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October 31, 2023

Consolidated Financial Results for the Six Months Ended September 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
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 Telephone: +81-27-353-1810
 Scheduled date to file quarterly securities report: November 14, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the Six months ended September 30, 2023 (from April 1, 2023 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	15,618	(1.2)	1,606	79.5	1,837	74.3	1,269	70.9
September 30, 2022	15,810	10.2	895	(35.4)	1,053	(31.7)	742	(29.4)

Note: Comprehensive income For the Six months ended September 30, 2023: ¥2,565 million [169.3%]
 For the Six months ended September 30, 2022: ¥952 million [(6.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	191.54	—
September 30, 2022	112.06	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	57,902	48,290	80.5
March 31, 2023	54,600	46,107	81.6

Reference: Equity
 As of September 30, 2023: ¥46,634 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	—	45.00			
Fiscal year ending March 31, 2024 (Forecast)			—	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	%	Yen
Full year	31,000	(1.2)	2,400	44.6	2,600	34.0	1,800	49.8	271.59

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 September 30, 2023	8,998,308 shares
As of March 31, 2023	8,998,308 shares

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

As of September 30, 2023	2,368,532 shares
As of March 31, 2023	2,370,650 shares

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

Six months ended September 30, 2023	6,628,449 shares
Six months ended September 30, 2022	6,627,986 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 September 30, 2023

	Unit : Millions of yen	
	March 31, 2023	September 30, 2023
Assets		
Current assets		
Cash and deposits	7,760	9,134
Notes and accounts receivable-trade	7,580	7,726
Electronically recorded monetary claims - operating	1,128	1,282
Short-term investment securities	1,500	700
Merchandise and finished goods	2,735	2,737
Work in process	901	1,024
Raw materials and supplies	2,151	2,002
Other	219	280
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,977	24,887
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,201	23,394
Accumulated depreciation and impairment loss	(17,292)	(17,506)
Buildings and structures, net	5,908	5,888
Machinery, equipment and vehicles	34,063	34,582
Accumulated depreciation and impairment loss	(31,079)	(31,706)
Machinery, equipment and vehicles, net	2,984	2,875
Land	7,971	7,971
Lease assets	841	943
Accumulated depreciation and impairment loss	(161)	(208)
Lease assets, net	679	735
Construction in progress	1,095	1,607
Other	3,184	3,264
Accumulated depreciation and impairment loss	(2,820)	(2,888)
Other, net	364	375
Total property, plant and equipment	19,004	19,453
Intangible assets		
Goodwill	37	-
Other	81	93
Total intangible assets	118	93
Investments and other assets		
Investment securities	10,340	12,027
Other	1,247	1,525
Allowance for doubtful accounts	(87)	(85)
Total investments and other assets	11,500	13,468
Total non-current assets	30,623	33,015
Total assets	54,600	57,902

Unit : Millions of yen

	March 31, 2023	September 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	4,470	4,800
Accounts payable-other	1,386	1,592
Income taxes payable	134	274
Provision for bonuses	398	435
Other	165	291
Total current liabilities	6,554	7,393
Non-current liabilities		
Provision for environmental measures	5	5
Provision for assets removal	22	22
Retirement benefit liability	361	97
Lease obligations	662	685
Other	886	1,406
Total non-current liabilities	1,938	2,218
Total liabilities	8,493	9,612
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,647	25,647
Retained earnings	17,969	18,940
Treasury shares	(6,229)	(6,224)
Total shareholders' equity	42,386	43,363
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,759	2,666
Foreign currency translation adjustment	319	520
Remeasurements of defined benefit plans	94	84
Total accumulated other comprehensive income	2,173	3,271
Non-controlling interests	1,547	1,655
Total net assets	46,107	48,290
Total liabilities and net assets	54,600	57,902

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

For the first half ended September 30, 2022 and 2023

	Unit : Millions of yen	
	April - September 2022	April - September 2023
Net sales	15,810	15,618
Cost of sales	12,811	11,954
Gross profit	2,998	3,664
Selling, general and administrative expenses	2,103	2,057
Operating income	895	1,606
Non-operating income		
Interest income	19	34
Dividends income	83	96
Foreign exchange gains	43	66
Other	19	45
Total non-operating income	166	242
Non-operating expenses		
Interest expenses	6	6
Other	1	5
Total non-operating expenses	7	12
Ordinary income	1,053	1,837
Extraordinary income		
Other	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of non-current assets	14	16
Total extraordinary losses	14	16
Income before income taxes	1,039	1,820
Income taxes-current	123	245
Income taxes-deferred	188	223
Total income taxes	311	468
Profit	727	1,352
Profit (loss) attributable to non-controlling interests	(15)	82
Profit attributable to owners of parent	742	1,269

Consolidated Statements of comprehensive income

For the first half ended September 30, 2022 and 2023

	Unit : Millions of yen	
	April - September 2022	April - September 2023
Profit	727	1,352
Other comprehensive income		
Valuation difference on available-for-sale securities	(263)	907
Foreign currency translation adjustment	492	316
Remeasurements of defined benefit plans, net of tax	(4)	(10)
Total other comprehensive income	225	1,213
Comprehensive income	952	2,565
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	782	2,367
Comprehensive income attributable to non-controlling interests	169	198