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July 30, 2026

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Notice Concerning Announcement of Consolidated Earnings Forecast and Dividend Forecast (Including 80th Anniversary Commemorative Dividends)

Gun Ei Chemical Industry Co., Ltd. (the "Company") hereby announces that the consolidated earnings forecast and dividend forecast for the fiscal year ending March 31, 2027, which had not yet been determined in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)" announced on May 14, 2026, have now been determined as follows.

1. Consolidated earnings forecast

(1) Consolidated earnings forecast for the six months ending September 30, 2026 (from April 1, 2026 to September 30, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen –	Millions of yen –	Millions of yen –	Millions of yen –	Millions of yen –
Revised forecast (B)	17,800	1,900	2,100	1,200	180.84
Increase (B – A)	–	–	–	–	–
Change (%)	–	–	–	–	–
(Reference) Results of the six months ended September 30, 2025	15,565	1,398	1,510	973	146.74

(2) Consolidated earnings forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen –	Millions of yen –	Millions of yen –	Millions of yen –	Millions of yen –
Revised forecast (B)	34,200	2,600	3,000	1,700	256.18
Increase (B – A)	–	–	–	–	–
Change (%)	–	–	–	–	–
(Reference) Results of the fiscal year ended March 31, 2026	31,307	2,567	2,959	1,973	297.49

(3) Reason for the announcement of consolidated earnings forecast

The earnings forecast for the fiscal year ending March 31, 2027 had not yet been determined owing to the difficulty in reasonably estimating the impact of the situation in the Middle East on raw material prices and procurement. However, based on information and projections currently available, the Company has now determined the consolidated earnings forecast and hereby announces it.

At the Board of Directors meeting held on July 30, 2026, the Company resolved to withdraw from the food products business, as announced separately in the "Notice Concerning Withdrawal from Food Products Business and Revision of the GCI Group's Medium-Term Management Policy 2030." This consolidated earnings forecast reflects this factor.

While the outlook for the situation in the Middle East remains uncertain, the Company has secured alternative procurement routes for raw materials and has a clear path to maintaining operations. Furthermore, progress has been made in passing on higher raw material costs. Demand for resins for electronic materials has remained firm, driven by strong demand for memory for generative AI applications. Reflecting these recent results, net sales are expected to exceed those of the previous fiscal year.

In terms of profitability, while profits are expected to increase driven by higher sales volumes of resins for electronic materials, profit attributable to owners of parent for the full fiscal year is projected to fall below that of the previous fiscal year due to the recording of a one-time expense (384 million yen) as an extraordinary loss following the withdrawal from the food products business.

The Company has set out the transformation of its business portfolio and the improvement of capital efficiency in its GCI group's medium-term management policy 2030. Going forward, the Company will concentrate its management resources on growth areas such as its chemical products business, a principal business of the Company, and work to enhance the profitability and corporate value of the entire group.

2. Dividend forecast

(1) Dividend forecast for the fiscal year ending March 31, 2027

	Dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous forecast	Yen –	Yen –	Yen –
Revised forecast	65.00 (Ordinary dividend: 55.00 yen) (Commemorative dividend: 10.00 yen)	55.00	120.00 (Ordinary dividend: 110.00 yen) (Commemorative dividend: 10.00 yen)
Results of the fiscal year ending March 31, 2027			
Results of the fiscal year ended March 31, 2026	50.00	50.00	100.00

(2) Reason for the announcement of dividend forecast

The Group positions returning profits to shareholders as one of its top management priorities. Its basic policy is to be mindful of the cost of capital, strengthen its financial position, and pursue continuous business growth, while distributing returns to shareholders based on its financial performance. The Group is committed to increasing the dividend per share and to maintaining stable dividends, targeting a dividend payout ratio of around 40%.

The dividend forecast for the fiscal year ending March 31, 2027 had had not yet been determined, in line with the consolidated earnings forecast. However, based on the Group's dividend policy and consolidated earnings forecast, the Company has now determined to increase the ordinary dividend by 10 yen per share. The Company marked its 80th anniversary on January 23, 2026. The Company would like to sincerely thank its shareholders and all other stakeholders for their continued support and cooperation, which have enabled the Company to reach this milestone. Accordingly, to express its gratitude to its shareholders, the Company plans to pay a commemorative dividend of 10 yen per share.

As a result, the dividend forecast for the fiscal year ending March 31, 2027 is 120 yen per share, comprising an interim dividend of 65 yen per share (consisting of an ordinary dividend 55 yen and a commemorative dividend of 10 yen) and a year-end dividend of 55 yen per share (ordinary dividend).

(Note) The above forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecast figures due to various factors in the future.