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May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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 20, 2025
 Scheduled date to commence dividend payments: June 23, 2025
 Scheduled date to file annual securities report: June 20, 2025
 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, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	30,545	0.8	2,293	(16.0)	2,716	(14.1)	1,920	(5.9)
March 31, 2024	30,310	(3.4)	2,729	64.4	3,162	63.0	2,040	69.9

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥2,230 million [(54.1)%]
 For the fiscal year ended March 31, 2024: ¥4,856 million [164.2%]

	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, 2025	289.60	—	3.9	4.4	7.5
March 31, 2024	307.83	—	4.4	5.5	9.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥ — million
 For the fiscal year ended March 31, 2024: ¥ — 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, 2025	63,018	51,731	78.9	7,499.57
March 31, 2024	61,010	50,281	79.5	7,320.51

Reference: Equity
 As of March 31, 2025: ¥49,745 million
 As of March 31, 2024: ¥48,530 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, 2025	4,330	(2,806)	(875)	9,536
March 31, 2024	3,638	(2,162)	(774)	8,613

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, 2024	—	45.00	—	55.00	100.00	662	32.5	1.4
Fiscal year ended March 31, 2025	—	50.00	—	50.00	100.00	663	34.5	1.3
Fiscal year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		39.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating Profit		Ordinary profit		Profit attributable To owners of parent		Basic earnings Per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six Months Ended	15,000	(1.2)	1,100	(11.0)	1,300	(9.5)	800	(19.0)	120.61
Full year	31,000	1.5	2,300	0.3	2,500	(8.0)	1,700	(11.5)	256.29

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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, 2025	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 March 31, 2025	2,365,148 shares
As of March 31, 2024	2,368,906 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	6,632,209 shares
Fiscal year ended March 31, 2024	6,629,004 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	25,181	(0.8)	1,929	(15.9)	2,433	(14.2)	1,835	(1.2)
March 31, 2024	25,376	(3.9)	2,294	22.1	2,834	24.1	1,857	28.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	276.71	—
March 31, 2024	280.20	—

(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, 2025	56,961	47,373	83.2	7,141.91
March 31, 2024	55,509	46,592	83.9	7,028.15

Reference: Equity

As of March 31, 2025: ¥47,373 million
As of March 31, 2024: ¥46,592 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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, 2024 and 2025

	Unit : Millions of yen	
	March 31, 2024	March 31, 2025
Assets		
Current assets		
Cash and deposits	8,634	9,251
Notes and accounts receivable-trade	7,367	7,091
Electronically recorded monetary claims - operating	1,334	1,174
Short-term investment securities	917	1,698
Merchandise and finished goods	2,612	2,500
Work in process	943	876
Raw materials and supplies	2,307	2,379
Other	229	314
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,346	25,285
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,573	24,386
Accumulated depreciation and impairment loss	(17,668)	(18,124)
Buildings and structures, net	5,904	6,262
Machinery, equipment and vehicles	34,987	36,810
Accumulated depreciation and impairment loss	(32,057)	(33,301)
Machinery, equipment and vehicles, net	2,929	3,508
Land	7,974	7,961
Lease assets	949	924
Accumulated depreciation and impairment loss	(242)	(215)
Lease assets, net	707	708
Construction in progress	2,524	3,595
Other	3,336	3,494
Accumulated depreciation and impairment loss	(2,940)	(3,036)
Other, net	396	457
Total property, plant and equipment	20,436	22,494
Intangible assets		
Other	140	153
Total intangible assets	140	153
Investments and other assets		
Investment securities	14,303	13,211
Retirement benefit asset	375	488
Deferred tax assets	43	49
Other	1,446	1,413
Allowance for doubtful accounts	(82)	(78)
Total investments and other assets	16,086	15,084
Total non-current assets	36,664	37,732
Total assets	61,010	63,018

		Unit : Millions of yen	
		March 31,	March 31,
		2024	2025
Liabilities			
Current liabilities			
Accounts payable-trade		4,306	4,385
Accounts payable-other		2,606	3,146
Income taxes payable		395	370
Provision for bonuses		386	386
Other		219	148
Total current liabilities		7,914	8,438
Non-current liabilities			
Lease obligations		690	735
Deferred tax liabilities		1,559	1,527
Provision for environmental measures		5	5
Provision for assets removal		22	22
Retirement benefit liability		99	125
Other		437	432
Total non-current liabilities		2,814	2,848
Total liabilities		10,729	11,287
Net assets			
Shareholders' equity			
Capital stock		5,000	5,000
Capital surplus		25,647	25,650
Retained earnings		19,413	20,637
Treasury shares		(6,225)	(6,215)
Total shareholders' equity		43,835	45,072
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities		3,979	3,609
Foreign currency translation adjustment		555	868
Remeasurements of defined benefit plans		160	195
Total accumulated other comprehensive income		4,695	4,673
Non-controlling interests		1,750	1,985
Total net assets		50,281	51,731
Total liabilities and net assets		61,010	63,018

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

For the fiscal year ended March 31, 2024 and 2025

	Unit : Millions of yen	
	April 2023 - March 2024	April 2024 - March 2025
Net sales	30,310	30,545
Cost of sales	23,432	24,019
Gross profit	6,877	6,525
Selling, general and administrative expenses	4,148	4,232
Operating income	2,729	2,293
Non-operating income		
Interest income	82	108
Dividends income	191	245
Other	182	93
Total non-operating income	456	447
Non-operating expenses		
Interest expenses	13	14
Other	10	9
Total non-operating expenses	24	24
Ordinary income	3,162	2,716
Extraordinary income		
Gain on sale of non-current assets	0	20
Gain on sale of investment securities	0	10
Litigation related income	100	-
Other	3	0
Total extraordinary income	104	30
Extraordinary losses		
Loss on disposal of non-current assets	83	34
Impairment loss	199	-
Other	19	-
Total extraordinary losses	303	34
Income before income taxes	2,962	2,711
Income taxes-current	558	601
Income taxes-deferred	212	54
Total income taxes	770	656
Profit	2,192	2,055
Profit attributable to non-controlling interests	151	134
Profit attributable to owners of parent	2,040	1,920

Consolidated Statements of comprehensive income

For the fiscal year ended March 31, 2024 and 2025

	Unit : Millions of yen	
	April 2023 - March 2024	April 2024 - March 2025
Profit	2,192	2,055
Other comprehensive income		
Valuation difference on available-for-sale securities	2,220	(369)
Foreign currency translation adjustment	377	509
Remeasurements of defined benefit plans, net of tax	65	35
Total other comprehensive income	2,663	175
Comprehensive income	4,856	2,230
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	4,562	1,898
Comprehensive income attributable to non-controlling interests	293	331

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
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				
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

For the fiscal year ended March 31, 2025

(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	19,413	(6,225)	43,835
Changes of items during the period					
Dividends from surplus			(696)		(696)
Profit attributable to owners of parent			1,920		1,920
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		2		11	14
Net changes in items other than shareholders' equity					
Total changes of items during the period	-	2	1,224	9	1,237
Balance at the end of the period	5,000	25,650	20,637	(6,215)	45,072

	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	3,979	555	160	1,750
Changes of items during the period				
Dividends from surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Net changes in items other than shareholders' equity	(370)	313	35	235
Total changes of items during the period	(370)	313	35	235
Balance at the end of the period	3,609	868	195	1,985

Consolidated Statements of Cash Flows

For the fiscal year ended March 31, 2024 and 2025

	Unit : Millions of yen	
	April 2023 - March 2024	April 2024 - March 2025
Net cash provided by (used in) operating activities		
Income before income taxes	2,962	2,711
Depreciation	1,604	1,692
Impairment loss	199	-
Amortization of goodwill	37	-
Increase (decrease) in net defined benefit liability	(269)	13
Interest and dividends income	(274)	(353)
Interest expenses	13	14
Decrease (increase) in notes and accounts receivable-trade	97	554
Decrease (increase) in inventories	(11)	177
Increase (decrease) in notes and accounts payable - trade	(203)	27
Other, net	(454)	(193)
Subtotal	3,701	4,643
Interest and dividends income received	259	325
Interest expenses paid	(13)	(14)
Income taxes paid	(308)	(623)
Net cash provided by (used in) operating activities	3,638	4,330
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	-	107
Purchase of securities	(469)	(700)
Proceeds from sale and redemption of securities	1,369	717
Purchase of property, plant and equipment	(1,817)	(2,951)
Purchase of investment securities	(1,904)	(1,806)
Proceeds from sales and redemption of investment securities	750	1,844
Other, net	(91)	(17)
Net cash provided by (used in) investing activities	(2,162)	(2,806)
Net cash provided by (used in) financing activities		
Net decrease (increase) in treasury shares	(2)	(2)
Cash dividends paid	(596)	(694)
Dividends paid to non-controlling interests	(90)	(96)
Repayments of lease liabilities	(85)	(83)
Net cash provided by (used in) financing activities	(774)	(875)
Effect of exchange rate change on cash and cash equivalents	159	274
Net increase (decrease) in cash and cash equivalents	860	923
Cash and cash equivalents at beginning of period	7,752	8,613
Cash and cash equivalents at end of period	8,613	9,536