

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 31, 2024

Consolidated Financial Results for the Six Months Ended September 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
 Inquiries: Katsuhiro Maruyama, Director, Executive Officer, Division Manager of Corporate Division
 Telephone: +81-27-353-1810
 Scheduled date to file semi-annual securities report: November 14, 2024
 Scheduled date to commence dividend payments: December 3, 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 Six months ended September 30, 2024 (from April 1, 2024 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	15,182	(2.8)	1,235	(23.1)	1,436	(21.8)	987	(22.2)
September 30, 2023	15,618	(1.2)	1,606	79.5	1,837	74.3	1,269	70.9

Note: Comprehensive income For the Six months ended September 30, 2024: ¥620 million [(75.8)%]
 For the Six months ended September 30, 2023: ¥2,565 million [169.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	148.96	—
September 30, 2023	191.54	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	59,964	50,453	81.1
March 31, 2024	61,010	50,281	79.5

Reference: Equity
 As of September 30, 2024: ¥48,658 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	—	50.00			
Fiscal year ending March 31, 2025 (Forecast)			—	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	%	Yen
Full year	30,600	1.0	2,200	(19.4)	2,500	(20.9)	1,700	(16.7)	256.37

Note: Revision to the financial results forecast announced most recently: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual 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, 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 September 30, 2024	2,364,912 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)

Six months ended September 30, 2024	6,631,064 shares
Six months ended September 30, 2023	6,628,449 shares

* Semi-annual financial results reports are exempt from 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, 2024

	Unit : Millions of yen	
	March 31, 2024	September 30, 2024
Assets		
Current assets		
Cash and deposits	8,634	9,475
Notes and accounts receivable-trade	7,367	6,712
Electronically recorded monetary claims - operating	1,334	1,173
Short-term investment securities	917	899
Merchandise and finished goods	2,612	2,404
Work in process	943	1,027
Raw materials and supplies	2,307	2,043
Other	229	305
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,346	24,041
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,573	24,172
Accumulated depreciation and impairment loss	(17,668)	(17,901)
Buildings and structures, net	5,904	6,271
Machinery, equipment and vehicles	34,987	35,825
Accumulated depreciation and impairment loss	(32,057)	(32,647)
Machinery, equipment and vehicles, net	2,929	3,178
Land	7,974	7,974
Lease assets	949	993
Accumulated depreciation and impairment loss	(242)	(292)
Lease assets, net	707	701
Construction in progress	2,524	2,064
Other	3,336	3,386
Accumulated depreciation and impairment loss	(2,940)	(2,951)
Other, net	396	435
Total property, plant and equipment	20,436	20,625
Intangible assets		
Other	140	126
Total intangible assets	140	126
Investments and other assets		
Investment securities	14,303	13,378
Retirement benefit asset	375	416
Other	1,490	1,457
Allowance for doubtful accounts	(82)	(80)
Total investments and other assets	16,086	15,171
Total non-current assets	36,664	35,922
Total assets	61,010	59,964

		Unit : Millions of yen	
		March 31, 2024	September 30, 2024
Liabilities			
Current liabilities			
Accounts payable-trade	4,306	4,126	
Accounts payable-other	2,606	1,619	
Income taxes payable	395	346	
Provision for bonuses	386	436	
Other	219	386	
Total current liabilities	7,914	6,914	
Non-current liabilities			
Lease obligations	690	689	
Provision for environmental measures	5	5	
Provision for assets removal	22	22	
Retirement benefit liability	99	108	
Other	1,997	1,769	
Total non-current liabilities	2,814	2,595	
Total liabilities	10,729	9,510	
Net assets			
Shareholders' equity			
Capital stock	5,000	5,000	
Capital surplus	25,647	25,650	
Retained earnings	19,413	20,036	
Treasury shares	(6,225)	(6,214)	
Total shareholders' equity	43,835	44,471	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,979	3,353	
Foreign currency translation adjustment	555	695	
Remeasurements of defined benefit plans	160	138	
Total accumulated other comprehensive income	4,695	4,187	
Non-controlling interests	1,750	1,795	
Total net assets	50,281	50,453	
Total liabilities and net assets	61,010	59,964	

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

For the first half ended September 30, 2023 and 2024

	Unit : Millions of yen	
	April - September 2023	April - September 2024
Net sales	15,618	15,182
Cost of sales	11,954	11,871
Gross profit	3,664	3,311
Selling, general and administrative expenses	2,057	2,076
Operating income	1,606	1,235
Non-operating income		
Interest income	34	49
Dividends income	96	115
Foreign exchange gains	66	16
Other	45	30
Total non-operating income	242	212
Non-operating expenses		
Interest expenses	6	7
Other	5	4
Total non-operating expenses	12	11
Ordinary income	1,837	1,436
Extraordinary income		
Other	0	10
Total extraordinary income	0	10
Extraordinary losses		
Loss on disposal of non-current assets	16	20
Total extraordinary losses	16	20
Income before income taxes	1,820	1,426
Income taxes-current	245	304
Income taxes-deferred	223	72
Total income taxes	468	377
Profit	1,352	1,049
Profit attributable to non-controlling interests	82	61
Profit attributable to owners of parent	1,269	987

Consolidated Statements of comprehensive income

For the first half ended September 30, 2023 and 2024

	Unit : Millions of yen	
	April - September 2023	April - September 2024
Profit	1,352	1,049
Other comprehensive income		
Valuation difference on available-for-sale securities	907	(626)
Foreign currency translation adjustment	316	219
Remeasurements of defined benefit plans, net of tax	(10)	(21)
Total other comprehensive income	1,213	(428)
Comprehensive income	2,565	620
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	2,367	479
Comprehensive income attributable to non-controlling interests	198	140