Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and December 31, 2020

		Unit : Millions of ye
	March 31, 2020	December 31, 2020
Assets	2020	2020
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

Liabilities March 31, 2020 December 31, 2020 Current liabilities 3,603 3,159 Accounts payable-trade 3,603 3,159 Accounts payable-other 1,610 1,144 Income taxes payable 295 103 Provision for bonuses 339 184 Other 114 382 Total current liabilities 6,413 4,974 Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets 5,000 5,000 Shareholders' equity 25,690 25,690 Capital surplus 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226)		Unit : Millions of yen	
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 6,413 4,974 Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 25,690 25,690 Capital stock 5,000 5,000 5,000 Capital stock 5,000 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975		·	· · · · · · · · · · · · · · · · · · ·
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 6,413 4,974 Non-current liabilities 7 5 Provision for environmental measures 7 5 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 2,192 2,255 Total liabilities 5,000 5,000 Shareholders' equity 8,605 7,229 Net assets 5 5,000 5,000 Capital stock 5,000 5,000 Capital surplus 25,690 25,690 Retained earnings 14,934 1	Liabilities		
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 6,413 4,974 Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 5,000 5,000 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 39,649 39,953 Accumulated other comprehensive income	Current liabilities		
Accounts payable-other 1,610 1,144 Income taxes payable 295 103 Provision for bonuses 339 184 Other 114 382 Total current liabilities 6,413 4,974 Non-current liabilities 6,413 4,974 Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 25,690 25,690 Capital stock 5,000 5,000 5,000 Capital surplus 25,690 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulat	Accounts payable-trade	3,603	3,159
Income taxes payable 295 103 Provision for bonuses 339 184 Other 114 382 Total current liabilities 6,413 4,974 Non-current liabilities	Current portion of long-term loans payable	450	_
Provision for bonuses 339 184 Other 114 382 Total current liabilities 6,413 4,974 Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 8,605 7,229 Net assets Shareholders' equity 25,690 25,690 Capital stock 5,000 5,000 5,000 Capital surplus 25,690 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income Valuation difference on available-for-sale securities 554 1,426 <t< td=""><td>Accounts payable-other</td><td>1,610</td><td>1,144</td></t<>	Accounts payable-other	1,610	1,144
Other 114 382 Total current liabilities 6,413 4,974 Non-current liabilities	Income taxes payable	295	103
Total current liabilities 6,413 4,974 Non-current liabilities 4,974 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 25,690 5,000 Capital stock 5,000 5,000 5,000 Capital surplus 25,690 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income 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	Provision for bonuses	339	184
Non-current liabilities 7 5 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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 5,000 5,000 Capital stock 5,000 5,000 25,690 Capital surplus 25,690 25,690 25,690 Retained earnings 14,934 15,489 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 N	Other	114	382
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 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 2 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 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Total current liabilities	6,413	4,974
Provision for assets removal 22 22 Retirement benefit liability 1,543 1,537 Other 619 689 Total non-current liabilities 2,192 2,255 Total liabilities 8,605 7,229 Net assets Shareholders' equity 25,690 5,000 Capital stock 5,000 5,000 5,000 Capital surplus 25,690 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 <	Non-current liabilities		
Retirement benefit liability 1,543 1,537 Other 619 689 Total non-current liabilities 2,192 2,255 Total liabilities 8,605 7,229 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 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Provision for environmental measures	7	5
Other 619 689 Total non-current liabilities 2,192 2,255 Total liabilities 8,605 7,229 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 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Provision for assets removal	22	22
Total non-current liabilities 2,192 2,255 Total liabilities 8,605 7,229 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 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Retirement benefit liability	1,543	1,537
Total liabilities 8,605 7,229 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 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Other	619	689
Net assets Shareholders' equity 5,000 5,000 Capital stock 5,000 25,690 Capital surplus 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Total non-current liabilities	2,192	2,255
Shareholders' equity 5,000 5,000 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 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Total liabilities	8,605	7,229
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 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Net assets		
Capital surplus 25,690 25,690 Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Shareholders' equity		
Retained earnings 14,934 15,489 Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 Accumulated other comprehensive income 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Capital stock	5,000	5,000
Treasury shares (5,975) (6,226) Total shareholders' equity 39,649 39,953 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 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Capital surplus	25,690	25,690
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income Non-controlling interests Total net assets 39,649 39,953 1,426 1,426 1,426 207 4 217 4 Remeasurements of defined benefit plans (2) 5 1,436 1,436 1,459 Total net assets 42,020 42,850	Retained earnings	14,934	15,489
Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income Non-controlling interests Total net assets 1,601 1,459 Total net assets	Treasury shares	(5,975)	(6,226)
Valuation difference on available-for-sale securities5541,426Deferred gains or losses on hedges(0)—Foreign currency translation adjustment2174Remeasurements of defined benefit plans(2)5Total accumulated other comprehensive income7691,436Non-controlling interests1,6011,459Total net assets42,02042,850	Total shareholders' equity	39,649	39,953
Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans (2) 5 Total accumulated other comprehensive income Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Accumulated other comprehensive income		
Foreign currency translation adjustment 217 4 Remeasurements of defined benefit plans (2) 5 Total accumulated other comprehensive income 769 1,436 Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Valuation difference on available-for-sale securities	554	1,426
Remeasurements of defined benefit plans(2)5Total accumulated other comprehensive income7691,436Non-controlling interests1,6011,459Total net assets42,02042,850	Deferred gains or losses on hedges	(0)	_
Total accumulated other comprehensive income7691,436Non-controlling interests1,6011,459Total net assets42,02042,850	Foreign currency translation adjustment	217	4
Non-controlling interests 1,601 1,459 Total net assets 42,020 42,850	Remeasurements of defined benefit plans	(2)	5
Total net assets 42,020 42,850	Total accumulated other comprehensive income	769	1,436
	Non-controlling interests	1,601	1,459
Total liabilities and net assets $50,626$ $50,079$	Total net assets	42,020	42,850
	Total liabilities and net assets	50,626	50,079

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

	1	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)