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January 31, 2025

**Consolidated Financial Results
for the Nine Months Ended December 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
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of 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, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	22,702	(2.2)	1,694	(29.5)	1,978	(26.4)	1,394	(24.3)
December 31, 2023	23,213	(3.2)	2,405	67.3	2,686	66.3	1,843	64.7

Note: Comprehensive income For the nine months ended December 31, 2024: ¥1,561 million [(52.6%)]
 For the nine months ended December 31, 2023: ¥3,291 million [130.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2024	Yen 210.33	Yen —
December 31, 2023	278.08	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of December 31, 2024	Millions of yen 61,755	Millions of yen 51,062	% 79.7
March 31, 2024	61,010	50,281	79.5

Reference: Equity

As of December 31, 2024: ¥49,224 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
Fiscal year ended March 31, 2024	Yen —	Yen 45.00	Yen —	Yen 55.00	Yen 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: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 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 December 31, 2024	2,364,921 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)

Nine months ended December 31, 2024	6,631,843 shares
Nine months ended December 31, 2023	6,628,855 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: 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 December 31, 2024

	Unit : Millions of yen	
	March 31, 2024	December 31, 2024
Assets		
Current assets		
Cash and deposits	8,634	9,389
Notes and accounts receivable-trade	7,367	7,168
Electronically recorded monetary claims - operating	1,334	1,400
Short-term investment securities	917	900
Merchandise and finished goods	2,612	2,559
Work in process	943	941
Raw materials and supplies	2,307	2,205
Other	229	282
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,346	24,844
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,573	24,200
Accumulated depreciation and impairment loss	(17,668)	(18,010)
Buildings and structures, net	5,904	6,190
Machinery, equipment and vehicles	34,987	36,291
Accumulated depreciation and impairment loss	(32,057)	(33,016)
Machinery, equipment and vehicles, net	2,929	3,274
Land	7,974	7,974
Lease assets	949	1,002
Accumulated depreciation and impairment loss	(242)	(314)
Lease assets, net	707	687
Construction in progress	2,524	2,588
Other	3,336	3,424
Accumulated depreciation and impairment loss	(2,940)	(2,992)
Other, net	396	432
Total property, plant and equipment	20,436	21,148
Intangible assets		
Other	140	130
Total intangible assets	140	130
Investments and other assets		
Investment securities	14,303	13,865
Retirement benefit asset	375	395
Other	1,490	1,451
Allowance for doubtful accounts	(82)	(80)
Total investments and other assets	16,086	15,631
Total non-current assets	36,664	36,910
Total assets	61,010	61,755

	Unit : Millions of yen	
	March 31, 2024	December 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	4,306	4,629
Accounts payable-other	2,606	2,376
Income taxes payable	395	94
Provision for bonuses	386	226
Other	219	488
Total current liabilities	7,914	7,814
Non-current liabilities		
Lease obligations	690	698
Provision for environmental measures	5	5
Provision for assets removal	22	22
Retirement benefit liability	99	111
Other	1,997	2,039
Total non-current liabilities	2,814	2,877
Total liabilities	10,729	10,692
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	25,647	25,650
Retained earnings	19,413	20,111
Treasury shares	(6,225)	(6,214)
Total shareholders' equity	43,835	44,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,979	3,831
Foreign currency translation adjustment	555	717
Remeasurements of defined benefit plans	160	127
Total accumulated other comprehensive income	4,695	4,677
Non-controlling interests	1,750	1,838
Total net assets	50,281	51,062
Total liabilities and net assets	61,010	61,755

Consolidated Statements of income and statements of comprehensive income

Consolidated Statements of income

For the first three quarters ended December 31, 2023 and 2024

	Unit : Millions of yen	
	April - December 2023	April - December 2024
Net sales	23,213	22,702
Cost of sales	17,739	17,860
Gross profit	5,474	4,842
Selling, general and administrative expenses	3,069	3,147
Operating income	2,405	1,694
Non-operating income		
Interest income	55	75
Dividends income	113	138
Foreign exchange gains	56	44
Other	74	42
Total non-operating income	<u>299</u>	<u>300</u>
Non-operating expenses		
Interest expenses	10	10
Other	8	6
Total non-operating expenses	<u>18</u>	<u>17</u>
Ordinary income	<u>2,686</u>	<u>1,978</u>
Extraordinary income		
Other	<u>1</u>	<u>10</u>
Total extraordinary income	<u>1</u>	<u>10</u>
Extraordinary losses		
Loss on disposal of non-current assets	<u>32</u>	<u>25</u>
Total extraordinary losses	<u>32</u>	<u>25</u>
Income before income taxes	<u>2,655</u>	<u>1,963</u>
Income taxes-current	361	355
Income taxes-deferred	321	135
Total income taxes	<u>682</u>	<u>490</u>
Profit	<u>1,972</u>	<u>1,472</u>
Profit attributable to non-controlling interests	<u>128</u>	<u>77</u>
Profit attributable to owners of parent	<u>1,843</u>	<u>1,394</u>

Consolidated Statements of comprehensive income

For the first three quarters ended December 31, 2023 and 2024

	Unit : Millions of yen	
	April - December 2023	April - December 2024
Profit	1,972	1,472
Other comprehensive income		
Valuation difference on available-for-sale securities	1,011	(148)
Foreign currency translation adjustment	323	269
Remeasurements of defined benefit plans, net of tax	(15)	(32)
Total other comprehensive income	<u>1,319</u>	<u>88</u>
Comprehensive income	<u>3,291</u>	<u>1,561</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,045	1,376
Comprehensive income attributable to non-controlling interests	246	184