets	679	572
Investments and other assets		
Investment securities	9,655	8,886
Other	1,559	1,354
Allowance for doubtful accounts	(76)	(75)
Total investments and other assets	11,139	10,165
Total non-current assets	31,004	30,044
Total assets	51,048	50,971

Unit : Millions of yen

	March 31, 2019	December 31, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	3,915	3,650
Current portion of long-term loans payable	600	600
Accounts payable-other	1,485	1,406
Income taxes payable	98	133
Provision for bonuses	305	197
Other	123	373
Total current liabilities	<u>6,528</u>	<u>6,360</u>
Non-current liabilities		
Long-term loans payable	450	—
Provision for environmental measures	7	7
Provision for assets removal	24	22
Net defined benefit liability	1,741	1,587
Other	550	556
Total non-current liabilities	<u>2,774</u>	<u>2,173</u>
Total liabilities	<u>9,302</u>	<u>8,534</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,118	14,762
Treasury stock	(5,474)	(5,737)
Total shareholders' equity	<u>39,334</u>	<u>39,716</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	915	1,088
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	86	149
Remeasurements of defined benefit plans	(53)	(37)
Total accumulated other comprehensive income	<u>948</u>	<u>1,200</u>
Non-controlling interests	<u>1,463</u>	<u>1,520</u>
Total net assets	<u>41,746</u>	<u>42,436</u>
Total liabilities and net assets	<u>51,048</u>	<u>50,971</u>

## **Consolidated Statements of income and statements of comprehensive income**

### **Consolidated Statements of income**

For the first three quarters ended December 31, 2018 and 2019

	Unit : Millions of yen	
	April - December 2018	April - December 2019
Net sales	20,889	20,371
Cost of sales	16,808	15,949
Gross profit	4,080	4,421
Selling, general and administrative expenses	2,688	2,866
Operating income	1,391	1,555
Non-operating income		
Interest income	44	41
Dividends income	67	83
Other	49	53
Total non-operating income	161	179
Non-operating expenses		
Interest expenses	3	1
Litigation expenses	25	20
Other	14	5
Total non-operating expenses	42	28
Ordinary income	1,510	1,707
Extraordinary income		
Reversal of provision for retirement benefits	—	131
Gain on sales of investment securities	1	37
Other	0	0
Total extraordinary income	2	168
Extraordinary loss		
Loss on disposal of non-current assets	40	181
Other	0	0
Total extraordinary losses	40	182
Income before income taxes	1,472	1,693
Income taxes-current	251	317
Income taxes-deferred	85	86
Total income taxes	336	403
Profit	1,135	1,289
Profit attributable to non-controlling interests	88	91
Profit attributable to owners of parent	1,047	1,198

## Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2018 and 2019

	Unit : Millions of yen	
	April - December 2018	April - December 2019
Profit	1,135	1,289
Other comprehensive income		
Valuation difference on available-for-sale securities	(853)	173
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	35	109
Remeasurements of defined benefit plans, net of tax	10	15
Total other comprehensive income	(807)	298
Comprehensive income	328	1,588
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	226	1,450
Comprehensive income attributable to non-controlling interests	102	137