

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and December 31, 2020

Unit : Millions of yen

	March 31, 2020	December 31, 2020
Assets		
Current assets		
Cash and deposits	6,400	7,277
Notes and accounts receivable-trade	7,532	7,175
Short-term investment securities	3,199	2,500
Merchandise and finished goods	2,266	2,119
Work in process	679	724
Raw materials and supplies	1,133	1,152
Other	231	203
Allowance for doubtful accounts	(3)	(2)
Total current assets	21,440	21,150
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,864	22,821
Accumulated depreciation and impairment loss	(16,258)	(16,494)
Buildings and structures, net	6,606	6,327
Machinery, equipment and vehicles	32,701	32,374
Accumulated depreciation and impairment loss	(28,918)	(29,180)
Machinery, equipment and vehicles, net	3,782	3,193
Land	7,969	7,969
Lease assets	185	137
Accumulated depreciation and impairment loss	(95)	(47)
Lease assets, net	90	90
Construction in progress	34	434
Other	3,113	3,076
Accumulated depreciation and impairment loss	(2,640)	(2,669)
Other, net	473	406
Total property, plant and equipment	18,956	18,423
Intangible assets		
Goodwill	481	370
Other	71	68
Total intangible assets	552	438
Investments and other assets		
Investment securities	8,185	8,814
Other	1,566	1,327
Allowance for doubtful accounts	(75)	(74)
Total investments and other assets	9,677	10,068
Total non-current assets	29,185	28,929
Total assets	50,626	50,079

Unit : Millions of yen

	March 31, 2020	December 31, 2020
Liabilities		
Current liabilities		
Accounts payable-trade	3,603	3,159
Current portion of long-term loans payable	450	—
Accounts payable-other	1,610	1,144
Income taxes payable	295	103
Provision for bonuses	339	184
Other	114	382
Total current liabilities	<u>6,413</u>	<u>4,974</u>
Non-current liabilities		
Provision for environmental measures	7	5
Provision for assets removal	22	22
Retirement benefit liability	1,543	1,537
Other	619	689
Total non-current liabilities	<u>2,192</u>	<u>2,255</u>
Total liabilities	<u>8,605</u>	<u>7,229</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,934	15,489
Treasury shares	(5,975)	(6,226)
Total shareholders' equity	<u>39,649</u>	<u>39,953</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	554	1,426
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	217	4
Remeasurements of defined benefit plans	(2)	5
Total accumulated other comprehensive income	<u>769</u>	<u>1,436</u>
Non-controlling interests	<u>1,601</u>	<u>1,459</u>
Total net assets	<u>42,020</u>	<u>42,850</u>
Total liabilities and net assets	<u>50,626</u>	<u>50,079</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first three quarters ended December 31, 2019 and 2020

	Unit : Millions of yen	
	April - December 2019	April - December 2020
Net sales	20,371	18,315
Cost of sales	15,949	14,085
Gross profit	4,421	4,230
Selling, general and administrative expenses	2,866	2,783
Operating income	1,555	1,446
Non-operating income		
Interest income	41	35
Dividends income	83	83
Other	53	33
Total non-operating income	179	152
Non-operating expenses		
Interest expenses	1	0
Litigation expenses	20	—
Other	5	2
Total non-operating expenses	28	3
Ordinary income	1,707	1,595
Extraordinary income		
Reversal of provision for retirement benefits	131	—
Other	37	0
Total extraordinary income	168	0
Extraordinary loss		
Loss on disposal of non-current assets	181	8
Provision for assets removal	0	—
Total extraordinary losses	182	8
Income before income taxes	1,693	1,586
Income taxes-current	317	304
Income taxes-deferred	86	110
Total income taxes	403	415
Profit	1,289	1,171
Profit attributable to non-controlling interests	91	72
Profit attributable to owners of parent	1,198	1,098

Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2019 and 2020

	Unit : Millions of yen	
	April - December 2019	April - December 2020
Profit	1,289	1,171
Other comprehensive income		
Valuation difference on available-for-sale securities	173	869
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	109	(347)
Remeasurements of defined benefit plans, net of tax	15	7
Total other comprehensive income	298	529
Comprehensive income	1,588	1,700
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,450	1,766
Comprehensive income attributable to non-controlling interests	137	(65)