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July 31, 2024

Consolidated Financial Results for the Three Months Ended June 30, 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
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 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, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	7,634	(4.0)	692	(17.4)	810	(13.3)	530	(14.4)
June 30, 2023	7,952	1.2	839	89.3	935	83.1	618	85.9

Note: Comprehensive income For the three months ended June 30, 2024: ¥911 million [(36.5)%]
 For the three months ended June 30, 2023: ¥1,437 million [186.8%]

	Basic earnings per share	Diluted earnings per share
Three/months ended	Yen	Yen
June 30, 2024	79.95	—
June 30, 2023	93.38	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	60,815	50,731	80.6
March 31, 2024	61,010	50,281	79.5

Reference: Equity
 As of June 30, 2024: ¥49,023 million
 As of March 31, 2024: ¥48,530 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, 2024	—	45.00	—	55.00	100.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		50.00	—	50.00	100.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 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	%	
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

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, 2024	8,998,308 shares
As of March 31, 2024	8,998,308 shares

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

As of June 30, 2024	2,369,027 shares
As of March 31, 2024	2,368,906 shares

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

Three months ended June 30, 2024	6,629,324 shares
Three months ended June 30, 2023	6,627,569 shares

- * Review of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * 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, 2024

	Unit : Millions of yen	
	March 31, 2024	June 30, 2024
Assets		
Current assets		
Cash and deposits	8,634	8,195
Notes and accounts receivable-trade	7,367	7,244
Electronically recorded monetary claims - operating	1,334	1,308
Short-term investment securities	917	1,425
Merchandise and finished goods	2,612	2,674
Work in process	943	984
Raw materials and supplies	2,307	2,028
Other	229	221
Allowance for doubtful accounts	(1)	(3)
Total current assets	24,346	24,077
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,573	24,076
Accumulated depreciation and impairment loss	(17,668)	(17,775)
Buildings and structures, net	5,904	6,300
Machinery, equipment and vehicles	34,987	35,633
Accumulated depreciation and impairment loss	(32,057)	(32,293)
Machinery, equipment and vehicles, net	2,929	3,340
Land	7,974	7,974
Lease assets	949	955
Accumulated depreciation and impairment loss	(242)	(264)
Lease assets, net	707	690
Construction in progress	2,524	1,580
Other	3,336	3,321
Accumulated depreciation and impairment loss	(2,940)	(2,933)
Other, net	396	387
Total property, plant and equipment	20,436	20,274
Intangible assets		
Other	140	131
Total intangible assets	140	131
Investments and other assets		
Investment securities	14,303	14,511
Retirement benefit asset	375	437
Other	1,490	1,464
Allowance for doubtful accounts	(82)	(81)
Total investments and other assets	16,086	16,331
Total non-current assets	36,664	36,737
Total assets	61,010	60,815

		Unit : Millions of yen	
		March 31,	June 30,
		2024	2024
Liabilities			
Current liabilities			
Accounts payable-trade	4,306	4,382	
Accounts payable-other	2,606	1,834	
Income taxes payable	395	100	
Provision for bonuses	386	222	
Other	219	501	
Total current liabilities	7,914	7,041	
Non-current liabilities			
Lease obligations	690	657	
Provision for environmental measures	5	5	
Provision for assets removal	22	22	
Retirement benefit liability	99	101	
Other	1,997	2,254	
Total non-current liabilities	2,814	3,041	
Total liabilities	10,729	10,083	
Net assets			
Shareholders' equity			
Capital stock	5,000	5,000	
Capital surplus	25,647	25,647	
Retained earnings	19,413	19,578	
Treasury shares	(6,225)	(6,225)	
Total shareholders' equity	43,835	44,000	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,979	4,266	
Foreign currency translation adjustment	555	606	
Remeasurements of defined benefit plans	160	149	
Total accumulated other comprehensive income	4,695	5,023	
Non-controlling interests	1,750	1,708	
Total net assets	50,281	50,731	
Total liabilities and net assets	61,010	60,815	

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

For the first quarter ended June 30, 2023 and 2024

	Unit : Millions of yen	
	April - June 2023	April - June 2024
Net sales	7,952	7,634
Cost of sales	6,100	5,924
Gross profit	1,852	1,709
Selling, general and administrative expenses	1,013	1,016
Operating income	839	692
Non-operating income		
Interest income	14	24
Dividends income	22	27
Foreign exchange gains	46	51
Other	16	19
Total non-operating income	99	122
Non-operating expenses		
Interest expenses	3	3
Other	0	1
Total non-operating expenses	3	5
Ordinary income	935	810
Extraordinary income		
Other	-	0
Total extraordinary income	-	0
Extraordinary loss		
Loss on disposal of non-current assets	4	13
Total extraordinary losses	4	13
Income before income taxes	930	796
Income taxes-current	18	85
Income taxes-deferred	253	147
Total income taxes	272	232
Profit	658	564
Profit attributable to non-controlling interests	39	34
Profit attributable to owners of parent	618	530

Consolidated Statements of comprehensive income

For the first quarter ended June 30, 2023 and 2024

	Unit : Millions of yen	
	April - June 2023	April - June 2024
Profit	658	564
Other comprehensive income		
Valuation difference on available-for-sale securities	636	287
Foreign currency translation adjustment	147	71
Remeasurements of defined benefit plans, net of tax	(5)	(10)
Total other comprehensive income	778	347
Comprehensive income	1,437	911
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,343	857
Comprehensive income attributable to non-controlling interests	93	54