Gun Ei Chemical Industry Co., Ltd.

Consolidated Financial Statements

Consolidated balance sheets

As of March 31 and September 30, 2018

	Unit : Millions of yen	
	March 31, 2018	September 30, 2018
Assets		
Current assets		
Cash and deposits	7,693	5,875
Notes and accounts receivable-trade	8,115	8,135
Short-term investment securities	2,000	1,900
Merchandise and finished goods	1,831	1,832
Work in process	595	823
Raw materials and supplies	1,214	1,261
Other	216	265
Allowance for doubtful accounts	(0)	(0)
Total current assets	21,667	20,094
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,172	22,168
Accumulated depreciation and impairment loss	(15,898)	(16,072)
Buildings and structures, net	6,273	6,096
Machinery, equipment and vehicles	30,707	30,760
Accumulated depreciation and impairment loss	(27,453)	(27,584)
Machinery, equipment and vehicles, net	3,253	3,175
Land	7,969	7,969
Lease assets	111	111
Accumulated depreciation and impairment loss	(71)	(80)
Lease assets, net	40	31
Construction in progress	343	1,074
Other	2,908	2,934
Accumulated depreciation and impairment loss	(2,492)	(2,535)
Other, net	416	398
Total property, plant and equipment	18,297	18,745
Intangible assets		
Goodwill	_	703
Other	31	40
Total intangible assets	31	743
Investments and other assets		
Investment securities	10,990	10,974
Other	1,296	1,303
Allowance for doubtful accounts	(77)	(76)
Total investments and other assets	12,209	12,201
Total non-current assets	30,537	31,689
Total assets	52,205	51,784
	,	

	Ur	Unit : Millions of yen	
	March 31,	September 30,	
	2018	2018	
Liabilities			
Current liabilities			
Accounts payable-trade	3,944	3,727	
Current portion of long-term loans payable	600	600	
Accounts payable-other	1,485	1,468	
Income taxes payable	371	251	
Provision for bonuses	366	385	
Other	125	143	
Total current liabilities	6,894	6,578	
Non-current liabilities			
Long-term loans payable	1,050	750	
Provision for environmental measures	11	7	
Provision for assets removal	25	25	
Net defined benefit liability	1,705	1,685	
Other	565	556	
Total non-current liabilities	3,356	3,025	
Total liabilities	10,250	9,603	
Net assets			
Shareholders' equity			
Capital stock	5,000	5,000	
Capital surplus	25,690	25,690	
Retained earnings	13,496	13,922	
Treasury stock	(5,463)	(5,472)	
Total shareholders' equity	38,723	39,140	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,758	1,671	
Deferred gains or losses on hedges	(0)	(0)	
Foreign currency translation adjustment	127	39	
Remeasurements of defined benefit plans	(39)	(31)	
Total accumulated other comprehensive income	1,847	1,679	
Non-controlling interests	1,383	1,361	
Total net assets	41,954	42,180	
Total liabilities and net assets	52,205	51,784	

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first half ended September 30, 2017 and 2018

April - September 2017April - September 2018Net sales13,05213,730Cost of sales10,02211,056Gross profit3,0292,673Selling, general and administrative expenses1,7851,767Operating income1,244906Non-operating income2830Dividends income5766Equity in earnings of affiliates12-Other5340Total non-operating income152137Non-operating expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income1011Extraordinary income1011Extraordinary income1330Other-0Total extraordinary income1330Loss on disposal of non-current assets1330Income taxes-current317211Income taxes-current317211Income taxes350214Profit1,028764Profit attributable to on-controlling interests666076764Profit attributable to owners of parent982Profit982703		1	Unit : Millions of yen
Net sales $13,052$ $13,730$ Cost of sales $10,022$ $11,056$ Gross profit $3,029$ $2,673$ Selling, general and administrative expenses $1,785$ $1,767$ Operating income $1,244$ 906 Non-operating income 28 30 Dividends income 28 30 Dividends income 57 66 Equity in earnings of affiliates 12 $-$ Other 53 40 Total non-operating expenses 3 2 Interest expenses 3 2 Other 11 34 Total non-operating expenses 14 36 Ordinary income $1,381$ $1,007$ Extraordinary income 10 1 Extraordinary income 10 1 Cother 0 1 Total extraordinary income 13 30 Other $ 0$ Total extraordinary loses 13 30 Income taxes deferred 32 33 Total extraordinary loses 13 300 Income taxes-deferred 32 350 Income taxes 350 214 Profit $1,028$ 764 Profit attributable to non-controlling interests 46 60 60		April - September	
Cost of sales $10,022$ $11,056$ Gross profit $3,029$ $2,673$ Selling, general and administrative expenses $1,785$ $1,767$ Operating income $1,244$ 906 Non-operating income 28 30 Dividends income 57 66 Equity in earnings of affiliates 12 $-$ Other 53 40 Total non-operating income 152 137 Non-operating expenses 3 2 Other 11 34 Total non-operating expenses 3 2 Other 11 34 Total non-operating expenses 14 36 Ordinary income $1,381$ $1,007$ Extraordinary income 0 1 Gain on insurance adjustment 9 $-$ Other 0 1 Total extraordinary income 13 300 Income bason disposal of non-current assets 13 300 Income taxes-deferred 32 3 Total income taxes $1,378$ 978 Income taxes-deferred 32 3 Total income taxes 350 214 Profit $1,028$ 764 Profit attributable to non-controlling interests 46 60			
Gross profit $3,029$ $2,673$ Selling, general and administrative expenses $1,785$ $1,767$ Operating income $1,244$ 906 Non-operating income 28 30 Dividends income 57 66 Equity in earnings of affiliates 12 $-$ Other 53 40 Total non-operating income 152 137 Non-operating expenses 3 2 Interest expenses 3 2 Other 11 34 Total non-operating expenses 14 36 Ordinary income $1,381$ $1,007$ Extraordinary income 0 1 Gain on insurance adjustment 9 $-$ Other 0 1 Total extraordinary income 13 30 Loss on disposal of non-current assets 13 30 Other $ 0$ 1 Income before income taxes $1,378$ 978 Income taxes-deferred 32 3 Total income taxes 350 214 Profit $1,028$ 764 Profit attributable to non-controlling interests 46 60	Net sales	13,052	13,730
Selling, general and administrative expenses $1,785$ $1,767$ Operating income $1,244$ 906Non-operating income 28 30Dividends income 28 30Equity in earnings of affiliates 12 $-$ Other 53 40 Total non-operating income 152 137 Non-operating expenses 3 2 Interest expenses 3 2 Other 11 34 Total non-operating expenses 14 36 Ordinary income $1,381$ $1,007$ Extraordinary income $1,381$ $1,007$ Extraordinary income 0 1 Gain on insurance adjustment 9 $-$ Other 0 1 Total extraordinary income 13 30 Loss on disposal of non-current assets 13 30 Income before income taxes $1,378$ 978 Income taxes-current 317 211 Income taxes-deferred 32 3 Total income taxes 350 214 Profit $1,028$ 764 Profit attributable to non-controlling interests 46 60	Cost of sales	10,022	11,056
Operating income1,244906Non-operating income2830Interest income2830Dividends income5766Equity in earnings of affiliates12-Other5340Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income01Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Loss on disposal of non-current assets1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests46	Gross profit	3,029	2,673
Non-operating income2830Interest income2830Dividends income5766Equity in earnings of affiliates12-Other5340Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income01Gain on insurance adjustment9-Other01Total extraordinary income10Extraordinary loss1330Loss on disposal of non-current assets1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests46	Selling, general and administrative expenses	1,785	1,767
Interest income2830Dividends income5766Equity in earnings of affiliates12 $-$ Other5340Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income01Gain on insurance adjustment9 $-$ Other01Total extraordinary income101Extraordinary loss1330Other $-$ 0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests46	Operating income	1,244	906
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Non-operating income		
Equity in earnings of affiliates12-Other5340Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income134Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Interest income	28	30
Other5340Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income134Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Other-0Total extraordinary losss1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Dividends income	57	66
Total non-operating income152137Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income1,3811,007Extraordinary income01Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Other-0Total extraordinary loss1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Equity in earnings of affiliates	12	_
Non-operating expenses32Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income1,3811,007Extraordinary income01Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Loss on disposal of non-current assets1330Other-01Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Other	53	40
Interest expenses32Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income9 $-$ Gain on insurance adjustment9 $-$ Other01Total extraordinary income10Extraordinary loss13Loss on disposal of non-current assets13Other $-$ 00Total extraordinary losses13Income before income taxes1,378978317Income taxes-current317211350Income taxes350214764Profit1,028764764	Total non-operating income	152	137
Other1134Total non-operating expenses1436Ordinary income1,3811,007Extraordinary income11Gain on insurance adjustment9 $-$ Other01Total extraordinary income101Extraordinary loss1330Loss on disposal of non-current assets1330Other $-$ 0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Non-operating expenses		
Total non-operating expenses 14 36 Ordinary income $1,381$ $1,007$ Extraordinary income 9 $-$ Gain on insurance adjustment 9 $-$ Other 0 1 Total extraordinary income 10 1 Extraordinary loss 13 30 Loss on disposal of non-current assets 13 30 Other $ 0$ Total extraordinary losses 13 30 Income before income taxes $1,378$ 978 Income taxes-current 317 211 Income taxes-deferred 32 3 Total income taxes 350 214 Profit $1,028$ 764 Profit attributable to non-controlling interests 46 60	Interest expenses	3	2
Ordinary income1,3811,007Extraordinary income9-Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss101Loss on disposal of non-current assets1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Other	11	34
Extraordinary income9Gain on insurance adjustment9Other011Total extraordinary income10Extraordinary lossLoss on disposal of non-current assets13Other-00Total extraordinary losses131330Other-00Total extraordinary losses131330Income before income taxes1,378978317Income taxes-current31721132Income taxes350214Profit1,028Profit attributable to non-controlling interests46	Total non-operating expenses	14	36
Gain on insurance adjustment9-Other01Total extraordinary income101Extraordinary loss1330Other-0Total extraordinary losses1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Ordinary income	1,381	1,007
Other01Total extraordinary income101Extraordinary loss1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Extraordinary income		
Total extraordinary income101Extraordinary loss1330Loss on disposal of non-current assets1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Gain on insurance adjustment	9	_
Extraordinary loss1330Loss on disposal of non-current assets1330Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Other	0	1
Loss on disposal of non-current assets1330Other $-$ 0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Total extraordinary income	10	1
Other-0Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Extraordinary loss		
Total extraordinary losses1330Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Loss on disposal of non-current assets	13	30
Income before income taxes1,378978Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Other	_	0
Income taxes-current317211Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Total extraordinary losses	13	30
Income taxes-deferred323Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Income before income taxes	1,378	978
Total income taxes350214Profit1,028764Profit attributable to non-controlling interests4660	Income taxes-current	317	211
Profit1,028764Profit attributable to non-controlling interests4660	Income taxes-deferred	32	3
Profit1,028764Profit attributable to non-controlling interests4660	Total income taxes	350	214
	Profit	1,028	764
	Profit attributable to non-controlling interests		60
	Profit attributable to owners of parent	982	703

Consolidated Statements of comprehensive income

For the first half ended September 30, 2017 and 2018

		Unit : Millions of yen
	April - September 2017	April - September 2018
Profit	1,028	764
Other comprehensive income		
Valuation difference on available-for-sale securities	324	(86)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	23	(144)
Remeasurements of defined benefit plans, net of tax	13	7
Share of other comprehensive income of associates accounted for using equity method	(4)	
Total other comprehensive income	357	(223)
Comprehensive income	1,385	540
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,330	534
Comprehensive income attributable to non-controlling interests	55	5