

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and June 30, 2020

	Unit : Millions of yen	
	March 31, 2020	June 30, 2020
Assets		
Current assets		
Cash and deposits	6,400	6,203
Notes and accounts receivable-trade	7,532	7,133
Short-term investment securities	3,199	2,699
Merchandise and finished goods	2,266	2,262
Work in process	679	667
Raw materials and supplies	1,133	1,256
Other	231	160
Allowance for doubtful accounts	(3)	(3)
Total current assets	21,440	20,380
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,864	22,810
Accumulated depreciation and impairment loss	(16,258)	(16,321)
Buildings and structures, net	6,606	6,489
Machinery, equipment and vehicles	32,701	32,443
Accumulated depreciation and impairment loss	(28,918)	(28,913)
Machinery, equipment and vehicles, net	3,782	3,529
Land	7,969	7,969
Lease assets	185	198
Accumulated depreciation and impairment loss	(95)	(101)
Lease assets, net	90	96
Construction in progress	34	95
Other	3,113	3,073
Accumulated depreciation and impairment loss	(2,640)	(2,624)
Other, net	473	449
Total property, plant and equipment	18,956	18,630
Intangible assets		
Goodwill	481	444
Other	71	67
Total intangible assets	552	511
Investments and other assets		
Investment securities	8,185	8,248
Other	1,566	1,361
Allowance for doubtful accounts	(75)	(74)
Total investments and other assets	9,677	9,534
Total non-current assets	29,185	28,676
Total assets	50,626	49,057

Unit : Millions of yen

	March 31, 2020	June 30, 2020
Liabilities		
Current liabilities		
Accounts payable-trade	3,603	3,226
Current portion of long-term loans payable	450	300
Accounts payable-other	1,610	915
Income taxes payable	295	92
Provision for bonuses	339	193
Other	114	352
Total current liabilities	<u>6,413</u>	<u>5,080</u>
Non-current liabilities		
Provision for environmental measures	7	7
Provision for assets removal	22	22
Retirement benefit liability	1,543	1,539
Other	619	621
Total non-current liabilities	<u>2,192</u>	<u>2,191</u>
Total liabilities	<u>8,605</u>	<u>7,271</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,934	14,974
Treasury shares	(5,975)	(6,225)
Total shareholders' equity	<u>39,649</u>	<u>39,438</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	554	893
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	217	15
Remeasurements of defined benefit plans	(2)	0
Total accumulated other comprehensive income	<u>769</u>	<u>909</u>
Non-controlling interests	<u>1,601</u>	<u>1,437</u>
Total net assets	<u>42,020</u>	<u>41,785</u>
Total liabilities and net assets	<u>50,626</u>	<u>49,057</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first quarter ended June 30, 2019 and 2020

	Unit : Millions of yen	
	April - June 2019	April - June 2020
Net sales	6,746	6,325
Cost of sales	5,273	4,908
Gross profit	1,472	1,416
Selling, general and administrative expenses	918	952
Operating income	554	463
Non-operating income		
Interest income	13	12
Dividends income	17	18
Foreign exchange gains	—	15
Other	16	7
Total non-operating income	48	53
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	5	—
Other	3	0
Total non-operating expenses	9	1
Ordinary income	593	516
Extraordinary income		
Other	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on disposal of non-current assets	39	2
Total extraordinary losses	39	2
Income before income taxes	553	514
Income taxes-current	57	71
Income taxes-deferred	83	77
Total income taxes	141	149
Profit	412	365
Profit attributable to non-controlling interests	47	46
Profit attributable to owners of parent	365	318

Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2019 and 2020

	Unit : Millions of yen	
	April - June 2019	April - June 2020
Profit	412	365
Other comprehensive income		
Valuation difference on available-for-sale securities	(105)	336
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	82	(334)
Remeasurements of defined benefit plans, net of tax	5	2
Total other comprehensive income	(17)	4
Comprehensive income	395	369
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	314	457
Comprehensive income attributable to non-controlling interests	80	(88)