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July 31, 2023

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: Gun-Ei Chemical Industry Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4229  
 URL: <https://www.gunei-chemical.co.jp>  
 Representative: Kiichiro Arita, President & CEO & Representative Director  
 Inquiries: Katsuhiro Maruyama, Director, Executive Officer, Division Manager of Corporate Division  
 Telephone: +81-27-353-1810  
 Scheduled date to file quarterly securities report: August 10, 2023  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three/months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	7,952	1.2	839	89.3	935	83.1	618	85.9
June 30, 2022	7,862	10.8	443	(42.9)	510	(40.8)	332	(42.3)

Note: Comprehensive income For the three months ended June 30, 2023: ¥1,437 million [186.8%]  
 For the three months ended June 30, 2022: ¥501 million [(17.2)%]

	Basic earnings per share	Diluted earnings per share
Three/months ended	Yen	Yen
June 30, 2023	93.38	—
June 30, 2022	50.22	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	56,401	47,156	80.9
March 31, 2023	54,600	46,107	81.6

Reference: Equity  
 As of June 30, 2023: ¥45,605 million  
 As of March 31, 2023: ¥44,560 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	45.00	—	45.00	90.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		45.00	—	45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating Profit		Ordinary profit		Profit attributable To owners of parent		Basic earnings Per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Six Months Ended	16,000	1.2	1,000	11.7	1,100	4.4	700	(5.8)	105.62
Full year	32,000	1.9	1,900	14.5	2,100	8.3	1,400	16.5	211.24

Note: Revision to the financial results forecast announced most recently: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	8,998,308 shares
As of March 31, 2022	8,998,308 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	2,370,811 shares
As of March 31, 2022	2,370,650 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	6,627,569 shares
Three months ended June 30, 2022	6,628,043 shares

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts, and other special matters

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

# Gun Ei Chemical Industry Co., Ltd.

## Consolidated Financial Statements

### Consolidated balance sheets

As of March 31 and June 30, 2023

	Unit : Millions of yen	
	March 31, 2023	June 30, 2023
Assets		
Current assets		
Cash and deposits	7,760	8,163
Notes and accounts receivable-trade	7,580	7,423
Electronically recorded monetary claims - operating	1,128	1,157
Short-term investment securities	1,500	1,400
Merchandise and finished goods	2,735	2,645
Work in process	901	1,013
Raw materials and supplies	2,151	1,965
Other	219	263
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,977	24,031
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,201	23,281
Accumulated depreciation and impairment loss	(17,292)	(17,403)
Buildings and structures, net	5,908	5,878
Machinery, equipment and vehicles	34,063	34,253
Accumulated depreciation and impairment loss	(31,079)	(31,357)
Machinery, equipment and vehicles, net	2,984	2,896
Land	7,971	7,971
Lease assets	841	905
Accumulated depreciation and impairment loss	(161)	(183)
Lease assets, net	679	721
Construction in progress	1,095	1,604
Other	3,184	3,227
Accumulated depreciation and impairment loss	(2,820)	(2,852)
Other, net	364	375
Total property, plant and equipment	19,004	19,447
Intangible assets		
Goodwill	37	-
Other	81	74
Total intangible assets	118	74
Investments and other assets		
Investment securities	10,340	11,377
Other	1,247	1,557
Allowance for doubtful accounts	(87)	(87)
Total investments and other assets	11,500	12,847
Total non-current assets	30,623	32,369
Total assets	54,600	56,401

Unit : Millions of yen

	March 31, 2023	June 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	4,470	4,580
Accounts payable-other	1,386	1,837
Income taxes payable	134	47
Provision for bonuses	398	217
Other	165	395
Total current liabilities	6,554	7,078
Non-current liabilities		
Provision for environmental measures	5	5
Provision for assets removal	22	22
Retirement benefit liability	361	96
Lease obligations	662	662
Other	886	1,380
Total non-current liabilities	1,938	2,166
Total liabilities	8,493	9,245
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,647	25,647
Retained earnings	17,969	18,289
Treasury shares	(6,229)	(6,230)
Total shareholders' equity	42,386	42,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,759	2,395
Foreign currency translation adjustment	319	413
Remeasurements of defined benefit plans	94	89
Total accumulated other comprehensive income	2,173	2,898
Non-controlling interests	1,547	1,550
Total net assets	46,107	47,156
Total liabilities and net assets	54,600	56,401

**Consolidated Statements of income and statements of comprehensive income****Consolidated Statements of income**

For the first quarter ended June 30, 2022 and 2023

	Unit : Millions of yen	
	April - June 2022	April - June 2023
Net sales	7,862	7,952
Cost of sales	6,389	6,100
Gross profit	1,473	1,852
Selling, general and administrative expenses	1,029	1,013
Operating income	443	839
Non-operating income		
Interest income	10	14
Dividends income	21	22
Foreign exchange gains	29	46
Other	9	16
Total non-operating income	71	99
Non-operating expenses		
Interest expenses	3	3
Other	0	0
Total non-operating expenses	3	3
Ordinary income	510	935
Extraordinary income		
Other	0	-
Total extraordinary income	0	-
Extraordinary loss		
Loss on disposal of non-current assets	13	4
Total extraordinary losses	13	4
Income before income taxes	497	930
Income taxes-current	17	18
Income taxes-deferred	151	253
Total income taxes	168	272
Profit	328	658
Profit (loss) attributable to non-controlling interests	(4)	39
Profit attributable to owners of parent	332	618

**Consolidated Statements of comprehensive income**

For the first quarter ended June 30, 2022 and 2023

	Unit : Millions of yen	
	April - June 2022	April - June 2023
Profit	328	658
Other comprehensive income		
Valuation difference on available-for-sale securities	(124)	636
Foreign currency translation adjustment	299	147
Remeasurements of defined benefit plans, net of tax	(2)	(5)
Total other comprehensive income	172	778
Comprehensive income	501	1,437
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	390	1,343
Comprehensive income attributable to non-controlling interests	110	93