

Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and september 30, 2020

	Unit : Millions of yen	
	March 31, 2020	September 30, 2020
Assets		
Current assets		
Cash and deposits	6,400	7,159
Notes and accounts receivable-trade	7,532	6,642
Short-term investment securities	3,199	2,800
Merchandise and finished goods	2,266	2,212
Work in process	679	720
Raw materials and supplies	1,133	1,196
Other	231	169
Allowance for doubtful accounts	(3)	(3)
Total current assets	21,440	20,899
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,864	22,843
Accumulated depreciation and impairment loss	(16,258)	(16,427)
Buildings and structures, net	6,606	6,416
Machinery, equipment and vehicles	32,701	32,562
Accumulated depreciation and impairment loss	(28,918)	(29,168)
Machinery, equipment and vehicles, net	3,782	3,394
Land	7,969	7,969
Lease assets	185	138
Accumulated depreciation and impairment loss	(95)	(40)
Lease assets, net	90	98
Construction in progress	34	313
Other	3,113	3,083
Accumulated depreciation and impairment loss	(2,640)	(2,645)
Other, net	473	437
Total property, plant and equipment	18,956	18,630
Intangible assets		
Goodwill	481	407
Other	71	70
Total intangible assets	552	477
Investments and other assets		
Investment securities	8,185	8,245
Other	1,566	1,359
Allowance for doubtful accounts	(75)	(74)
Total investments and other assets	9,677	9,529
Total non-current assets	29,185	28,637
Total assets	50,626	49,536

	Unit : Millions of yen	
	March 31, 2020	September 30, 2020
Liabilities		
Current liabilities		
Accounts payable-trade	3,603	3,007
Current portion of long-term loans payable	450	150
Accounts payable-other	1,610	754
Income taxes payable	295	296
Provision for bonuses	339	370
Other	114	274
Total current liabilities	<u>6,413</u>	<u>4,853</u>
Non-current liabilities		
Provision for environmental measures	7	5
Provision for assets removal	22	22
Retirement benefit liability	1,543	1,542
Other	619	618
Total non-current liabilities	<u>2,192</u>	<u>2,188</u>
Total liabilities	<u>8,605</u>	<u>7,042</u>
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,690	25,690
Retained earnings	14,934	15,372
Treasury shares	(5,975)	(6,226)
Total shareholders' equity	<u>39,649</u>	<u>39,837</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	554	1,036
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	217	108
Remeasurements of defined benefit plans	(2)	2
Total accumulated other comprehensive income	<u>769</u>	<u>1,147</u>
Non-controlling interests	<u>1,601</u>	<u>1,510</u>
Total net assets	<u>42,020</u>	<u>42,494</u>
Total liabilities and net assets	<u>50,626</u>	<u>49,536</u>

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2019 and 2020

	Unit : Millions of yen	
	April - September 2019	April - September 2020
Net sales	13,627	12,256
Cost of sales	10,657	9,424
Gross profit	2,970	2,832
Selling, general and administrative expenses	1,901	1,861
Operating income	1,068	970
Non-operating income		
Interest income	28	24
Dividends income	71	57
Other	26	18
Total non-operating income	125	100
Non-operating expenses		
Interest expenses	1	0
Foreign exchange losses	4	—
Litigation expenses	20	—
Other	4	1
Total non-operating expenses	31	2
Ordinary income	1,163	1,068
Extraordinary income		
Reversal of provision for retirement benefits	131	—
Other	0	0
Total extraordinary income	131	0
Extraordinary loss		
Loss on disposal of non-current assets	157	4
Other	2	—
Total extraordinary losses	159	4
Income before income taxes	1,135	1,064
Income taxes-current	254	260
Income taxes-deferred	8	30
Total income taxes	263	291
Profit	871	773
Profit attributable to non-controlling interests	67	56
Profit attributable to owners of parent	803	716

Consolidated Statements of comprehensive income

For the first half ended September 30, 2019 and 2020

	Unit : Millions of yen	
	April - September 2019	April - September 2020
Profit	871	773
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	478
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	81	(177)
Remeasurements of defined benefit plans, net of tax	10	4
Total other comprehensive income	63	306
Comprehensive income	935	1,080
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	831	1,095
Comprehensive income attributable to non-controlling interests	103	(15)