Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and June 30, 2017

Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		Unit: Millions of yen	
Current assets Cash and deposits 9,758 9,208 Notes and accounts receivable-trade 6,857 7,161 Short-term investment securities 2,101 1,700 Merchandise and finished goods 1,515 1,517 Work in process 532 618 Raw materials and supplies 916 980 Other 398 313 Allowance for doubtful accounts (0) - Total current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,690 Buildings and structures, net 6,144 6,073 Accumulated depreciation and impairment loss (26,619) (26,738) Accumulated depreciation and impairment loss (26,619) (26,738) Accumulated depreciation and impairment loss (34) (89) Le			
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Merchandise and finished goods 1,515 1,517 Work in process 532 618 Raw materials and supplies 916 980 Other 398 313 Allowance for doubtful accounts (0) — Total current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 21,665 21,683 Property, plant and equipment 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 <td></td> <td>•</td> <td></td>		•	
Work in process 532 618 Raw materials and supplies 916 980 Other 398 313 Allowance for doubtful accounts (0) — Total current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 22,079 21,499 Property, plant and equipment 8uildings and structures 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,			
Raw materials and supplies 916 980 Other 398 313 Allowance for doubtful accounts (0) — Total current assets 22,079 21,499 Non-current assets 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Other 2,799 2,811		•	
Other 398 313 Allowance for doubtful accounts (0) — Total current assets 22,079 21,499 Non-current assets 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Land 7,969 7,969 7,969 Lease assets 138 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399)	Work in process	532	618
Allowance for doubtful accounts (0) — Total current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 22,079 21,499 Non-current assets 21,665 21,683 Property, plant and equipment 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 39	Raw materials and supplies	916	980
Total current assets 22,079 21,499 Non-current assets 21,665 21,683 Property, plant and equipment 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871	Other	398	313
Non-current assets Property, plant and equipment 21,665 21,683 Buildings and structures 21,665 21,689 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193	Allowance for doubtful accounts	(0)	
Property, plant and equipment 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127	Total current assets	22,079	21,499
Buildings and structures 21,665 21,683 Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78)	Non-current assets		
Accumulated depreciation and impairment loss (15,520) (15,609) Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127	Property, plant and equipment		
Buildings and structures, net 6,144 6,073 Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Investments and other assets 34 34 Investment securities 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Buildings and structures	21,665	21,683
Machinery, equipment and vehicles 29,628 29,653 Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Investments and other assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Accumulated depreciation and impairment loss	(15,520)	(15,609)
Accumulated depreciation and impairment loss (26,619) (26,738) Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Investments and other assets 34 34 Investment securities 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Buildings and structures, net	6,144	6,073
Machinery, equipment and vehicles, net 3,009 2,915 Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Machinery, equipment and vehicles	29,628	29,653
Land 7,969 7,969 Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Accumulated depreciation and impairment loss	(26,619)	(26,738)
Lease assets 138 138 Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Machinery, equipment and vehicles, net	3,009	2,915
Accumulated depreciation and impairment loss (84) (89) Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,496	Land	7,969	7,969
Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Lease assets	138	138
Lease assets, net 53 48 Construction in progress 397 669 Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Accumulated depreciation and impairment loss	(84)	(89)
Other 2,799 2,811 Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		53	48
Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Construction in progress	397	669
Accumulated depreciation and impairment loss (2,399) (2,413) Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Other	2,799	2,811
Other, net 399 398 Total property, plant and equipment 17,974 18,074 Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Accumulated depreciation and impairment loss	(2,399)	(2,413)
Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		399	398
Intangible assets 34 34 Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	Total property, plant and equipment	17,974	18,074
Investments and other assets 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		34	
Investment securities 9,871 10,193 Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496	-		
Other 1,334 1,272 Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		9,871	10,193
Allowance for doubtful accounts (78) (78) Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496		1,334	
Total investments and other assets 11,127 11,388 Total non-current assets 29,136 29,496			
Total non-current assets 29,136 29,496			
10141 455045	Total assets	51,216	50,996

Cinc : ivinions or , cir	Unit	:	Millions	of	yen
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	March 31, 2017	June 30, 2017
Liabilities	2017	2017
Current liabilities		
Accounts payable-trade	3,103	3,512
Current portion of long-term loans payable	654	600
Accounts payable-other	1,866	1,540
Income taxes payable	646	140
Provision for bonuses	362	197
Other	123	358
Total current liabilities	6,758	6,348
Non-current liabilities		
Long-term loans payable	1,650	1,500
Provision for environmental measures	35	35
Provision for assets removal	21	21
Net defined benefit liability	1,711	1,705
Other	586	579
Total non-current liabilities	4,005	3,841
Total liabilities	10,763	10,189
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,689	25,689
Retained earnings	12,469	12,686
Treasury stock	(5,454)	(5,454)
Total shareholders' equity	37,705	37,921
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,531	1,705
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	25	25
Remeasurements of defined benefit plans	(61)	(55)
Total accumulated other comprehensive income	1,495	1,675
Non-controlling interests	1,251	1,209
Total net assets	40,452	40,806
Total liabilities and net assets	51,216	50,996

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first quarter ended June 30, 2016 and 2017

	Unit: Millions of yen	
	April - June	April - June
	2016	2017
Net sales	6,384	6,672
Cost of sales	4,808	5,092
Gross profit	1,576	1,580
Selling, general and administrative expenses	874	883
Operating income	701	696
Non-operating income		
Interest income	15	14
Dividends income	5	9
Equity in earnings of affiliates	1	3
Other	10	15
Total non-operating income	33	42
Non-operating expenses		
Interest expenses	6	2
Foreign exchange losses	42	_
Other	7	5
Total non-operating expenses	56	7
Ordinary income	679	731
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on insurance adjustment	0	9
Settlement received	43	
Total extraordinary income	43	9
Extraordinary loss		
Loss on disposal of non-current assets	4	5
Other	0	
Total extraordinary losses	5	5
Income before income taxes	717	736
Income taxes-current	109	107
Income taxes-deferred	59	111
Total income taxes	169	219
Profit	548	516
Profit attributable to non-controlling interests	44	22
Profit attributable to owners of parent	503	494

Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2016 and 2017

	Uni	Unit: Millions of yen	
	April - June 2016	April - June 2017	
Profit	548	516	
Other comprehensive income			
Valuation difference on available-for-sale securities	(283)	172	
Deferred gains or losses on hedges	Δ0	0	
Foreign currency translation adjustment	(176)	0	
Remeasurements of defined benefit plans, net of tax	5	6	
Share of other comprehensive income of associates accounted for using equity method	(3)	0	
Total other comprehensive income	(457)	179	
Comprehensive income	91	696	
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of parent	115	674	
Comprehensive income attributable to non-controlling interests	(24)	21	