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January 31, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 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: February 14, 2024  
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	23,213	(3.2)	2,405	67.3	2,686	66.3	1,843	64.7
December 31, 2022	23,988	10.3	1,437	(31.3)	1,615	(29.7)	1,119	(29.4)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥3,291 million [130.8%]  
 For the nine months ended December 31, 2022: ¥1,426 million [13.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	278.08	—
December 31, 2022	168.87	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	58,735	48,717	80.0
March 31, 2023	54,600	46,107	81.6

Reference: Equity  
 As of December 31, 2023: ¥47,013 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 December 31, 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 December 31, 2023	2,368,791 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)

Nine months ended December 31, 2023	6,628,855 shares
Nine months ended December 31, 2022	6,627,927 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 December 31, 2023

	Unit : Millions of yen	
	March 31, 2023	December 31, 2023
Assets		
Current assets		
Cash and deposits	7,760	8,590
Notes and accounts receivable-trade	7,580	7,442
Electronically recorded monetary claims - operating	1,128	1,410
Short-term investment securities	1,500	1,169
Merchandise and finished goods	2,735	2,664
Work in process	901	856
Raw materials and supplies	2,151	2,310
Other	219	259
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,977	24,703
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,201	23,494
Accumulated depreciation and impairment loss	(17,292)	(17,599)
Buildings and structures, net	5,908	5,894
Machinery, equipment and vehicles	34,063	34,642
Accumulated depreciation and impairment loss	(31,079)	(31,839)
Machinery, equipment and vehicles, net	2,984	2,803
Land	7,971	7,971
Lease assets	841	947
Accumulated depreciation and impairment loss	(161)	(230)
Lease assets, net	679	717
Construction in progress	1,095	1,923
Other	3,184	3,292
Accumulated depreciation and impairment loss	(2,820)	(2,916)
Other, net	364	375
Total property, plant and equipment	19,004	19,686
Intangible assets		
Goodwill	37	-
Other	81	86
Total intangible assets	118	86
Investments and other assets		
Investment securities	10,340	12,579
Other	1,247	1,764
Allowance for doubtful accounts	(87)	(84)
Total investments and other assets	11,500	14,258
Total non-current assets	30,623	34,031
Total assets	54,600	58,735

Unit : Millions of yen

	March 31, 2023	December 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	4,470	4,650
Accounts payable-other	1,386	2,266
Income taxes payable	134	158
Provision for bonuses	398	198
Other	165	406
Total current liabilities	6,554	7,680
Non-current liabilities		
Provision for environmental measures	5	5
Provision for assets removal	22	22
Retirement benefit liability	361	98
Lease obligations	662	680
Other	886	1,531
Total non-current liabilities	1,938	2,337
Total liabilities	8,493	10,018
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,647	25,647
Retained earnings	17,969	19,215
Treasury shares	(6,229)	(6,225)
Total shareholders' equity	42,386	43,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,759	2,770
Foreign currency translation adjustment	319	525
Remeasurements of defined benefit plans	94	79
Total accumulated other comprehensive income	2,173	3,375
Non-controlling interests	1,547	1,704
Total net assets	46,107	48,717
Total liabilities and net assets	54,600	58,735

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

For the first three quarters ended December 31, 2022 and 2023

	Unit : Millions of yen	
	April - December 2022	April - December 2023
Net sales	23,988	23,213
Cost of sales	19,402	17,739
Gross profit	4,585	5,474
Selling, general and administrative expenses	3,148	3,069
Operating income	1,437	2,405
Non-operating income		
Interest income	31	55
Dividends income	100	113
Foreign exchange gains	20	56
Other	38	74
Total non-operating income	190	299
Non-operating expenses		
Interest expenses	9	10
Other	2	8
Total non-operating expenses	11	18
Ordinary income	1,615	2,686
Extraordinary income		
Other	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on disposal of non-current assets	84	32
Total extraordinary losses	84	32
Income before income taxes	1,531	2,655
Income taxes-current	221	361
Income taxes-deferred	227	321
Total income taxes	449	682
Profit	1,081	1,972
Profit (loss) attributable to non-controlling interests	(37)	128
Profit attributable to owners of parent	1,119	1,843

**Consolidated Statements of comprehensive income**

For the first three quarters ended December 31, 2022 and 2023

	Unit : Millions of yen	
	April - December 2022	April - December 2023
Profit	1,081	1,972
Other comprehensive income		
Valuation difference on available-for-sale securities	(61)	1,011
Foreign currency translation adjustment	412	323
Remeasurements of defined benefit plans, net of tax	(6)	(15)
Total other comprehensive income	344	1,319
Comprehensive income	1,426	3,291
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,311	3,045
Comprehensive income attributable to non-controlling interests	114	246