

Consolidated Financial Results

For the 2nd Quarter Ended September 30, 2023

Company name: PACIFIC INDUSTRIAL CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchanges

Stock code number: 7250

URL: <https://www.pacific-ind.co.jp/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2023 2nd Quarter (From April 1, 2023 to September 30, 2023)

(1) Consolidated Financial Results

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2023 2nd quarter	102,655	12.9	7,494	188.0	10,331	86.4	7,531	82.3
FY2022 2nd quarter	90,911	15.9	2,601	-48.2	5,542	-4.4	4,131	-5.7

Note: Comprehensive income

FY2023 2nd quarter: 22,091million yen (82.3%), FY2022 2nd quarter: 12,116 million yen (48.0%)

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2023 2nd quarter	128.28	128.03
FY2022 2nd quarter	68.75	68.62

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and Non-controlling interests as a percentage of total assets
	Million Yen	Million Yen	%
FY2023 2nd quarter	278,756	158,207	56.4
FY2022	258,058	138,721	53.4

Note: Shareholders' equity: FY2023 2nd quarter: 157,128 million yen FY2022: 137,717 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	20.00	—	22.00	42.00
FY2023	—	22.00	—	—	—
FY2023(Forecast)	—	—	—	22.00	44.00

Note: Revisions to the forecasts announced most recently: Yes

3. Forecasts of Consolidated Financial Results for FY 2023 (From April 1, 2023 to March 31, 2024)

(%:changes from the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit attribute to owners of parent		Earning Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2023	198,000	3.5	12,000	29.1	15,000	13.6	10,500	12.9	179.06

Note: Revisions to the forecasts announced most recently: Yes

4. Notes

(1) Changes in major subsidiaries during the current quarter: None

(changes in specified subsidiaries that caused a change in the scope of consolidation)

Newly included: — (company name)

Newly excluded: — (company name)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies with revision of accounting standards : None

② Changes other than ① : None

③ Changes in accounting estimates : Yes

④ Restatement : None

(3) Number of shares issued and outstanding (common stock)

①Number of shares outstanding at end of period(including treasury stock)	FY2023 2nd quarter	61,312,896 shares	FY 2022	61,312,896 shares
②Number of shares of treasury stock at end of period	FY2023 2nd quarter	2,755,352 shares	FY 2022	1,670,909 shares
③Average number of common stock (quarterly total)	FY2023 2nd quarter	58,706,960 shares	FY2022 2nd quarter	60,096,170 shares

* Note on status of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. As of the time of disclosure of this summary of quarterly financial results, however, the review procedures for quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecasts of financial results, described in this document are based on information currently available to Pacific industrial and on certain assumptions deemed by Pacific industrial to be rational.

Consolidated Balance Sheets

(Million Yen)

	FY2022 (As of Mar.31, 2023)	FY2023 (As of Sep.30, 2023)		FY2022 (As of Mar.31, 2023)	FY2023 (As of Sep.30, 2023)
(Assets)			(Liabilities)		
Current Assets	90,690	89,286	Current Liabilities	52,635	51,076
Cash and time deposits	32,088	29,397	Trade notes and accounts payable	14,394	13,813
Trade notes and accounts receivable	31,227	33,379	Electronically recorded obligations - operating	6,832	7,123
Merchandise and finished goods	9,522	7,346	Short-term borrowings	1,015	1,015
Work in process	7,414	6,984	Current portion of long-term borrowings	6,851	6,241
Raw materials and supplies	6,185	6,765	Accounts payable	5,285	6,225
Other current assets	4,424	5,611	Income taxes payable	2,040	2,086
Less: Allowance for doubtful accounts	(173)	(199)	Allowance for bonuses	1,605	1,787
			Other current liabilities	14,610	12,782
Fixed Assets	167,367	189,470			
Property, Plant and Equipment	111,924	123,182	Noncurrent Liabilities	66,701	69,473
Buildings and structures	32,658	35,401	Long-term borrowings	53,350	53,038
Machinery and vehicles	46,081	47,955	Provision for directors retirement benefit	173	175
Tools, Furniture, and fixtures	2,297	2,303	Net defined benefit liabilities	553	597
Land	10,651	10,890	Other noncurrent liabilities	12,623	15,661
Lease Asset	1,311	1,376			
Construction in progress	18,924	25,255	Total Liabilities	119,337	120,549
Intangible Fixed Assets	11,545	11,976			
Goodwill	6,219	6,320	(Net assets)		
Other	5,325	5,655	Shareholders' Equity	107,854	112,795
Investments and Other Assets	43,897	54,311	Capital stock	7,316	7,316
Investments in securities	36,636	47,122	Capital surplus	7,686	7,690
Other fixed assets	7,262	7,191	Retained earnings	94,044	100,254
Less: Allowance for doubtful accounts	(1)	(2)	Less: Treasury stock at cost	(1,193)	(2,465)
			Valuation and Translation Adjustment	29,862	44,332
			Valuation difference on available securities	16,100	22,540
			Foreign currency translation adjustments	13,154	21,276
			Remeasurement of defined benefit plan	608	515
			Subscription rights to shares	97	97
			Minority Interests	905	981
			Total Net Assets	138,721	158,207
Total Assets	258,058	278,756	Total Liabilities and Net Assets	258,058	278,756

Consolidated Statements of Income

(Million Yen)

	FY2022 For the Second Quarter Sep.30, 2022	FY2023 For the Second Quarter Sep.30, 2023
Net sales	90,911	102,655
Cost of sales	81,503	87,866
Gross profit	9,408	14,788
Selling, general and administrative expenses	6,806	7,294
Operating Income (loss)	2,601	7,494
Non-operating income	3,117	3,062
Interest income	30	169
Dividend income	392	456
Equity in earnings of affiliated companies	471	680
Foreign exchange gain	1,743	1,154
Other non-operating income	479	602
Non-operating Expenses	176	224
Interest expense	144	161
Other non-operating expense	31	63
Ordinary income (loss)	5,542	10,331
Extraordinary Losses	104	63
Loss on sales and retirements of fixed assets	104	63
Profit (loss) before income taxes and non controlling interests	5,437	10,267
Income taxes	1,264	2,687
Current term net profit (loss)	4,173	7,580
Profit (loss) attributable to non-controlling interests	41	49
Profit (loss) attributable to owners of parent	4,131	7,531