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May 14, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (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 of annual general meeting of shareholders: June 21, 2024  
 Scheduled date to commence dividend payments: June 24, 2024  
 Scheduled date to file annual securities report: June 21, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	30,310	(3.4)	2,729	64.4	3,162	63.0	2,040	69.9
March 31, 2023	31,390	6.7	1,659	(33.3)	1,939	(31.1)	1,201	(37.7)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥4,856 million [164.2%]  
 For the fiscal year ended March 31, 2023: ¥1,838 million [0.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	307.83	—	4.4	5.5	9.0
March 31, 2023	181.26	—	2.7	3.6	5.3

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2024: ¥ — million  
 For the fiscal year ended March 31, 2023: ¥ — million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	61,010	50,281	79.5	7,320.51
March 31, 2023	54,600	46,107	81.6	6,723.36

Reference: Equity  
 As of March 31, 2024: ¥48,530 million  
 As of March 31, 2023: ¥44,560 million

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	3,638	(2,162)	(774)	8,613
March 31, 2023	1,200	(2,465)	(687)	7,752

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	45.00	—	45.00	90.00	596	49.7	1.4
Fiscal year ended March 31, 2024	—	45.00	—	55.00	100.00	662	32.5	1.4
Fiscal year ending March 31, 2025 (Forecast)	—	50.00	—	50.00	100.00		41.4	

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)**

(% 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
Six Months Ended	15,000	(4.0)	1,000	(37.8)	1,100	(40.1)	700	(44.9)	105.59
Full year	31,000	2.3	2,100	(23.1)	2,300	(27.3)	1,600	(21.6)	241.35

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	2,368,906 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)

Fiscal year ended March 31, 2024	6,629,004 shares
Fiscal year ended March 31, 2023	6,627,884 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	25,376	(3.9)	2,294	22.1	2,834	24.1	1,857	28.0
March 31, 2023	26,413	5.3	1,879	(24.5)	2,284	(21.7)	1,451	(28.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	280.20	—
March 31, 2023	218.95	—

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	55,509	46,592	83.9	7,028.15
March 31, 2023	50,175	43,107	85.9	6,504.16

Reference: Equity

As of March 31, 2024: ¥46,592 million  
As of March 31, 2023: ¥43,107 million

\* Financial results reports are exempt from audit 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, 2023 and 2024

	Unit : Millions of yen	
	March 31, 2023	March 31, 2024
Assets		
Current assets		
Cash and deposits	7,760	8,634
Notes and accounts receivable-trade	7,580	7,367
Electronically recorded monetary claims - operating	1,128	1,334
Short-term investment securities	1,500	917
Merchandise and finished goods	2,735	2,612
Work in process	901	943
Raw materials and supplies	2,151	2,307
Other	219	229
Allowance for doubtful accounts	(0)	(1)
Total current assets	23,977	24,346
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,201	23,573
Accumulated depreciation and impairment loss	(17,292)	(17,668)
Buildings and structures, net	5,908	5,904
Machinery, equipment and vehicles	34,063	34,987
Accumulated depreciation and impairment loss	(31,079)	(32,057)
Machinery, equipment and vehicles, net	2,984	2,929
Land	7,971	7,974
Lease assets	841	949
Accumulated depreciation and impairment loss	(161)	(242)
Lease assets, net	679	707
Construction in progress	1,095	2,524
Other	3,184	3,336
Accumulated depreciation and impairment loss	(2,820)	(2,940)
Other, net	364	396
Total property, plant and equipment	19,004	20,436
Intangible assets		
Goodwill	37	—
Other	81	140
Total intangible assets	118	140
Investments and other assets		
Investment securities	10,340	14,303
Retirement benefit asset	—	375
Deferred tax assets	71	43
Other	1,175	1,446
Allowance for doubtful accounts	(87)	(82)
Total investments and other assets	11,500	16,086
Total non-current assets	30,623	36,664
Total assets	54,600	61,010

	Unit : Millions of yen	
	March 31, 2023	March 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	4,470	4,306
Accounts payable-other	1,386	2,606
Income taxes payable	134	395
Provision for bonuses	398	386
Other	165	219
Total current liabilities	6,554	7,914
Non-current liabilities		
Lease obligations	662	690
Deferred tax liabilities	449	1,559
Provision for environmental measures	5	5
Provision for assets removal	22	22
Retirement benefit liability	361	99
Other	436	437
Total non-current liabilities	1,938	2,814
Total liabilities	8,493	10,729
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,647	25,647
Retained earnings	17,969	19,413
Treasury shares	(6,229)	(6,225)
Total shareholders' equity	42,386	43,835
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,759	3,979
Foreign currency translation adjustment	319	555
Remeasurements of defined benefit plans	94	160
Total accumulated other comprehensive income	2,173	4,695
Non-controlling interests	1,547	1,750
Total net assets	46,107	50,281
Total liabilities and net assets	54,600	61,010

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

For the fiscal year ended March 31, 2023 and 2024

	Unit : Millions of yen	
	April 2022 - March 2023	April 2023 - March 2024
Net sales	31,390	30,310
Cost of sales	25,483	23,432
Gross profit	5,907	6,877
Selling, general and administrative expenses	4,247	4,148
Operating income	1,659	2,729
Non-operating income		
Interest income	48	82
Dividends income	165	191
Foreign exchange gains	23	74
Other	58	107
Total non-operating income	295	456
Non-operating expenses		
Interest expenses	12	13
Other	2	10
Total non-operating expenses	15	24
Ordinary income	1,939	3,162
Extraordinary income		
Litigation related income	—	100
Other	0	3
Total extraordinary income	0	104
Extraordinary losses		
Loss on disposal of non-current assets	93	83
Impairment loss	202	199
Other	—	19
Total extraordinary losses	295	303
Income before income taxes	1,644	2,962
Income taxes-current	399	558
Income taxes-deferred	98	212
Total income taxes	497	770
Profit	1,146	2,192
Profit (loss) attributable to non-controlling interests	(54)	151
Profit attributable to owners of parent	1,201	2,040

**Consolidated Statements of comprehensive income**

For the fiscal year ended March 31, 2023 and 2024

	Unit : Millions of yen	
	April 2022 - March 2023	April 2023 - March 2024
Profit	1,146	2,192
Other comprehensive income		
Valuation difference on available-for-sale securities	256	2,220
Foreign currency translation adjustment	384	377
Remeasurements of defined benefit plans, net of tax	50	65
Total other comprehensive income	691	2,663
Comprehensive income	1,838	4,856
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,748	4,562
Comprehensive income attributable to non-controlling interests	89	293

For the fiscal year ended March 31, 2023

(Unit : Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,000	25,690	17,331	(6,228)	41,793
Changes of items during the period					
Dividends from surplus			(563)		(563)
Profit attributable to owners of parent			1,201		1,201
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Capital increase of consolidated subsidiaries		(43)			(43)
Net changes in items other than shareholders' equity					
Total changes of items during the period	—	(43)	637	(1)	593
Balance at the end of the period	5,000	25,647	17,969	(6,229)	42,386

	Accumulated other comprehensive income			Non-controlling interests
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	
Balance at the beginning of the period	1,500	81	44	1,480
Changes of items during the period				
Dividends from surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Capital increase of consolidated subsidiaries				
Net changes in items other than shareholders' equity	258	238	50	66
Total changes of items during the period	258	238	50	66
Balance at the end of the period	1,759	319	94	1,547

For the fiscal year ended March 31, 2024

(Unit : Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,000	25,647	17,969	(6,229)	42,386
Changes of items during the period					
Dividends from surplus			(596)		(596)
Profit attributable to owners of parent			2,040		2,040
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		6	6
Capital increase of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes of items during the period	—	(0)	1,444	4	1,448
Balance at the end of the period	5,000	25,647	19,413	(6,225)	43,835

	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non-controlling interests
Balance at the beginning of the period	1,759	319	94	1,547
Changes of items during the period				
Dividends from surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Capital increase of consolidated subsidiaries				
Net changes in items other than shareholders' equity	2,220	235	65	203
Total changes of items during the period	2,220	235	65	203
Balance at the end of the period	3,979	555	160	1,750

**Consolidated Statements of Cash Flows**

For the fiscal year ended March 31, 2023 and 2024

	Unit : Millions of yen	
	April 2022 - March 2023	April 2023 - March 2024
Net cash provided by (used in) operating activities		
Income before income taxes	1,644	2,962
Depreciation	1,605	1,604
Impairment loss	202	199
Amortization of goodwill	148	37
Increase (decrease) in net defined benefit liability	(608)	(269)
Interest and dividends income	(213)	(274)
Interest expenses	12	13
Decrease (increase) in notes and accounts receivable-trade	23	97
Decrease (increase) in inventories	(992)	(11)
Increase (decrease) in notes and accounts payable - trade	(381)	(203)
Other, net	222	(454)
Subtotal	1,661	3,701
Interest and dividends income received	210	259
Interest expenses paid	(12)	(13)
Income taxes paid	(658)	(308)
Net cash provided by (used in) operating activities	1,200	3,638
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(99)	—
Purchase of securities	(1,200)	(469)
Proceeds from redemption of securities	1,700	1,369
Purchase of property, plant and equipment	(1,733)	(1,817)
Purchase of investment securities	(2,002)	(1,904)
Proceeds from sales and redemption of investment securities	900	750
Other, net	(29)	(91)
Net cash provided by (used in) investing activities	(2,465)	(2,162)
Net cash provided by (used in) financing activities		
Proceeds from share issuance to non-controlling shareholders	21	—
Net decrease (increase) in treasury shares	(1)	(2)
Cash dividends paid	(561)	(596)
Dividends paid to non-controlling interests	(87)	(90)
Repayments of lease liabilities	(58)	(85)
Net cash provided by (used in) financing activities	(687)	(774)
Effect of exchange rate change on cash and cash equivalents	124	159
Net increase (decrease) in cash and cash equivalents	(1,826)	860
Cash and cash equivalents at beginning of period	9,579	7,752
Cash and cash equivalents at end of period	7,752	8,613